OFFERING CIRCULAR

METAPLANET INC.

(incorporated with limited liability under the laws of Japan)

Offering of ¥52,000,000,000 Zero Coupon Convertible Bonds due 2031

Offer Price: 102.5%

This Offering Circular relates to the issue by Metaplanet Inc. (the "Company") of ¥52,000,000,000 Zero Coupon Convertible Bonds due 2031 (the "Bonds") (being bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki Sahai*).

The Bonds will be issued in registered form in the denomination of ¥10,000,000 each with a stock acquisition right (*shinkabu* yoyakuken) (the "Stock Acquisition Rights").

The Stock Acquisition Rights will be exercisable from, and including, 12 November 2026 to, and including, 15 October 2031, and will entitle the Bondholder (as defined in the terms and conditions of the Bonds (the "Conditions")) to acquire fully-paid and non-assessable shares of common stock of the Company (the "Ordinary Shares") at an initial conversion price, subject to adjustment in certain events and as set out in the Conditions, of ¥339 per Ordinary Share.

No custodian or custodian's agent has been appointed to assist the Company with delivery of Ordinary Shares upon exercise of Stock Acquisition Rights by holders. The Company will directly take actions necessary to issue and deliver the relevant Ordinary Shares, in accordance with the Conditions.

Each Bondholder exercising a Stock Acquisition Rights must represent at the time of such exercise that it is not, and it is not acting for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") ("Regulation S")) and is receiving Ordinary Shares in an "offshore transaction" within the meaning of Regulation S. A Conversion Notice (as defined in the Conditions) that does not contain such representation, or in the Company's opinion contains an incorrect representation, will be void. This requirement applies throughout the full term of the Bonds.

Unless previously redeemed or purchased and cancelled, or unless the Bonds have become due and repayable, the Bonds will be redeemed at 100% of their principal amount on 29 October 2031. In addition, at any time on or after 12 November 2029, the Company may redeem all, but not some only, of the Bonds then outstanding at 100% of their principal amount as set out in the Conditions, provided however no such redemption may be made unless the Closing Price (as defined in the Conditions) of the Ordinary Shares for any 20 Trading Days (as defined in the Conditions) in a period of 30 consecutive Trading Days, the last of which occurs not more than 30 days prior to the date upon which the Optional Redemption Notice (as defined in the Conditions) is given, is at least 160% of the Conversion Price (as defined in the Conditions) in effect on each such Trading Day. Further, if at any time prior to the date on which the notice of redemption is given, the outstanding principal amount of the Bonds is less than 10% of the aggregate principal amount of the Bonds as at the date of issue thereof, all, but not some only, of the Bonds may be redeemed at 100% of their principal amount, at the option of the Company as set out in the Conditions. Furthermore, the holder of any Bond may require the Company to redeem such Bond at 100% of its principal amount on 29 October 2029.

Payments in respect of the Bonds will be made without withholding or deduction for or on account of Japanese taxes except to the extent required by law (see "Japanese Taxation"). If Japanese withholding taxes are imposed on payments in respect of the Bonds as a result of certain changes in tax law and the Company is, or will become required to pay any Additional Amounts (as defined in the Conditions), the Company may redeem all of the Bonds at 100% of their principal amount.

The Ordinary Shares are listed on the Standard Market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange"). The closing price of the Ordinary Shares on 13 October 2026, as reported by Tokyo Stock Exchange, was ¥261 per Ordinary Share.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing of and quotation for the Bonds on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Offering Circular. Admission to the Official List of the SGX-ST and quotation for the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries, its associated companies or the Bonds.

The Bonds will initially be evidenced by a global certificate (the "Global Certificate") representing the Bonds in registered form, which is expected to be deposited with, and registered in the name of, or a nominee for, a common depositary for each of Euroclear Bank SA/NV ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg") on or about 29 October 2026 (the "Closing Date") for the accounts of their respective accountholders. The Lead Manager (as defined in "Subscription and Sale") expects to deliver the Bonds to investors through the facilities of Euroclear and Clearstream, Luxembourg on or about the Closing Date.

This Offering Circular does not constitute an offer of, or solicitation of an offer to buy or subscribe for, the Bonds or the Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful. In particular, the Bonds and the Ordinary Shares have not been, and will not be, registered under the Securities Act and, subject to certain exceptions, the Bonds or the Ordinary Shares may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. In addition, the Bonds have not been, and will not be, registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "FIEA") and may not be offered or sold within Japan or to, or for the account of, residents of Japan, including corporations incorporated under the laws of Japan, unless otherwise permitted under the FIEA. For a summary of certain restrictions on the offer and sale of the Bonds and the Ordinary Shares, see "Subscription and Sale".

See "Risk Factors" for a discussion of certain factors that should be considered in connection with an investment in the Bonds.

Sole Bookrunner and Lead Manager

BofA Securities

The date of this Offering Circular is 13 October 2026

The Company accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of the Company (the Company having taken all reasonable care to ensure that such is the case), the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Company, having made all reasonable enquiries, confirms that (i) this Offering Circular contains all information with respect to the Company, the Group (as defined below), the Bonds and the Ordinary Shares (including all information in relation to the applicable laws of Japan) which is material in the context of the issue and offering of the Bonds, (ii) the statements contained in this Offering Circular are in every material particular true and accurate and not misleading, (iii) the opinions and intentions expressed in this Offering Circular with regard to the Company and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, (iv) there are no other facts in relation to the Company, the Group, the Bonds, the Ordinary Shares or the Preferred Stock the omission of which would, in the context of the issue and offering of the Bonds, make any statement in this Offering Circular misleading in any material respect, and (v) all reasonable enquiries have been made by the Company to ascertain such facts and to verify the accuracy of all such information and statements.

No person has been authorised to give any information or to make any representation not contained in this Offering Circular, and any information or representation not contained in this Offering Circular must not be relied upon as having been authorised by or on behalf of the Company or the Lead Manager, or the Trustee, Principal Agent or Registrar (each as defined in the Conditions), or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them. Neither the delivery of this Offering Circular nor any sale made in connection herewith at any time implies that the information contained in this Offering Circular is correct as of any time subsequent to the date of this Offering Circular, nor does it imply that there has been no change in the affairs or the financial position of the Group since the date of this Offering Circular.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Company or the Lead Manager, the Trustee, the Principal Agent or the Registrar or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them, to subscribe for, or purchase, any of the Bonds. The distribution of this Offering Circular and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Company and the Lead Manager to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offer and sale of the Bonds and distribution of this Offering Circular, see "Subscription and Sale".

To the fullest extent permitted by law, none of the Lead Manager, the Trustee, the Principal Agent or the Registrar accept any responsibility whatsoever for the contents of this Offering Circular or for any other statement, made or purported to be made on their behalf in connection with the Company, the Group or the issue and offering of the Bonds. Each of the Lead Manager, the Trustee, the Principal Agent and the Registrar and their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

No action is being taken to permit a public offering of the Bonds or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Bonds and the circulation of documents relating thereto, in jurisdictions including the United States, Japan, the European Economic Area, the United Kingdom, Singapore, Hong Kong and to persons connected therewith. See "Subscription and Sale".

The Bonds and the Ordinary Shares have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Bonds and the Ordinary Shares may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. See "Subscription and Sale".

There are restrictions on the offer and sale of the Bonds and the Ordinary Shares in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000 ("FSMA") with respect to anything done by any person in relation to the Bonds or the Ordinary Shares in, from or otherwise involving the United Kingdom must be complied with. See "Subscription and Sale".

UK Product Governance—Solely for the purposes of the manufacturers' product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law; and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. Any

distributor should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

Prohibition of Sales to EEA Retail Investors—The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors—The Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is not a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Bonds or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Disclosure of Demand and Allocation: Each prospective purchaser who places an order for the Bonds consents to the disclosure by the Lead Manager (as defined in "Subscription and Sale") to the Company of the prospective purchaser's identity, the details of such order and the actual amount purchased, if any.

STABILISATION AND OVER-ALLOTMENT

IN CONNECTION WITH THE ISSUE OF THE BONDS, MERRILL LYNCH INTERNATIONAL (THE "STABILISING MANAGER") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT THE BONDS OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE BONDS AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE FINAL TERMS OF THE OFFER OF THE BONDS IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE BONDS AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE BONDS. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct—Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of the offering of the Bonds, including certain Joint Lead Managers, are "capital market intermediaries" (together, the "CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licenced by or Registered with the Securities and Futures Commission (the "SFC Code"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "OCs") for the offering and are subject to additional requirements under the SFC Code.

Prospective investors who are our directors, employees or major shareholders, a CMI or its group companies would be considered under the SFC Code as having an association (an "Association") with us, the

CMI or the relevant group company. Prospective investors associated with us or any CMI (including its group companies) should specifically disclose this when placing an order for us and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Lead Manager, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Lead Manager or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Lead Manager, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Joint Lead Manager when placing such order and such orders will be subject to applicable requirements in accordance with the SFC Code. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Lead Managers and/or any other third parties as may be required by the SFC Code, including to us, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the offering. Failure to provide such information may result in that order being rejected.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

In this Offering Circular, "we," "us," "our," "our group," "the Company", "the Group" or "Metaplanet" refer to Metaplanet Inc. and its consolidated subsidiaries or, as the context requires, Metaplanet Inc. on a non-consolidated basis.

In this Offering Circular, when information has been extracted from our financial statements and is presented in thousands, millions or billions of yen, amounts of less than one thousand, one million or one billion, as the case may be, have been truncated. For other information presented in thousands, millions or billions of yen, amounts of less than one thousand, one million or one billion, as the case may be, have been truncated unless otherwise specified. In this Offering Circular, where information is presented as percentages, amounts less than one-tenth of one percent or one-hundredth of one percent, as the case may be, have been rounded unless otherwise specified. Accordingly, figures presented in tables in this Offering Circular may not total due to such truncating and rounding. In this Offering Circular, references to "yen", "JPY" or "¥" are to the lawful currency of Japan. References to "U.S. dollar," "dollars," "US$" or "$" are to the lawful currency of the United States.

References to "bitcoin" or "BTC" are to bitcoin. References to our "bitcoin holdings" are to the bitcoin we hold in offline, or "cold," storage. References to our "bitcoin NAV" are to the aggregate market value in yen of our bitcoin holdings. Consistent with what we believe is market practise, our bitcoin NAV does not represent a "net" asset value.

Our financial statements are prepared in accordance with accounting principles generally accepted in Japan ("Japanese GAAP"), which differ in certain significant respects from accounting principles generally accepted in other jurisdictions, including the United States ("U.S. GAAP"), as well as International Financial Reporting Standards. All interim financial data is derived from unaudited interim financial statements. Our fiscal year-end is 31 December of each year. In this Offering Circular, references to a specific year or years are to calendar years unless otherwise noted.

Our audited consolidated financial statements as of and for the fiscal years ended 31 December 2023, 2024 and 2025 and our unaudited interim consolidated financial statements as of and for the six months ended 30 June 2025 and 2026 are included elsewhere in this Offering Circular.

THIRD-PARTY INFORMATION

We make statements in this Offering Circular about our competitive position, and include statistics relating to industry and general economic trends. We have made these statements on the basis of statistics and other information from third-party sources, such as governmental agencies and industry or general publications that we believe are reliable, and estimates derived from such information. Although we have no reason to believe any of this information is inaccurate in any material respect, we have not independently verified and cannot assure the accuracy of the data provided by or derived from third-party sources.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains "forward-looking statements". These statements appear in a number of places in this Offering Circular and include statements regarding the intent, belief or current expectations of our management with respect to our business, results of operations and financial condition. In many cases, but not all, we use such words as "aim," "anticipate," "believe," "estimate," "expect," "forecast," "intend," "may," "outlook," "plan," "potential," "predict," "probability," "project," "risk," "seek," "should," "target," "will," "would" and similar expressions in relation to us or our management to identify forward-looking statements. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These statements reflect our current views with respect to future events and are subject to risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, our actual results may vary materially from those we currently anticipate.

Potential risks and uncertainties we face include, without limitation, those identified and discussed in "Risk Factors," "Recent Business," "Business" and elsewhere in this Offering Circular. Given these risks and uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this Offering Circular. We disclaim any obligation to update, or to announce publicly any revision to, any of the forward-looking statements contained in this Offering Circular to reflect future actual events or developments.

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SUMMARY INFORMATION

The following summary does not purport to be complete and is qualified in its entirety by, and is subject to, the more detailed information and financial statements and the notes thereto contained elsewhere in this Offering Circular. For a discussion of certain factors that should be considered by prospective investors in connection with an investment in the Ordinary Shares or the Bonds, see "Risk Factors".

Metaplanet Inc.

The Company is a fast-growing bitcoin treasury company based in Japan with a strong track record of rapid bitcoin accumulation. As of 30 June 2026, the Company's bitcoin holdings totalled 43,000 BTC. This ranks the Company the third globally and first in Asia among publicly listed companies' bitcoin holdings. In April 2024, the Company executed a strategic transformation of its business by adopting a bitcoin treasury strategy, establishing bitcoin as its core treasury reserve asset. Since adopting a bitcoin treasury strategy, the Company has rapidly grown its bitcoin reserves from an initial purchase of 97.85 bitcoin in April 2024 to 43,000 bitcoin as of 30 June 2026.

The Company's Bitcoin Treasury Business segment has been its principal line of business since it executed strategic transformation in April 2024. In its Bitcoin Treasury Business segment, the Company strategically accumulates and manages bitcoin in order to create long-term value for its shareholders. In addition, the Company engages in bitcoin derivatives transactions including the sale of cash-secured bitcoin put options, which the Company refers to as its bitcoin income generation business, in order to generate income and cash to support the Company's operations. In addition, in its hotel business segment, the Company manages one commercial real estate holding, Hotel Royal Oak Gotanda, as a legacy of its previous focus on hotel operations under the hotel business.

The Company believes that it has significant competitive advantages in expanding its bitcoin holdings due to unique aspects of the regulatory and market environment in Japan, including tax advantages for individuals investing in the Ordinary Shares compared to holding bitcoin directly, eligibility of the Ordinary Shares in tax-advantaged accounts, the non-existence of bitcoin ETPs in Japan and low-yield environment that creates opportunities for us to address investor demand for higher returns. The Company also believes that its unique bitcoin income generation business leveraging its management's derivatives expertise differentiate the Company from other bitcoin-focused companies.

The Company aims to continue to grow its bitcoin reserves by acquiring bitcoin with funds raised through innovative financing strategies. To the extent that the Company can continue to finance purchases of bitcoin through Ordinary Share issuances that result in accretion to bitcoin per Ordinary Share, the Company will aim to continue to pursue equity financing. In addition, the Company is also positioned to employ other financing options, such as Preferred Stock, which can provide flexibility at a stage when acquiring bitcoin through Ordinary Share issuances becomes less accretive to bitcoin per Ordinary Share.

For the year ended 31 December 2025 and the six months ended 30 June 2026, the Group recorded total net sales of ¥8,905 million and ¥4,944 million, operating profit of ¥6,287 million and ¥3,331 million, and Net profit/(loss) attributable to owners of the parent of ¥(95,046) million and ¥(182,774) million, compared to total net sales of ¥1,062 million and ¥2,116 million, operating profit of ¥350 million and ¥1,409 million, and profit attributable to owners of parent of ¥4,439 million and ¥6,059 million, for the same periods of the previous year.

The Company is incorporated under Japanese law with limited liability as a joint stock corporation (*kabushiki gaisha*). The Company's registered head office is located at Roppongi Hills Mori Tower 16F 6-10-1 Roppongi, Minato-ku, Tokyo 106-6116, Japan.

The Ordinary Shares are listed on the Standard Market of the Tokyo Stock Exchange under the securities code "3350".

THE OFFERING

Bond Offering:

Issuer	Metaplanet Inc.
Securities Offered	¥52,000,000,000 in aggregate principal amount of Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*).
Issue Price per Bond	100.0%
Offer Price per Bond	102.5%
Sole Bookrunner and Lead Manager	Merrill Lynch International
Closing Date	On or about 29 October 2026
Delivery	It is expected that the Global Certificate will be deposited with, and registered in the name of, or of a nominee for, a common depositary for each of Euroclear and Clearstream, Luxembourg on or about the Closing Date.
Form	The Bonds will be issued in registered form and evidenced on issue by the Global Certificate. Definitive Certificates in respect of the Bonds will only be available in certain limited circumstances. See "Summary of Provisions relating to the Bonds while in Global Form".
Listing	Approval in-principle has been received from the SGX-ST for the listing of, and quotation for the Bonds on the Official List of the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require.
Lock-up	In connection with the issue and offering of the Bonds, the Company has agreed not to, and not to direct any entities or any persons acting at the direction of the Company to, (i) offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares, any shares of preferred stock ("Preferred Stock") or any other capital stock of the Company or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Ordinary Shares, Preferred Stock or any other capital stock of the Company, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Ordinary Shares, the Preferred Stock or any such other securities, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares, Preferred Stock or such other securities, in cash or otherwise, in each case, from the date of the Subscription Agreement (as defined in "Subscription and Sale") to 27 November 2026, without the prior written consent of the Lead Manager, other than (a) the issue and sale by the Company of the Bonds (or the issue or transfer of Ordinary Shares upon exercise of the Stock Acquisition Rights by the Company), (b) the issue or transfer of Ordinary Shares

	by the Company upon exercise of stock acquisition rights issued and outstanding as at the date hereof and referred to in the Offering Circular, (c) the sale of Ordinary Shares by the Company to any holder of Ordinary Shares constituting less than one unit for the purpose of making such holder's holding, when added to the Ordinary Shares held by such holder, constitute one full unit of Ordinary Shares, (d) the issue of Ordinary Shares by the Company as a result of any stock split, (e) the issue, sale or disposition of stock options to the directors, executive officers and employees of the Company and any other member of the consolidated group pursuant to the Company's stock option plans, (f) the sale by the Company of Ordinary Shares held by unidentified shareholders and (g) any other issue or sale of Ordinary Shares required by applicable Japanese laws and regulations. See "Subscription and Sale".
Shareholder Lock-up	In connection with the issue and offering of the Bonds, Mr. Simon Gerovich (the "locked-up shareholder") has agreed not to (i) issue, offer, pledge, lend, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant (including stock acquisition rights) to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares, any Preferred Stock or any other capital stock of the Company or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Ordinary Shares, Preferred Stock or any other capital stock of the Company; (ii) enter into any derivative transaction or any other transaction that transfers, in whole or in part, directly or indirectly, ownership (or any economic consequences thereof) of Ordinary Shares, Preferred Stock or any other capital stock of the Company, or that has an effect on the market in the Ordinary Shares, the Preferred Stock similar to that of a sale; (iii) deposit any Ordinary Shares or any Preferred Stock (or any securities convertible into or exercisable or exchangeable for Ordinary Shares, Preferred Stock or any other capital stock of the Company or which carry rights to subscribe or purchase Ordinary Shares, Preferred Stock or any other capital stock of the Company) in any depositary receipt facility; or (iv) publicly announce any intention to do any of the above, in each case, for a period beginning on the date hereof and ending on 27 November 2026 without the prior written consent the Lead Manager, other than (a) the sale or transfer of Ordinary Shares by request for the Company's repurchase of Ordinary Shares less than a full unit in accordance with paragraph 1 of Article 192 of the Companies Act of Japan, (b) the sale or transfer of Ordinary Shares in response to any share repurchase the Company may conduct in accordance with Article 156 (including in cases where Article 459 of the Companies Act of Japan is applicable), 160 or 165 of the Companies Act of Japan or any corporate reorganisation, (c) the exercise of the stock acquisition rights outstanding as of today and the issuance of Ordinary Shares or disposition of the Company's treasury stock by the Company upon the exercise of such stock acquisition rights by the locked-up shareholder, (d) the lending of the Ordinary Shares to Japan Securities Finance Co., Ltd. when the Ordinary Shares is selected as loan margin trading issues by Tokyo Stock Exchange, Inc. and Japan Securities Finance Co., Ltd., (e) the off-market sale or transfer of Ordinary Shares (including the lending or borrowing of the Ordinary Shares) between the locked-up shareholder and an approved counterparty, (f) the sale or transfer of Preferred Stock pursuant to an initial public offering, or (g) any other sale of Ordinary Shares required by applicable Japanese laws and regulations.

Use of Proceeds	The net proceeds from the issue of the Bonds are estimated to be approximately ¥51.9 billion in aggregate, and expected to be used for loan repayment and to replenishing cash on hand applied to, or repaying borrowings incurred for, the repurchase of Ordinary Shares conducted through ToSTNeT-3. See "Use of Proceeds".
Repurchase of Ordinary Shares by the Company	On 13 October 2026, the Company's Board of Directors authorised the repurchase of up to 200,000,000 Ordinary Shares (14.7% of the issued Ordinary Shares (excluding treasury stock) as of 30 September 2026) at a maximum cost of ¥60 billion from the market in the period from and including 14 October 2026 to and including 13 October 2027. The Company has a policy of flexibly repurchasing its own shares as part of its disciplined capital allocation policy, with the aim of maximizing BTC Yield, improving capital efficiency and enhancing long-term shareholder value, while taking into account market conditions, its financial condition, mNAV, the prevailing share price and other relevant factors. As part of its repurchase plan, the Company intends to repurchase up to ¥25.3 billion worth of Ordinary Shares, at 8:45 a.m. (Tokyo time) on 14 October 2026 at the closing price of the Ordinary Shares on the Tokyo Stock Exchange on 13 October 2026 through the ToSTNeT-3 system. The amount of Ordinary Shares which the Company is able to repurchase through the ToSTNeT-3 system is dependent on the amount of Ordinary Shares market participants offer to sell at the relevant price at the relevant time. The result of such repurchase will be announced in Japan on 14 October 2026. To the extent any Ordinary Shares remain to be repurchased (within the maximum cost of ¥60 billion and the maximum number of 200,000,000 Ordinary Shares) after the above-mentioned repurchase through the ToSTNeT-3 system, the Company may repurchase further Ordinary Shares (on the auction market (at the market prices prevailing at the relevant time) or otherwise), until 13 October 2027. There can however be no assurance that any such repurchase will be proposed or effected. The Company does not undertake to review or revise this Offering Circular to reflect any repurchases of Ordinary Shares (or lack thereof) as referred to above. See "Information Concerning the Shares—Proposed Ordinary Share Repurchase by the Company".
Selling Restrictions	The Bonds are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of these and certain further restrictions on the offer and sale of the Bonds and the Ordinary Shares, see "Subscription and Sale".
Concurrent Delta Placement	Concurrent with the issue and offering of the Bonds, the Lead Manager may facilitate sales of existing Ordinary Shares notionally underlying the Bonds by buyers of the Bond who wish to sell such Ordinary Shares in short sales in order to hedge the market risk to which buyers of the Bonds are exposed with respect to the Bonds that they acquire in the offering (the "delta placement").
Stock Lending	In connection with the issuance of the Bonds, Mr. Simon Gerovich, Representative Executive Officer and CEO and a shareholder of the Company intends to lend 55,000,000 Ordinary Shares held by him, through an asset management company. The stock lending is

	intended principally to make Ordinary Shares available to investors purchasing or holding Bonds for sales made by such investors for hedging purposes. Further, Mr. Simon Gerovich has indicated a commitment to use best endeavours to lend a further 24,500,000 Ordinary Shares held by him within one month of the Closing Date for the same purpose. Such lending to be made available to investors holding Bonds through one or more securities companies.
Bond Terms:	
Form and Denomination	The Bonds are issued in registered form in the denomination of ¥10,000,000 each.
Initial Conversion Price	¥339 per Ordinary Share. Subject to adjustment in certain circumstances.
Coupon	Zero.
Exercise of Stock Acquisition Rights	Subject to and upon compliance with the provisions of Condition 5, a Bondholder may exercise the Stock Acquisition Right at any time during the period from, and including, 12 November 2026 to, and including, the close of business (at the place where the Bond is deposited for the exercise of the Stock Acquisition Right) on 15 October 2031, to acquire fully-paid and non-assessable Ordinary Shares. **Each Bondholder exercising a Stock Acquisition Rights must represent at the time of such exercise that it is not, and it is not acting for the account or benefit of, a U.S. person and is receiving Ordinary Shares in an "offshore transaction" within the meaning of Regulation S under the Securities Act. A Conversion Notice that does not contain such representation, or in the Company's opinion contains an incorrect representation, will be void. This requirement applies throughout the full term of the Bonds.**
Status	The obligations of the Company in respect of the Bonds constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 2) unsecured obligations of the Company, ranking *pari passu* and rateably without any preference among themselves, and, except for the provisions of Condition 2 and with the exception of obligations in respect of national and local taxes and certain other statutory exceptions, equally with all other present and future unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding.
Negative Pledge	So long as any of the Bonds remain outstanding, the Company will not, and will procure that none of its Principal Subsidiaries (as defined in Condition 3.1) will, create or permit to subsist any mortgage, charge, pledge or other security interest for the benefit of the holders of any Relevant Debt (as defined in Condition 2) unless the same security or such other security or guarantee as provided in Condition 2 is accorded to the Bonds. See Condition 2.
Redemption at Maturity	Unless the Bonds have previously been redeemed or purchased and cancelled, or become due and repayable, and unless the Stock Acquisition Rights incorporated therein have previously been

	exercised, the Company will redeem the Bonds on 29 October 2031 at 100% of their principal amount.
Early Redemption—Issuer Call	At any time on or after 12 November 2029, having given not less than 30 nor more than 60 days' prior notice to the Bondholders, the Company may, but shall not be bound to, redeem all, but not some only, of the Bonds then outstanding at 100% of their principal amount on the date fixed for such redemption, provided, however, that no such redemption may be made unless the Closing Price of the Ordinary Shares for any 20 Trading Days in a period of 30 consecutive Trading Days, the last of which occurs not more than 30 days prior to the date upon which the Optional Redemption Notice (as defined below) is first given, is at least 160 per cent of the Conversion Price in effect on each such Trading Day.
Early Redemption—Reduced Outstanding Amounts	The Company may, having given not less than 30 nor more than 60 days' prior notice (the "Clean-up Redemption Notice") to the Bondholders, redeem all, but not some only, of the Bonds then outstanding at 100% of their principal amount on the date fixed for such redemption, if at any time prior to the date upon which the Clean-up Redemption Notice is first given, the outstanding principal amount of the Bonds is less than 10% of the aggregate principal amount of the Bonds as of the date of issue thereof. See Condition 7.3.
Early Redemption—Taxation Reasons	If the Company satisfies the Trustee, immediately prior to giving the notice to the Bondholders, that (i) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 13 October 2026, the Company has or will become obliged to pay any Additional Amounts (as defined in Condition 9) in accordance with Condition 9 and (ii) the Company is unable to avoid such obligation by taking reasonable measures available to it, the Company may, but shall not be bound to, having given not less than 30 nor more than 60 days' prior irrevocable notice to the Bondholders redeem all, but not some only, of the Bonds then outstanding at 100% of their principal amount. If, however, the outstanding principal amount of the Bonds at the time of such notice of redemption is 10% or more of the aggregate principal amount of the Bonds as of the date of issue thereof, the Bondholders will have the right to elect that its Bonds should not be redeemed and that, in respect of payments on the Bonds to be made after that date, payments will be made subject to the withholding of, or deduction for or on account of, Japanese taxes, duties, assessments and governmental charges. See Condition 7.4.
Early Redemption—Corporate Events	In the case of a Corporate Event (as defined in Condition 6.1), the Company shall give notice to the Bondholders of such Corporate Event and the anticipated effective date of such transaction and the provisions set out in Condition 6 shall apply. See Condition 6.3. Upon or following the occurrence of a Corporate Event, the Company shall give not less than 14 Tokyo Business Days' prior notice to the

Bondholders to redeem all, but not some only, of the Bonds then outstanding at Relevant Event Redemption Price per Bond (expressed in yen) if any of the following conditions is satisfied:

- it is not legally possible under the then applicable laws (taking into account the then official or judicial interpretation or application of such laws) to effect a scheme provided for by Condition 6.4.1;
- it is legally possible as aforesaid but, despite the Company using its best endeavours, the Company cannot effect such a scheme in compliance with Condition 6.4.1;
- despite the Company using its best endeavours pursuant to Condition 6.4.2, on (a) the date of occurrence of the relevant Corporate Event or (b) the 25th day prior to the relevant Corporate Event Effective Date, whichever occurs later, (x) no Listing (as defined in Condition 6.4.2) has been obtained for the shares of common stock of the New Obligor (as defined in Condition 6.1), and (y) no confirmation has been obtained by the New Obligor from any stock exchange in Japan or the governing body of any securities market in Japan that such Listing will be obtained on or prior to such Corporate Event Effective Date; or
- the Company has delivered to the Trustee, on or prior to the date of occurrence of the relevant Corporate Event, a certificate signed by a Representative Director (as defined in Condition 3.1) or an Authorised Officer (as defined in Condition 3.1) stating that the Company does not currently anticipate that a Listing will be obtained or maintained for the shares of common stock of the New Obligor on the relevant Corporate Event Effective Date for any reason stated in such certificate.

See Condition 7.5.

Early Redemption—Delisting of the Ordinary Shares . . . . . In certain circumstances where an offer is made to all holders of Ordinary Shares of the Company by an Offeror (as defined in Condition 7.6.1) where, inter alia, the Company expresses its opinion to support such offer, the Company or the Offeror states in the offer or publicly announces or admits that the Ordinary Shares may cease to be listed, quoted or dealt in on the Relevant Stock Exchange (as defined in Condition 3.1), and the Offeror acquires any Ordinary Shares pursuant to the offer, then the Company shall give notice to the Bondholders, as soon as practicable but within 14 days after the date of acquisition of those Ordinary Shares pursuant to the offer, to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) (subject to the provisions of Condition 7.6). See Condition 7.6.

Early Redemption—Squeezeout Redemption . . . . . Upon the occurrence of a Squeezeout Event (as defined in Condition 3.1), the Company shall give notice to the Bondholders, as soon as practicable but within 14 days after the date on which the Squeezeout Event occurs, to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) (subject to the provisions of Condition 7.7). See Condition 7.7.

Redemption at the Option of the Bondholders	The holder of any Bond is entitled, at its option, to require the Company to redeem such Bond at 100% of its principal amount on 29 October 2029 (the "Bondholders' Optional Redemption Date"). Such notice of redemption must be given not less than 30 days nor more than 60 days prior to the Bondholders' Optional Redemption Date.
Cross Default	The Bonds are subject to a cross default in respect of indebtedness for borrowed money or any guarantee and/or indemnity thereof of the Company or of any Principal Subsidiary in respect of amounts of at least ¥1,000,000,000 (or its equivalent in any other currency or currencies). See Condition 10.
Taxation	All payments by the Company in respect of the Bonds will be made without any deduction for withholding taxes of Japan, except to the extent described in Condition 9.
Governing Law	English law
Jurisdiction	English courts
International Securities Identification Number ("ISIN")	XS3538479703
Common Code	353847970
Legal Entity Identifier (LEI)	3538006DGBY53D3UEV95
Trustee	The Bank of New York Mellon, London Branch
Principal Agent	The Bank of New York Mellon, London Branch
Registrar	The Bank of New York Mellon SA/NV, Dublin Branch

RISK FACTORS

Prior to making an investment decision, prospective investors should carefully consider, along with other matters set out in this Offering Circular, the following factors. All of these factors are contingencies which may or may not occur and the Company is not in a position to express a view on the likelihood of any such contingency occurring.

Risks Related to Our Bitcoin Strategy and Holdings

Our bitcoin strategy exposes us to various risks, including risks associated with bitcoin generally

Our bitcoin strategy exposes us to various risks, including the following:

Bitcoin is a highly volatile asset. Bitcoin is a highly volatile asset that has traded below US$58,000 per bitcoin and above US$126,000 per bitcoin on the Coinbase exchange (BTC-USD) in the 12 months ended 30 September 2026. The trading price of bitcoin significantly decreased during prior periods, and such declines may occur again in the future.

Bitcoin does not pay interest or dividends. Bitcoin does not pay interest or other returns and we can only generate cash from our bitcoin holdings if we sell our bitcoin or implement strategies to create income streams or otherwise generate cash by using our bitcoin holdings, such as through our current strategy of selling cash-secured put options. Even if we pursue any such strategies, we may be unable to create income streams or otherwise generate cash from our bitcoin holdings sufficient to pay our financial obligations, and any such strategies may subject us to additional risks. See "—Our generation of revenue through derivatives on bitcoin subjects us to various risks."

Our bitcoin holdings significantly impact our financial results and the market price of the Ordinary Shares. Our bitcoin holdings have significantly affected our financial results due to mark-to-market gains and losses under Japanese GAAP, and if we continue to increase our overall holdings of bitcoin in the future as we intend, they will have an even greater impact on our financial results and the market price of the Ordinary Shares. See "—Bitcoin is a highly volatile asset, and fluctuations in the price of bitcoin have in the past influenced and are likely to continue to influence the market price of the Ordinary Shares and our financial results."

Our assets are concentrated in bitcoin. The vast majority of our assets are concentrated in our bitcoin holdings. The concentration of our assets in bitcoin limits our ability to mitigate risk that could otherwise be achieved by holding a more diversified portfolio of treasury and other assets. See "—The concentration of our bitcoin holdings enhances the risks inherent in our bitcoin strategy."

We purchase bitcoin using primarily proceeds from equity and debt financings. Our ability to achieve the objectives of our bitcoin strategy depends in significant part on our ability to obtain equity and debt financing. If we are unable to obtain equity or debt financing on favourable terms or at all, we may not be able to successfully execute on our bitcoin strategy. For more information regarding risks associated with financing, see "—We may not be able to acquire additional bitcoin at the pace required to meet our targeted growth or in the manner we anticipate, particularly if we are unable to obtain substantial financing for such acquisitions on appropriate terms."

Our bitcoin strategy has not been tested over an extended period of time or under different market conditions. We are continually examining the risks and rewards of our strategy to acquire and hold bitcoin. This strategy has not been tested over an extended period of time or under different market conditions. For example, although we believe bitcoin, due to its limited supply, has the potential to serve as a hedge against inflation in the long term, the short-term price of bitcoin has in the past declined in periods during which the inflation rate increased. If bitcoin prices were to decrease or our bitcoin strategy otherwise proves unsuccessful, our financial condition, results of operations and the market price of the Ordinary Shares would be materially adversely impacted. See "—Our historical financial statements do not reflect the performance of our bitcoin strategy in different market cycles, and we may not be able to manage our continued growth."

We are subject to counterparty risks, including in particular risks relating to our custodians. Although we have implemented various measures that are designed to mitigate our counterparty risks, including by storing substantially all of the bitcoin we own in custody accounts at Japan- and U.S.-based institutional-grade custodians subject to contractual arrangements intended to establish that our property interest in custodially held bitcoin is not subject to claims of our custodians' creditors, applicable insolvency law is not fully developed with respect to the holding of digital assets in custodial accounts, and we could be treated as a general unsecured

creditor in the event of a custodian's insolvency. The private keys associated with our custodially held bitcoin could also be lost or stolen. See "—We face risks relating to the custody of our bitcoin, including the loss or destruction of the private keys associated with our bitcoin and cyberattacks or other data loss relating to our bitcoin."

The broader digital assets industry is subject to counterparty risks, which could adversely impact the adoption rate, price, and use of bitcoin. A series of high-profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry have highlighted the counterparty risks applicable to owning and transacting in digital assets. Although these bankruptcies, closures, liquidations and other events have not resulted in any loss or misappropriation of our bitcoin, nor have such events adversely impacted our access to our bitcoin, they have in the past likely negatively impacted the adoption rate and use of bitcoin in the short term. Additional bankruptcies, closures, liquidations, regulatory enforcement actions or other events involving participants in the digital assets industry in the future may further negatively impact the adoption rate, price, and use of bitcoin, limit the availability to us of financing collateralised by bitcoin, or create or expose additional counterparty risks.

The regulatory status of bitcoin in Japan and the United States is subject to uncertainty and is continually evolving. Bitcoin is a novel asset and its regulatory status is subject to uncertainty in both of the jurisdictions where we currently operate and hold bitcoin with custodians, Japan and the United States, and the relevant regulations and their interpretation are continually evolving. We cannot predict how the regulation of bitcoin will evolve going forward, or the impact such regulations may have on bitcoin or us. In Japan, amendments revising the regulatory framework for crypto asset transactions were enacted after the end of the current interim consolidated accounting period. The amendments to the FIEA and to the Payment Services Act of Japan (Act No. 59 of 2009, as amended) (the "PSA") were passed by the Diet on 15 July 2026 and promulgated on 23 July 2026. The amendments bring services relating to crypto asset spot trading within the regulatory framework of the FIEA. They also extend to crypto assets the insider trading regulations and disclosure obligations generally applicable to financial instruments. The effective date, however, will in principle be set by cabinet order within one year of promulgation, and as of the date of this Offering Circular the amendments have not yet taken effect. Additionally, under the new tax framework introduced by the 2026 tax reform, which is currently anticipated to apply to transactions conducted on or after 1 January 2028, income arising from certain crypto asset transactions will be subject to a separate taxation at a rate of 20.315%. The 2026 tax reform also permits losses arising from eligible crypto asset transactions to be carried forward for up to three years against crypto asset gains. Implementation of this new tax regime would effectively mean a reduction in tax rates similar to the taxation regime for transactions in equities. Along with these potential regulatory changes, there is a possibility that exchange-traded funds ("ETFs") for bitcoin may be introduced in Japan in the future in connection with such amendments. We believe such regulatory changes could be beneficial to the market for bitcoin more generally in Japan, and thus potentially beneficial to us. However, we cannot assure you that any such changes would not harm us or the market price of the Ordinary Shares. Specifically, these regulatory changes could lead Japanese investors to invest directly in bitcoin or spot bitcoin ETFs instead of the Ordinary Shares, which could negatively impact us and the market price of the Ordinary Shares. See "—Bitcoin is a novel asset, and is subject to significant legal, commercial, regulatory and technical uncertainty" and "—The availability of spot ETPs for bitcoin and other digital assets may adversely affect the market price of the Ordinary Shares." Furthermore, while we believe we currently comply with all regulatory requirements such that our unrealised gains on our bitcoin holdings are not subject to Japanese corporate tax, there can be no assurance we can continue to meet such requirements, including if they are revised in the future. We could also be subject to U.S. corporate tax on unrealised gains on bitcoin held by our U.S. subsidiaries. See "—Risks Related to Our Operations and Business in General—We may have exposure to greater than anticipated tax liabilities."

Digital assets and their users and counterparties are subject to potential reputational or regulatory risks as a result of use in illicit activities. There has been increasing focus on the extent to which digital assets can be used to launder the proceeds of illegal activities, fund criminal or terrorist activities, or circumvent sanctions regimes. Although we have implemented and maintain policies and procedures reasonably designed to promote compliance with applicable anti-money laundering and sanctions laws and regulations, negative publicity or regulatory actions resulting from such activities by any digital assets market participants could harm the adoption rate or market price of bitcoin, or created increased compliance burdens on or harm the reputations of digital assets market participants.

The broader digital assets industry, including the technology associated with digital assets, the rate of adoption and development of, and use cases for, digital assets, market perception of digital assets, and the legal, regulatory and accounting treatment of digital assets are constantly developing and changing, and there may be additional risks in the future that are not possible to predict.

Bitcoin is a highly volatile asset, and fluctuations in the price of bitcoin have in the past influenced and are likely to continue to influence the market price of the Ordinary Shares and our financial results

Bitcoin is a highly volatile asset and has constituted a large proportion of our assets since we began acquiring it, and substantially all of our assets as of 30 June 2026. Accordingly, fluctuations in the price of bitcoin have in the past influenced and are likely to continue to influence the market price of the Ordinary Shares and may also affect our financing strategy for acquiring additional bitcoin. See "—We may not be able to acquire additional bitcoin at the pace required to meet our targeted growth or in the manner we anticipate, particularly if we are unable to obtain substantial financing for such acquisitions on appropriate terms." In addition, under Japanese GAAP, we record gains or losses in the market value of our bitcoin holdings as non-operating income or losses at the end of every fiscal quarter, and such mark-to-market gains or losses are likely to continue to be the most significant driver of our financial results. As a consequence, it is also possible that our financial performance may not be in line with our published forecasts and/or market expectations.

Accordingly, the market price of the Ordinary Shares and our financial results would be adversely affected, and our business and financial condition would be negatively impacted, if the price of bitcoin decreased substantially (as it has in the past, including during 2022 and recently in February and June 2026), including as a result of:

- decreases in the perceived value of, preference for, or confidence in bitcoin or digital assets generally among existing and potential market participants, including due to the various factors described herein;

- adverse changes in the balance of supply and demand in the active market for bitcoin (particularly given that the supply of bitcoin is inherently limited), including if limited liquidity results in increased volatility, potentially exacerbating the effects of other downward pressures on bitcoin's market price;

- investment and trading activities, such as (i) trading activities of highly active retail and institutional users, speculators, miners and investors; (ii) actual or expected significant dispositions of bitcoin by large holders, including the expected liquidation of digital assets associated with entities that have filed for bankruptcy protection and the transfer and sale of bitcoins associated with significant hacks, seizures or forfeitures, such as the transfers of bitcoin to (a) creditors of the hacked cryptocurrency exchange Mt. Gox which began in July 2024, (b) claimants following proceedings related to a 2016 hack of Bitfinex-which claims are currently being adjudicated, (c) the German government following the seizure of about 50,000 bitcoin in January 2024 from the operator of Movie2k.to, (d) the Northern District Court of California granting the U.S. Department of Justice in January 2025 the right to liquidate 69,370 bitcoin seized from the Silk Road marketplace, or (e) the PRC government pursuant to ongoing seizures of bitcoin in connection with its ban on cryptocurrency mining and transactions; and (iii) actual or perceived manipulation of the spot or derivative markets for bitcoin or spot bitcoin exchange-traded products ("ETPs");

- negative publicity, media or social media coverage, or sentiment due to events in or relating to, or perception of, bitcoin or the broader digital assets industry, including for example, (i) public perception that bitcoin can be used as a vehicle to circumvent sanctions, including sanctions imposed on Russia or certain regions related to the ongoing conflict between Russia and Ukraine, or to fund criminal or terrorist activities; (ii) expected or pending civil, criminal, regulatory enforcement or other high profile actions against major participants in the bitcoin ecosystem; (iii) additional filings for bankruptcy protection or bankruptcy proceedings of major digital asset industry participants, such as the bankruptcy proceeding of FTX Trading and its affiliates; and (iv) the actual or perceived environmental impact of bitcoin and related activities, including environmental concerns raised by private individuals, governmental and non-governmental organisations, and other actors related to the energy resources consumed and carbon or other byproducts produced due to significant electricity usage in bitcoin mining;

- any shift by market participants from holding bitcoin, or digital assets more generally, towards other assets, including more traditional treasury assets such as gold;

- competition from other digital assets that exhibit better speed, security, scalability, or energy efficiency, that feature other more favoured characteristics, that are backed by governments, including the U.S. government, or reserves of fiat currencies, that represent ownership or security interests in physical assets, or that may otherwise be more appealing regardless of their fundamental

characteristics, including due to market-related factors such as perceived short- or long-term appreciation potential, recent price movements and volatility;

- a decrease in the price of other digital assets, including stablecoins, or the crash or unavailability of stablecoins that are used as a medium of exchange for bitcoin purchase and sale transactions, such as the crash of the stablecoin Terra USD in 2022, to the extent the decrease in the price of such other digital assets or the unavailability of such stablecoins may cause a decrease in the price of bitcoin or adversely affect investor confidence in digital assets generally;

- the identification of Satoshi Nakamoto, the pseudonymous person or persons who developed bitcoin, or the transfer of substantial amounts of bitcoin from bitcoin wallets attributed to Mr. Nakamoto, which have been estimated to contain as many as approximately 1.1 million bitcoin in total;

- developments relating to the bitcoin protocol, including (i) changes to the bitcoin protocol that impact its security, speed, scalability, usability or value, such as changes to the cryptographic security protocol underpinning the bitcoin blockchain, changes to the maximum number of bitcoin outstanding or the maximum number that may be generated in the future, changes to the mutability of transactions, changes relating to the size of blockchain blocks and similar changes, (ii) failures to make upgrades to the bitcoin protocol to adapt to security, technological, legal or other challenges, and (iii) changes to the bitcoin protocol that introduce software bugs, security risks or other elements that adversely affect bitcoin;

- disruptions, failures, unavailability, or interruptions in service of trading venues for bitcoin, such as, for example, the announcement by the digital asset exchange FTX Trading that it would freeze withdrawals and transfers from its accounts and subsequent filing for bankruptcy protection and the SEC enforcement action brought against Binance Holdings Ltd., which initially sought to freeze all of its assets during the pendency of the enforcement action and has since resulted in Binance discontinuing all fiat deposits and withdrawals in the U.S.;

- the filing for bankruptcy protection by, liquidation of, or market concerns about the financial viability of digital asset custodians, trading venues, lending platforms, investment funds, or other digital asset industry participants, such as the filing for bankruptcy protection by digital asset trading venues FTX Trading and BlockFi and digital asset lending platforms Celsius Network and Voyager Digital Holdings in 2022, the ordered liquidation of the digital asset investment fund Three Arrows Capital in 2022, the announced liquidation of Silvergate Bank in 2023, the government-mandated closure and sale of Signature Bank in 2023, the placement of Prime Trust, LLC into receivership in 2023, and the exit of Binance from the U.S. market as part of its settlement with the Department of Justice and other federal regulatory agencies;

- particularly in the United States or other major digital asset markets such as Japan, regulatory, legislative, enforcement and judicial actions that adversely affect the price, ownership, transferability, trading volumes, legality or public perception of bitcoin, or that adversely affect the operations of or otherwise prevent digital asset custodians, trading venues, lending platforms or other digital assets industry participants from operating in a manner that allows them to continue to deliver services to the digital assets industry;

- adverse changes in the taxation of bitcoin transactions or holdings in the United States or other major digital asset markets, including Japan, such as the imposition of higher tax rates, asset-based taxes or new or an increased scope of individual or corporate income taxes based on end-of-period valuations;

- further reductions in mining rewards of bitcoin, including due to block reward halving events, which are events that occur after a specific period of time (the most recent of which occurred in April 2024) that reduce the block reward earned by "miners" who validate bitcoin transactions, or increases in the costs associated with bitcoin mining, including increases in electricity costs and hardware and software used in mining, or new or enhanced regulation or taxation of bitcoin mining, which could further increase the costs associated with bitcoin mining, any of which may cause a decline in support for the bitcoin network;

- transaction congestion and fees associated with processing transactions on the bitcoin network;

- macroeconomic changes, such as changes in the level of interest rates and inflation, which have recently been occurred in the U.S. and Japan, fiscal and monetary policies of governments, trade restrictions and fiat currency devaluations, and concentration of risk money in new areas;

- developments in mathematics or technology, including in digital computing, algebraic geometry and quantum computing, that could result in the cryptography used by the bitcoin blockchain becoming insecure or ineffective; and

- changes in national and international economic and political conditions, including, without limitation, Japan or U.S. government policies, trade tariffs and trade disputes, the adverse impacts attributable to the current conflict between Russia and Ukraine and the economic sanctions adopted in response to the conflict, and the Middle East conflict broadened from the Israel-Hamas conflict to other countries in the Middle East.

Bitcoin is a novel asset, and is subject to significant legal, commercial, regulatory and technical uncertainty

Bitcoin is relatively novel and subject to significant uncertainty, which could adversely impact its market price and the market price of the Ordinary Shares. The application of securities and other laws and regulations to digital assets is unclear in certain respects, and it is possible that regulators in Japan, the United States or other countries may interpret or apply existing laws and regulations in a manner that adversely affects the price of bitcoin or the ability of individuals or institutions such as us to own or transfer bitcoin.

Governmental bodies or regulatory agencies may also enact new laws and regulations, or pursue regulatory, legislative, enforcement or judicial actions, that could materially impact the price of bitcoin or the ability or financial viability of individuals or institutions such as us to own or transfer bitcoin. For example, within the past several years:

- in July 2026, the amendments to the FIEA and the PSA were promulgated. The amendments bring services relating to crypto asset spot trading within the regulatory framework of the FIEA, extending to crypto assets the insider trading regulations and disclosure obligations generally applicable to securities and strengthening the regulatory requirements applicable to business operators providing crypto asset-related services. The effective date, however, will in principle be set by cabinet order within one year of promulgation, and as of the date of this Offering Circular, the amendments have not yet taken effect. In addition, the 2026 tax reform bill was enacted in March 2026, which will introduce a separate taxation system for certain income arising from certain crypto asset transactions, and permit losses arising from eligible crypto asset transactions to be carried forward for up to three years against crypto asset gains. Although the effective date of the relevant provisions of the amended tax laws has not yet been determined, the new tax regime is currently anticipated to apply to transactions conducted on or after 1 January 2028;

- in July 2025, pursuant to a U.S. presidential executive order, a working group comprised of representatives from key federal agencies submitted a report with regulatory and legislative proposals to provide regulatory clarity and certainty built on technology-neutral regulations for individuals and firms involved in digital assets;

- in January 2025, the SEC announced the formation of a "Crypto Task Force," which was created to provide clarity on the application of the federal securities laws to the crypto asset market and to recommend policy measures with respect to digital asset security status, registration and listing of digital asset-based investment vehicles, and digital asset custody, lending and staking;

- the European Union adopted Markets in Crypto Assets Regulation ("MiCA"), a comprehensive digital asset regulatory framework for the issuance and use of digital assets, like bitcoin;

- in June 2023, the United Kingdom adopted and implemented the Financial Services and Markets Act 2023 ("FSMA 2023"), which regulates market activities in "cryptoassets";

- in November 2023, Binance Holdings Ltd. and its then chief executive officer reached a settlement with the U.S. Department of Justice, CFTC, the U.S. Department of Treasury's Office of Foreign Asset Control and the Financial Crimes Enforcement Network to resolve a multi-year investigation by the agencies and a civil suit brought by the CFTC, pursuant to which Binance Holdings Ltd. agreed to, among other things, pay US$4.3 billion in penalties across the four agencies and to discontinue its operations in the United States; and

- the People's Bank of China and the National Development and Reform Commission have outlawed cryptocurrency mining and declared all cryptocurrency transactions illegal within mainland China.

The regulatory status of bitcoin has been subject to considerable change in recent years in Japan, and such regulations and their interpretation may continue to evolve. See "—Risks Related to Our Operations and Business in General—We may have exposure to greater than anticipated tax liabilities" and "Business—Regulations—Regulation of Bitcoin in Japan."

In particular, there is a risk of changes in the current regulation of bitcoin holdings at the individual level in Japan that could reduce the attractiveness of the Ordinary Shares among Japanese individual investors. For example, gains or losses from dispositions of bitcoin are currently classified on Japanese individual tax returns as "miscellaneous income," which is subject to taxation at the top combined marginal tax rate of 55.945%, cannot offset income, gains or losses aside from other "miscellaneous income," and cannot be carried forward to offset gains or losses in future periods. In contrast, gains or losses on transactions in the Ordinary Shares may qualify for taxation as capital gains and losses, with gains taxed at 20.315% for tax residents of Japan and for non-tax residents of Japan having a permanent establishment in Japan, offset other capital gains or losses, and can be carried forward. Our Ordinary Shares may also be held in tax-advantaged Japanese accounts that are subject to additional tax preferences. To the extent that Japanese individual investors are unable or unwilling to purchase spot bitcoin due to its tax status, they may view the Ordinary Shares as a more attractive method to gain exposure to bitcoin. Under the new framework introduced by the 2026 tax reform, income arising from certain crypto asset transactions will be subject to a separate taxation at a rate of 20.315%. This separate taxation will apply only to the crypto assets (including bitcoin) which are listed on a Japanese licenced crypto asset exchange, and to the sales of the crypto assets which are made through such exchange. The 2026 tax reform will also permit losses arising from eligible crypto asset transactions to be carried forward for up to three years against crypto asset gains. Although this tax reform bill was enacted on 31 March 2026, the effective date of the relevant provisions of the amended tax laws has not yet been determined, as it depends on when the relevant amendments to the FIEA and other related laws concerning crypto assets take effect. Implementation of this new tax regime is currently anticipated to apply to transactions conducted on or after 1 January 2028. If bitcoin transactions by individuals is taxed more favourably in Japan, at the same rates as listed equities, the attractiveness of the Ordinary Shares among Japanese individual investors may decrease. In addition, we may face risks related to any future approval of spot ETPs (including ETFs) in Japan. See "—The availability of spot ETPs for bitcoin and other digital assets may adversely affect the market price of the Ordinary Shares." We believe any increased regulatory acceptance of bitcoin in Japan would likely be positive for bitcoin itself, and thus beneficial for us as a holder of bitcoin. However, there can be no assurance that such developments would not have an overall adverse effect on our business and the market price of the Ordinary Shares, including if they cause Japanese investors to invest directly in bitcoin or spot bitcoin ETPs instead of the Ordinary Shares.

More generally, it is not possible to predict whether, or when, new laws will be enacted that change the legal framework governing digital assets or provide additional authority to the FSA, the SEC or other regulators, or whether, or when, any legislative bodies will take any similar actions. It is also not possible to predict the nature of any such additional laws or authorities, how additional legislation or regulatory oversight might impact the ability of digital asset markets to function, the willingness of financial and other institutions to continue to provide services to the digital assets industry, or how any new laws or regulations, or changes to existing laws or regulations, might impact the value of digital assets generally and bitcoin specifically. The consequences of any new law or regulation relating to digital assets and digital asset activities could adversely affect the market price of bitcoin, as well as our ability to hold or transact in bitcoin, and in turn adversely affect the market price of the Ordinary Shares.

Moreover, the risks of engaging in a bitcoin strategy are relatively novel and have created, and could continue to create, complications due to the lack of experience that third parties have with companies engaging in such a strategy, such as increased costs of director and officer liability insurance or the potential inability to obtain such coverage on acceptable terms in the future.

The growth of the digital assets industry in general, and the use and acceptance of bitcoin in particular, may also impact the price of bitcoin and is subject to a high degree of uncertainty. The pace of worldwide growth in the adoption and use of bitcoin may depend, for instance, on public familiarity with digital assets, ease of buying, accessing or gaining exposure to bitcoin, institutional demand for bitcoin as an investment asset, the participation of traditional financial institutions in the digital assets industry, user demand for bitcoin as a store of value or means of payment, and the availability and popularity of alternatives to bitcoin. Even if growth in bitcoin adoption occurs in the near or medium term, there is no assurance that bitcoin usage will continue to grow over the long term.

Because bitcoin has no physical existence beyond the record of transactions on the bitcoin blockchain, a variety of technical factors related to the bitcoin blockchain could also impact the price of bitcoin. For example, malicious attacks by miners, inadequate mining fees to incentivise validating of bitcoin transactions, hard "forks" of the bitcoin blockchain into multiple blockchains, and advances in digital computing, algebraic geometry and quantum computing could undercut the integrity of the bitcoin blockchain and negatively affect the price of bitcoin. The liquidity and price of bitcoin may also be reduced and damage to the public perception of bitcoin may occur if financial institutions were to deny or limit banking services to businesses that hold bitcoin, provide bitcoin-related services or accept bitcoin as payment. Actions by banking regulators, such as the issuance in February 2023 by U.S. federal banking agencies of the "Interagency Liquidity Risk Statement," which cautioned banks on contagion risks posed by providing services to digital assets customers, and similar actions, have in the past resulted in or contributed to reductions in access to banking services for bitcoin-related customers and service providers, or the willingness of traditional financial institution to participate in markets for digital assets.

The liquidity of bitcoin may also be impacted to the extent that changes in applicable laws and regulatory requirements negatively impact the ability of exchanges and trading venues to provide services for bitcoin.

Our historical financial statements do not reflect the performance of our bitcoin strategy in different market cycles, and we may not be able to manage our continued growth

Our historical financial statements do not fully reflect the potential variability in earnings that we may experience in the future from holding bitcoin and selling cash-secured put options on bitcoin in different market cycles.

This limited track record since the adoption of our bitcoin strategy makes it difficult to evaluate our future prospects and the risks and challenges we may encounter. If we fail to address the risks and difficulties that we face, including those described elsewhere in this "Risk Factors" section, our business, financial condition and results of operations could be adversely affected. Further, because we operate in a rapidly evolving market, the historical financial information appearing in this Offering Circular is of limited use in assessing our future financial results and growth prospects, and our performance since the adoption of our bitcoin strategy may not be indicative of our future performance.

In addition, as we continue to scale our operations, including through purchasing additional bitcoin, growing our income generation business and expanding our operations and assets in the United States, we may not be able to effectively manage our growth. For example, we may not be able to hire and retain a sufficient number of skilled personnel to keep pace with our planned growth, including expanded operations in the United States and the targeted increase in scale of our bitcoin income generation business, as well as general corporate functions. In addition, if our independent auditor experiences capacity constraints in providing audit services as our business increases in scale, we may need to negotiate with our independent auditor to increase its personnel or consider retaining another audit firm with respect to the Group as a whole or certain subsidiaries and components of the Group's business. See "—Risks Related to Our Operations and Business in General—Our expansion in the United States exposes us to additional operational and regulatory risks" and "—Risks Related to Our Operations and Business in General—Failure to maintain effective internal controls and corporate governance could result in regulatory scrutiny and have a material adverse effect on our business and stock price."

We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition and results of operations could be adversely affected.

Regulatory developments relating to our auditor could adversely affect our reputation and disrupt our audit arrangements

In July 2026, the Certified Public Accountants and Auditing Oversight Board (the "CPAAOB") recommended that the FSA take administrative action or other measures against the Company's auditor, Yamabuki Audit Corporation ("**YAC**"), based on the results of its inspection of YAC. The CPAAOB found that (i) YAC did not have the proper organizational framework required of an audit firm, and (ii) in relation to financial statements filed by a client company (unrelated to the Company and the Group), YAC had certified that there were no material misstatements despite the existence of false statements in that financial statements, as result of a failure by YAC to conduct sufficient verification of the valuation and accounting treatment of corporate bond and crypto assets, which are subject to accounting treatment different from bitcoin.

Although these findings did not directly relate to the Company or the Group, negative publicity, regulatory action or other developments relating to YAC could adversely affect our reputation or investors' perception of financial information audited by YAC. Meanwhile, there can be no assurance whether instances of fraud or other misconduct by companies audited by YAC may be uncovered in the future or if any past acts have gone undetected.

As our business expands, we are taking steps to further enhance our group audit framework. In particular, with respect to overseas subsidiaries engaged in material bitcoin-related operations, we are considering the use of component auditors and other enhanced audit procedures, where appropriate.

If regulatory developments were to materially affect YAC's ability to continue serving as our auditor, or if we otherwise determine to appoint a different audit firm, a successor auditor may take a different view on certain accounting judgments, interpretations or the application of accounting policies. The occurrence of such events may adversely affect our reputation and results of operations.

The availability of spot ETPs for bitcoin and other digital assets may adversely affect the market price of the Ordinary Shares

Investors in Japan currently have limited means to gain exposure to bitcoin through traditional securities investment channels. Investors seeking direct ownership of bitcoin generally obtain such exposure through registered crypto asset exchange service providers or through self-custody arrangements, each of which involves risks and operational considerations that differ from investing through a traditional securities account.

In the United States and certain other jurisdictions, investors can obtain exposure to bitcoin through exchange-traded products that hold bitcoin and issue shares representing interests in their underlying bitcoin holdings. On 10 January 2024, the SEC approved the listing and trading in the United States of spot bitcoin ETPs, which commenced trading on 11 January 2024. Since then, spot bitcoin ETPs have become an established means through which investors can obtain exposure to bitcoin through traditional securities markets.

Japan-domiciled spot bitcoin ETPs are not currently available. However, the regulatory and tax framework applicable to crypto assets in Japan is evolving, including developments that could facilitate the introduction of crypto asset ETFs in Japan in the future. To the extent investors view the Ordinary Shares as providing exposure to bitcoin, the market price of the Ordinary Shares may reflect, among other factors, the currently limited availability in Japan of traditional securities products offering direct bitcoin exposure. If spot bitcoin ETPs become available in Japan, investors may choose to obtain bitcoin exposure through such products rather than through the Ordinary Shares, which could reduce demand for, or adversely affect the market price of, the Ordinary Shares. Similarly, the increased availability, liquidity or investor acceptance of spot bitcoin ETPs in other markets could reduce the attractiveness of the Ordinary Shares to investors outside Japan.

Although we are an operating company and believe that we offer a different value proposition from a passive bitcoin investment product, investors may nevertheless compare the Ordinary Shares with spot bitcoin ETPs or other investment products providing economic exposure to bitcoin. Investors may prefer such products because, among other reasons, they may provide more direct exposure to movements in the price of bitcoin, may be subject to different tax treatment and do not expose investors to the operational, financing, corporate governance and other risks associated with an operating company.

Unlike spot bitcoin ETPs, we (i) do not seek for the Ordinary Shares to track the value of the bitcoin we hold, (ii) do not have a creation and redemption mechanism designed to facilitate alignment between the market price of the Ordinary Shares and the value of our bitcoin holdings, (iii) are a Japanese joint stock corporation conducting operating activities rather than an investment vehicle established to track the price of bitcoin, and (iv) are not required to calculate or publish a daily net asset value. Accordingly, the market price of the Ordinary Shares may trade at a premium or discount to the value of our bitcoin holdings, and the size of such premium or discount may vary significantly depending on market conditions, investor perceptions of our business and strategy, and the availability and performance of alternative investment products providing exposure to bitcoin.

As a result of the foregoing factors, the current or future availability of spot ETPs for bitcoin and other digital assets could have a material adverse effect on the market price of the Ordinary Shares.

Our bitcoin income generation activities and use of bitcoin-backed financing subject us to various risks

As part of our Bitcoin Treasury Operations, we engage in bitcoin-related derivatives transactions to generate operating revenue, enhance capital efficiency and support our accumulation of bitcoin. While our

bitcoin income generation activities have historically included the sale of cash-secured put options, we have expanded these activities to include other bitcoin option and derivative strategies, including the sale of call options, and may enter into additional types of derivative transactions in the future. We have also begun to utilize credit facilities, including financing secured by a portion of our bitcoin holdings, as part of our broader treasury and capital management strategy. These activities expose us to a variety of risks that could materially and adversely affect our business, financial condition and results of operations.

When we sell put options, we assume an obligation to purchase bitcoin at a predetermined strike price upon exercise or settlement of the relevant option. If the market price of bitcoin falls below the applicable strike price, we may be required to purchase bitcoin at a price above the then-prevailing market price. To the extent such put options are secured by cash, we are also required to allocate cash that could otherwise be used to purchase bitcoin or for other corporate purposes. If the market price of bitcoin increases significantly while such cash is committed as collateral, the option premium received may be less than the appreciation we could have realised had we instead used such cash to purchase bitcoin directly.

We may also sell call options with respect to bitcoin allocated to our income generation activities. Such transactions may require us to sell or otherwise deliver bitcoin at a predetermined strike price if the relevant option is exercised or settled. If the market price of bitcoin rises above the applicable strike price, we may therefore be required to dispose of bitcoin at a price below the then-prevailing market price, limiting our participation in further appreciation of bitcoin. Other option or derivative strategies that we employ now or in the future may have different or more complex risk profiles, including the potential loss of premiums paid, losses resulting from adverse movements in the price or volatility of bitcoin, and requirements to post additional collateral.

The economics of our derivatives transactions depend on a number of factors, including the spot price and volatility of bitcoin, implied volatility and volatility skew, market interest rates, the remaining term and strike price of the relevant instruments, market liquidity and counterparty pricing. These factors are largely outside our control and may change rapidly or unpredictably. In particular, a sustained decline in implied volatility could reduce the premiums available from option-selling strategies and therefore reduce the revenue and returns we are able to generate from our bitcoin income generation business. Market liquidity may also vary significantly among different instruments, strikes and maturities and may deteriorate during periods of market stress, which could limit our ability to enter into, adjust or close positions on acceptable terms.

Our use of bitcoin-related derivatives exposes us to additional risks, including, but not limited to, the following:

- *Market and volatility risk*. Changes in the price, realised volatility or implied volatility of bitcoin may adversely affect the value and profitability of our derivatives positions. Certain strategies may limit our participation in increases in the price of bitcoin or result in losses when bitcoin prices decline.

- *Liquidity risk*. In periods of significant volatility or market disruption, we may be unable to establish, adjust or close positions on favourable terms or at all. Bid-ask spreads may widen and available market depth may decline, which could increase our costs or losses.

- *Counterparty and settlement risk*. Our ability to realise the expected benefits of our derivatives transactions depends on the financial condition and performance of our counterparties. A counterparty default, insolvency, operational failure or failure to deliver assets or collateral when required could result in losses, delayed settlement or the loss of anticipated gains. Our ability to exercise contractual netting or collateral rights may also be affected by applicable insolvency and other laws.

- *Collateral and leverage risk*. Certain derivatives positions may require us to post cash, bitcoin or other assets as collateral. Adverse market movements may result in additional collateral requirements, potentially on short notice. If we are unable or unwilling to provide such additional collateral, we may be required to reduce or close positions at disadvantageous prices.

- *Regulatory risk*. The regulatory framework applicable to bitcoin, bitcoin derivatives and related financing arrangements continues to evolve in Japan and other jurisdictions in which our counterparties or trading venues operate. Changes in laws, regulations, regulatory interpretations or licensing requirements could restrict the types of transactions in which we may engage, increase the costs associated with such transactions or adversely affect their profitability.

- *Operational and valuation risk*. Derivatives transactions may involve complex pricing, collateral, settlement and risk-management processes. Failures in our systems, models, controls or personnel, or those of our counterparties or service providers, could result in trading errors, inaccurate valuations, insufficient collateral management or financial losses.

- *Accounting and tax risk*. Derivatives transactions and related financing arrangements may be subject to accounting and tax treatment that differs from the treatment applicable to our direct holdings of bitcoin. Income or losses from such transactions may be recognised at different times from gains or losses on our bitcoin holdings and may therefore increase the volatility of our reported financial results or result in tax liabilities notwithstanding unrealised losses or gains elsewhere in our portfolio.

In addition, we have begun to use credit facilities, including facilities under which a portion of our bitcoin holdings may be pledged as collateral. The use of bitcoin as collateral enables us to obtain liquidity without disposing of bitcoin, but exposes us to risks arising from leverage and fluctuations in the value of the collateral. A significant decline in the market price of bitcoin could reduce the collateral value of bitcoin pledged under such facilities and could require us to post additional collateral, repay outstanding borrowings, reduce our exposure or, depending on the terms of the relevant facility, result in the sale or liquidation of pledged bitcoin by a lender. Any forced disposition of bitcoin could occur at an unfavourable time or price and could reduce our bitcoin holdings and adversely affect our Bitcoin per Effective Diluted Share and other key performance indicators.

Borrowings under our credit facilities also expose us to interest rate, refinancing, counterparty and, where applicable, foreign exchange risks. Such facilities may contain covenants, collateral requirements, events of default, cross-default provisions or other restrictions that could limit our financial flexibility. A default under one financing arrangement could, depending on the terms of our other indebtedness, result in acceleration or other adverse consequences under other financing arrangements. We may also be unable to refinance or replace such facilities when they mature or become payable, or may only be able to do so on less favourable terms.

The use of borrowings and derivatives may magnify both positive and negative changes in our financial position and could increase the volatility of our earnings, liquidity requirements and cash flows. There can be no assurance that our derivatives or financing strategies will generate the revenue, liquidity or other benefits we expect, or that losses incurred in connection with such activities will not be significant.

We intend to continue evaluating opportunities to generate income from and improve the capital efficiency of our bitcoin holdings, including through the use of derivatives and financing arrangements. As these activities evolve, we may employ transactions or strategies that expose us to risks different from, or greater than, those associated with the strategies we currently employ.

We also expect our bitcoin income generation business to contribute over time to funding our operations, bitcoin acquisitions and, where applicable, cash dividends on Preferred Stock that we have issued or may issue in the future. If we are unable to generate the anticipated level of income from these activities, or if we incur material losses or liquidity requirements in connection with our derivatives or financing activities, the amount of cash available for these purposes could be reduced. This could adversely affect our ability to execute our capital strategy, service our financing obligations, pay dividends on Preferred Stock and continue to acquire bitcoin.

We may not be able to acquire additional bitcoin at the pace required to meet our targeted growth or in the manner we anticipate, particularly if we are unable to obtain substantial financing on acceptable terms

Our goal is to hold 210,000 bitcoin by the end of 2027 and to continue acquiring bitcoin thereafter. As of 30 June 2026, we held 43,000 bitcoin and, accordingly, achieving this goal would require us to acquire a substantial additional amount of bitcoin over a relatively short period of time. Although we have generated positive cash flow from operating activities, including from our Bitcoin Income Generation business and hotel operations, such cash flows are not currently sufficient to fund bitcoin acquisitions at the scale contemplated by our strategy. We therefore expect to continue to rely substantially on capital markets and other financing activities to fund additional bitcoin purchases.

Historically, we have funded a significant portion of our bitcoin acquisitions through issuances of Ordinary Shares and stock acquisition rights. However, our ability to raise capital through the issuance of Ordinary Shares or equity-linked securities depends significantly on the market price of the Ordinary Shares, our market valuation relative to the value of our bitcoin holdings, investor demand and broader capital market conditions. In particular, when the Ordinary Shares trade at or below the value attributable to our bitcoin

holdings, including when our mNAV is at or below 1.0x, issuing additional Ordinary Shares may result in dilution without increasing Bitcoin per Effective Diluted Share and may therefore be inconsistent with our capital allocation objectives. Certain of our outstanding stock acquisition rights also contain conditions linked to mNAV or the market price of the Ordinary Shares, which may limit or prevent their exercise during periods in which our market valuation is depressed. As a result, periods of sustained low mNAV or weakness in the market price of the Ordinary Shares may materially reduce the amount of capital available to us through equity financings.

We have therefore sought, and expect to continue to seek, funding from a broader range of sources, which may include common equity, stock acquisition rights, preferred equity, convertible or other debt securities, credit facilities and other forms of secured or unsecured financing. There can be no assurance, however, that any such financing will be available in the amounts required, at the times required or on terms we consider acceptable. Debt and other non-common-equity financings may involve interest or dividend obligations, investor put or redemption rights, restrictive covenants, security interests over our assets, including bitcoin, or other terms that could increase our fixed obligations or reduce our financial flexibility. The capacity of investors and financial institutions to provide financing to us may also be affected by their assessment of bitcoin-related credit risk, the volatility of our Ordinary Shares and bitcoin, regulatory developments and prevailing conditions in global credit and capital markets.

Movements in the market price of bitcoin may adversely affect our ability to execute our acquisition strategy in different ways. If the price of bitcoin increases materially, the amount of capital required to acquire the number of bitcoin necessary to achieve our targeted holdings would increase correspondingly and could substantially exceed our current expectations. Conversely, a significant decline in the price of bitcoin, while reducing the purchase price of additional bitcoin, could adversely affect the market price of the Ordinary Shares, our mNAV, the value of bitcoin available as collateral and investor and lender appetite for financing transactions involving the Company. Accordingly, a decline in the price of bitcoin could reduce our ability to raise capital at the same time that we seek to take advantage of lower bitcoin prices.

Our ability to access capital may also be affected by volatility or disruption in the equity, convertible securities, preferred securities, credit or bitcoin markets; adverse changes in interest rates or foreign exchange rates; changes in Japanese or other applicable laws and regulations; changes in the willingness of financial institutions to provide financing to bitcoin treasury companies; reductions in the availability or increased cost of stock borrowing or hedging arrangements required by investors in convertible or equity-linked securities; and adverse developments affecting the Company, bitcoin or bitcoin treasury companies generally.

In addition, we consider the effect of any financing on Bitcoin per Effective Diluted Share and other measures of shareholder value when determining whether and how to raise capital. As a result, even where financing is technically available to us, we may elect not to pursue a transaction if we believe its pricing, dilution, financing cost or other terms would not be sufficiently accretive or otherwise consistent with our capital allocation framework. Our decision to preserve capital, repay indebtedness, repurchase our own shares or use funds for strategic investments or other corporate purposes may also reduce the amount of capital available for bitcoin acquisitions.

There can therefore be no assurance that we will be able to raise sufficient capital to acquire bitcoin at the pace contemplated by our strategy or to achieve our goal of holding 210,000 bitcoin by the end of 2027. If we are unable to obtain financing on acceptable terms, if market conditions make additional financing uneconomic or inconsistent with our capital allocation objectives, or if we are required to allocate capital to other purposes, we may acquire bitcoin more slowly than anticipated, acquire less bitcoin than targeted or suspend acquisitions for a period of time. Any such outcome could adversely affect our ability to achieve our strategic objectives, increase Bitcoin per Effective Diluted Share and generate the returns expected from our Bitcoin Treasury Operations.

Risks Related to the Availability of Financing to Increase Bitcoin per Effective Diluted Share

Our bitcoin acquisition strategy depends in significant part on our ability to raise capital on terms that enable us to increase Bitcoin per Effective Diluted Share over the long term. The availability and economic attractiveness of financing for bitcoin treasury companies may depend significantly on investors' assessment of their ability to raise capital on an accretive basis.

The market prices of bitcoin treasury companies may trade at substantial premiums or discounts to the value of their underlying bitcoin holdings, and such premiums or discounts may change rapidly as a result of changes in investor sentiment, market conditions, expectations regarding future financing and bitcoin

accumulation, or other factors. If the Ordinary Shares trade at a depressed valuation relative to our bitcoin holdings, we may determine that issuing additional Ordinary Shares would be excessively dilutive or would not increase Bitcoin per Effective Diluted Share. Certain financing instruments that we have issued may also be subject to exercise or other conditions linked to our share price, mNAV or other market-based thresholds, which could limit their effectiveness as sources of capital during periods of depressed market valuation.

The growth of bitcoin treasury companies and other digital asset treasury strategies has also increased competition for investor capital and attention. Other bitcoin treasury companies may have greater financial resources, larger bitcoin holdings, access to deeper or more liquid capital markets, lower financing costs, more established investor bases, greater trading liquidity or different regulatory or corporate structures than we do. As a result, certain competitors may be able to raise capital on more favourable terms, accumulate bitcoin more rapidly or achieve greater increases in bitcoin holdings per share.

Although we currently hold the largest publicly reported bitcoin position among listed companies in Japan, there can be no assurance that we will maintain this position. Other existing or newly formed companies may adopt bitcoin treasury strategies and raise substantial amounts of capital to acquire bitcoin. The implementation of a bitcoin treasury strategy may be replicated by other companies with access to capital, appropriate custody and risk-management infrastructure and the necessary corporate and regulatory arrangements.

The continued emergence and growth of bitcoin treasury companies and other investment vehicles providing exposure to bitcoin may further increase competition for investor capital. Investors may choose to allocate capital to other bitcoin treasury companies, spot bitcoin ETPs or other bitcoin-related investment products rather than to the Ordinary Shares or securities issued by us. If competing companies maintain more favourable market valuations, stronger trading liquidity or access to capital on more attractive terms, they may be able to raise capital and acquire bitcoin in a manner that is more accretive than we are able to achieve. Such developments could increase our cost of capital or reduce our ability to raise funds on terms that enable us to increase Bitcoin per Effective Diluted Share.

Accordingly, even if financing is available to us, we may determine not to pursue a transaction if its pricing, dilution or other terms would not be sufficiently accretive or otherwise consistent with our capital allocation objectives. If we are unable to raise capital on terms that support increases in Bitcoin per Effective Diluted Share, our ability to execute our bitcoin treasury strategy and achieve our strategic objectives could be adversely affected.

Risks Related to Existing Financings

EVO FUND, Inc. ("EVO Fund") has historically been a significant participant in our debt and equity financings, primarily through its purchase from us of moving strike warrants exercisable for the Ordinary Shares based on recent market prices of the Ordinary Shares. Three series of such moving strike warrants remain outstanding.

The 23rd Series Stock Acquisition Rights and the 24th Series Stock Acquisition Rights, each allotted to EVO Fund on 8 December 2025, are exercisable for up to 105,000,000 Ordinary Shares per series (210,000,000 Ordinary Shares in aggregate) and carry an exercise price adjustment clause and an exercise suspension clause. The applicable minimum exercise prices are ¥637 per Ordinary Share for the 23rd Series Stock Acquisition Rights and ¥777 per Ordinary Share for the 24th Series Stock Acquisition Rights. None of these warrants have been exercised to date, and we have designated a suspension of exercise for the period from 24 March 2026 to 8 December 2027.

The 27th Series Stock Acquisition Rights, allotted to EVO Fund on 1 April 2026 and carrying an exercise price adjustment clause, an mNAV clause, a floor exercise price adjustment clause and an exercise suspension clause, were exercisable for up to 100,000,000 Ordinary Shares, with an applicable minimum exercise price of ¥187 per Ordinary Share. Of these, warrants exercisable for 5,270,000 Ordinary Shares had been exercised as of 30 September 2026, leaving warrants exercisable for 94,730,000 Ordinary Shares outstanding.

As of 30 September 2026, these three series in the aggregate represented 304,730,000 Ordinary Shares issuable upon exercise of outstanding moving strike warrants. There can be no assurance, however, that such warrants will be exercised, including during any period for which a suspension of exercise has been designated or at any time the Ordinary Shares trade below the applicable minimum exercise price (¥637 per Ordinary Share in the case of the 23rd Series Stock Acquisition Rights, ¥777 per Ordinary Share in the case of the 24th Series Stock Acquisition Rights and ¥187 per Ordinary Share in the case of the 27th Series Stock Acquisition Rights).

As a result of insufficient proceeds from such exercises, our acquisition of additional bitcoin could be delayed, and we may also require an alternative method to repay our outstanding bonds issued to EVO Fund (¥7,910 million as of 30 September 2026). EVO Fund has the right to request an early redemption with five days' notice, and we would be required to secure sufficient funds to make such early redemption if EVO Fund exercises such right. Any such early redemption or repayment at maturity could require us to use a portion of the proceeds from the offering or other financings for such purpose instead of bitcoin purchases or funding for our income generation business.

In addition, although we intend to continue to issue moving strike warrants as a significant source of funding going forward, no party is under any obligation to purchase new series of such warrants, the number of potential counterparties for such private investments in public companies is relatively limited compared to certain other markets such as the United States, identifying and contracting with new counterparties could delay our intended financings, and the terms of such financings could be less favourable than those we have executed in the past. Moreover, we set the minimum exercise price for moving strike warrants at a level we believe would constitute a sufficient premium to our bitcoin NAV, with the intention that the cash proceeds could be used to make bitcoin purchases and conduct other operations that would be accretive to our bitcoin per Ordinary Share. However, a substantial increase in our bitcoin NAV and/or bitcoin per Ordinary Share while such warrants remain outstanding could result in the minimum exercise price constituting a low premium or a discount to our bitcoin NAV, which could result in exercise at times when we would prefer not to issue additional Ordinary Share. In such event, we may determine to repurchase the outstanding warrants to the extent permitted under their terms, causing us to incur potentially significant costs, or if we lack sufficient cash resources and alternative financing is not available to us, we may be unable to repurchase the warrants.

Risks Related to the Interest Rate Environment and Dividend or Interest Payment Obligations

Our indebtedness has increased, including through borrowings under our Bitcoin-collateralised credit facility, the BitBonds and, upon completion of the offering of the Bonds, the Bonds, and our financing costs in the future will be impacted by interest rate fluctuations to the extent we decide to issue additional dividend-paying Preferred Stock or incur additional indebtedness in the future. We believe the dividends payable on our Preferred Stock will be influenced by the interest rate environment in Japan. The current inflationary environment has resulted in rising central bank and market interest rates, and any increase in interest rates in the future may increase our financing costs. Interest rates in Japan have increased to a certain extent in recent years, including in connection with the Bank of Japan scaling back and then, in March 2024, eliminating most of its measures to control long-term government bond yields and raising its overnight interest rate to a range of zero to 0.1%, from minus 0.1% previously. Subsequently, the Bank of Japan raised its overnight interest rate in July 2024 and again in January 2025, December 2025 to 1.0% in June 2026, and further increased to the current 1.25% in September 2026. Interest rates in Japan could further increase in the future due to changes in the interest rate policy pursued by the Bank of Japan or otherwise.

Moreover, if our income generation operations do not generate cash flow in future periods sufficient to satisfy our financial obligations, including our Preferred Stock dividends and any debt payment obligations, we intend to fund our obligations using cash flow generated by equity or other debt financings. Our ability to obtain equity or debt financing may in turn depend on, among other factors, the value of our bitcoin holdings, investor sentiment and the general public perception of bitcoin, our strategy and our value proposition. Accordingly, a significant decline in the market value of our bitcoin holdings or a negative shift in these other factors may create liquidity and credit risks, as such a decline or such shifts may adversely impact our ability to secure sufficient equity or debt financing to satisfy our financial obligations, including our cash dividend or debt payment obligations. These risks could materialise at times when bitcoin is trading below its carrying value on our most recent balance sheet or our cost basis. As bitcoin constitutes the vast bulk of assets on our balance sheet, if we are unable to secure equity or debt financing in a timely manner, on favourable terms, or at all, we may be required to sell bitcoin to satisfy these obligations. Any such sale of bitcoin may have a material adverse effect on our operating results and financial condition, and could impair our ability to secure additional equity or debt financing in the future. Our inability to secure additional equity or debt financing in a timely manner, on favourable terms or at all, or to sell our bitcoin in amounts and at prices sufficient to satisfy our financial obligations could cause us to default under such obligations. Any such default may have a material adverse effect on our business and financial condition.

We have issued dividend-paying Preferred Stock that ranks senior to the Ordinary Shares stock with respect to dividends and liquidation rights. Issuance of further Preferred Stock could adversely affect the value of the Ordinary Shares, and dividend payment on and cash redemption of existing Preferred Stock could result in cash outflows

Under our Articles of Incorporation, we are authorised to issue 555,000,000 shares of Class A Preferred Stock and 555,000,000 shares of Class B Preferred Stock. On 1 August 2025, we filed a shelf registration statement to the SEC for the issuance of Class A and Class B Preferred Stock. While the Class A Preferred Stock has not yet been issued as of the date of this Offering Circular, we issued 23,610,000 shares of Class B Preferred Stock on 29 December 2025. As is typical of preferred stock, such classes rank senior to the Ordinary Shares with respect to the payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up, which may affect the rights of holders of the Ordinary Shares.

The Class A Preferred Stock ranks senior to the Class B Preferred Stock and senior to the Ordinary Shares, and cannot be convertible into the Ordinary Shares. The Class B Preferred Stock is junior to Class A, but senior to the Ordinary Shares, and can be convertible into the Ordinary Shares at a certain ratio. While we have no current intention to pay dividends on the Ordinary Shares, both classes of Preferred Stock are supposed to pay dividends The amount of the dividends to be paid on the Class A Preferred Stock are limited by our Articles of Incorporation to certain level, and the Class B Preferred Stock issued in December 2025 carries a dividend of ¥12.25 per share at the record dates of 31 March, 30 June, 30 September and 31 December. Such dividend payment obligations could cause significant strain on our cash and other financial resources. See "Description of the Ordinary Shares, Preferred Stock and Certain Regulations—Preferred Stock—Preferred Dividends". However, rising interest rates in Japan and investor perception of us our prospects could necessitate our revising this limit upward before any issuance, which would require shareholder approval of a related amendment to our Articles of Incorporation. Dividend payments could thus create a substantial ongoing financial burden on us, including because the dividend rate we anticipate is likely to be materially higher than the interest rate on debt financings we have employed to date. Although we intend to limit the amount paid in for any issuance of Preferred Stock to 25% of our bitcoin NAV at the time of issuance, there can be no assurance that we will be able to generate income or other cash flows necessary to service the dividend payment obligations on such Preferred Stock. Because such dividend payment obligations would be cumulative and senior to the rights of the holders of the Ordinary Shares, they could substantially and adversely affect the value of the Ordinary Shares.

To further diversify our sources of financing and support our acquisition of bitcoin going forward, we may issue further Preferred Stock in the future, which may create dilutive effect on the shareholdings of Ordinary Shares and further increase our dividend payment obligations.

As a result of future discussions with investors, the TSE, financial regulators, and intermediaries we may employ to market such securities to investors, we may seek to revise the terms of such classes Preferred Stock, potentially requiring further amendments to our Articles of Incorporation. In addition, we are seeking to list the Class B Preferred Stock on the TSE, and we may also seek to list the Class A Preferred Stock on the TSE in the future, although any such listing may not be approved. If we are unable to list our Preferred Stock on the TSE, or demand among Japanese investors and other market participants is less than we expect, our ability to use such Preferred Stock as a substantial source of funding could be impaired. Moreover, pursuant to the terms under which our existing Class B Preferred Stock are issued, holders of such Class B Preferred Stock are entitled to require us to repurchase their Class B Preferred Stock in cash if we fail to list the Class B Preferred Stock on the Tokyo Stock Exchange by the 20th trading day following 29 December 2026. Such repurchase of the existing Class B Preferred Stock could result in cash outflows. Furthermore, we believe the market for such alternative financial instruments in Japan is not as developed as it is in the United States, and may not develop as we expect or at all. For these and other reasons, including any change in bitcoin or capital markets conditions generally, even if we receive the requisite regulatory approvals, we may determine not to issue such classes of Preferred Stock on the terms we currently contemplate, in substantial amounts, or at all, which could adversely affect our ability to continue to purchase bitcoin as we intend.

If we or our third-party service providers experience a security breach or cyberattack and unauthorised parties obtain access to our bitcoin, or if the private keys associated with our bitcoin are lost or destroyed, or other similar circumstances or events occur, we may lose some or all of our bitcoin and our financial condition and results of operations could be materially adversely affected

Substantially all of the bitcoin we own is held in custody accounts at institutional-grade digital asset custodians. Security breaches and cyberattacks are of particular concern with respect to our bitcoin, and with recent advances in Artificial Intelligence, this risk has increased and is expected to increase further. Bitcoin and

other blockchain-based cryptocurrencies and the entities that provide services to participants in the bitcoin ecosystem have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities. For example, in October 2021 it was reported that hackers exploited a flaw in the account recovery process and stole from the accounts of at least 6,000 customers of the Coinbase exchange, although the flaw was subsequently fixed and Coinbase reimbursed affected customers. Similarly, in November 2022, hackers exploited weaknesses in the security architecture of the FTX Trading digital asset exchange and reportedly stole over US$400 million in digital assets from customers. A successful security breach or cyberattack could result in:

- a partial or total loss of our bitcoin in a manner that may not be covered by insurance or the liability provisions of the custody agreements with the custodians who hold our bitcoin;
- harm to our reputation and brand;
- improper disclosure of data and violations of applicable data privacy and other laws; or
- significant regulatory scrutiny, investigations, fines, penalties, and other legal, regulatory, contractual and financial exposure.

Further, any actual or perceived data security breach or cybersecurity attack directed at other companies with digital assets or companies that operate digital asset networks, regardless of whether we are directly impacted, could lead to a general loss of confidence in the broader bitcoin blockchain ecosystem or in the use of the bitcoin network to conduct financial transactions, which could negatively impact us.

Attacks upon systems across a variety of industries, including industries related to bitcoin, are increasing in frequency, persistence, and sophistication, and, in many cases, are being conducted by sophisticated, well-funded and organised groups and individuals, including state actors. The techniques used to obtain unauthorised, improper or illegal access to systems and information (including personal data and digital assets), disable or degrade services, or sabotage systems are constantly evolving, may be difficult to detect quickly, and often are not recognised or detected until after they have been launched against a target. These attacks may occur on our systems or those of our third-party service providers or partners. We may experience breaches of our security measures due to human error, malfeasance, insider threats, system errors or vulnerabilities or other irregularities. In particular, unauthorised parties have attempted, and we expect that they will continue to attempt, to gain access to our systems and facilities, as well as those of our partners and third-party service providers, through various means, such as hacking, social engineering, phishing and fraud. Threats can come from a variety of sources, including criminal hackers, hacktivists, state-sponsored intrusions, industrial espionage and insiders. For example, there are reports that North Korea has accumulated a large number of bitcoins, including through cyberattacks on digital asset exchanges. In addition, certain types of attacks could harm us even if our systems are left undisturbed. For example, certain threats are designed to remain dormant or undetectable, sometimes for extended periods of time, or until launched against a target and we may not be able to implement adequate preventative measures. Further, there has been an increase in such activities due to the increase in work-from-home arrangements since the onset of the COVID-19 pandemic. The risk of cyberattacks could also be increased by cyberwarfare in connection with the ongoing Russia-Ukraine and Middle East conflicts, or other future conflicts, including potential proliferation of malware into systems unrelated to such conflicts. Any future breach of our operations or those of others in the bitcoin industry, including third-party services on which we rely, could materially and adversely affect our business.

We face risks relating to the custody of our bitcoin, including the loss or destruction of the private keys associated with our bitcoin and cyberattacks or other data loss relating to our bitcoin

We hold our bitcoin with regulated custodians that have duties to safeguard the private keys or other cryptographic credentials associated with our bitcoin. Our custodial services contracts do not restrict our ability to reallocate our bitcoin among custodians and, in light of the significant amount of bitcoin we hold, we seek to engage additional custodians to achieve a greater degree of diversification in the custody of our bitcoin, as the extent of potential risk of loss is dependent, in part, on the degree of diversification. If there is a decrease in the availability of digital asset custodians that we believe can safely custody our bitcoin, for example, due to regulatory developments or enforcement actions that cause custodians to discontinue or limit their services in Japan or, for our U.S. subsidiary, the United States, we may need to enter into agreements that are less favourable than our current agreements or take other measures to custody our bitcoin, and our ability to seek a greater degree of diversification in the use of custodial services would be materially adversely affected.

As of 30 September 2026, the insurance that covers losses of our bitcoin holdings covers only a small fraction of the value of the entirety of our bitcoin holdings, and there can be no guarantee that such insurance will

be maintained as part of the custodial services we have or that such coverage will cover losses with respect to our bitcoin. If such insurance is unavailable or inadequate to cover our losses, the custodian may lack sufficient financial or other assets necessary to reimburse us, even if the custodian is contractually obligated to do so. In addition, depending on the terms of our agreements with custodians, there is no assurance that any contractual liability provisions under such agreements will be sufficient to compensate us for any losses with respect to our bitcoin.

Moreover, our use of custodians exposes us to the risk that the bitcoin our custodians hold on our behalf could become subject to insolvency proceedings. Depending on the applicable law and custody arrangements, our ability to exercise ownership or other rights with respect to such bitcoin could be impaired, or we could be treated as an unsecured creditor of the custodian. For example, under Japan's PSA, a person with claims for losses on crypto assets entrusted to the management of a crypto asset exchange service provider registered with the FSA ("CAESP"), including our current Japanese custodians, has the right to receive payment prior to other general creditors out of the crypto assets that are separately managed by the CAESP. Upon the effectiveness of the relevant provisions of the amended FIEA, which was promulgated in July 2026, a similar framework is expected to apply following the transfer of the regulation of crypto asset exchange services from the PSA to the FIEA. See "–The regulatory status of bitcoin in Japan and the United States is subject to uncertainty and is continually evolving" for details of the amendments to the regulatory framework. However, certain matters necessary for the exercise of such rights under the amended framework remain subject to implementing regulations, and there are no precedents regarding the exercise of such rights. Any loss associated with such insolvency proceedings is unlikely to be covered by any insurance coverage we maintain related to our bitcoin.

Bitcoin associated with a blockchain address is generally controlled through possession of the relevant private keys or other cryptographic credentials. While information relating to transactions is recorded on the bitcoin blockchain, private keys or other credentials required to authorise transactions must be safeguarded in order to prevent unauthorised parties from accessing or transferring the bitcoin associated with the relevant address. The private keys or other cryptographic credentials for our bitcoin holdings are secured through custody arrangements managed by our custodians, including "cold" or offline storage. When bitcoin is held by a custodian, such custodian is responsible for safeguarding the relevant private keys or other cryptographic credentials. To the extent such private keys or credentials are lost, destroyed or otherwise compromised and no backup or other recovery mechanism is accessible, neither we nor our custodians may be able to access the bitcoin held in the related wallet. Furthermore, we cannot provide assurance that our digital wallets, nor the digital wallets of our custodians held on our behalf, will not be compromised as a result of a cyberattack. The bitcoin and blockchain ledger, as well as other digital assets and blockchain technologies, have been, and may in the future be, subject to security breaches, cyberattacks, or other malicious activities. The occurrence of such incidents could also cause an adverse impact on the market price and adoption of bitcoin and other digital assets.

Our bitcoin strategy subjects us to enhanced regulatory oversight

As noted above, due to regulatory restrictions there are currently no Japan-domiciled spot bitcoin ETPs. Even though we are not, and do not function in the manner of, a spot bitcoin ETP, it is possible that we nevertheless could face regulatory scrutiny from the FSA or other regulators due to our bitcoin holdings.

In addition, there has been increasing focus on the extent to which digital assets can be used to launder the proceeds of illegal activities, fund criminal or terrorist activities, or circumvent sanctions regimes, including those sanctions imposed in response to the ongoing conflict between Russia and Ukraine. While we have implemented and maintain policies and procedures reasonably designed to promote compliance with applicable anti-money laundering and sanctions laws and regulations and take care to only acquire our bitcoin through entities subject to anti-money laundering regulation and related compliance rules in Japan and the United States, if we are found to have purchased any of our bitcoin from bad actors that have used bitcoin to launder money or persons subject to sanctions, we may be subject to regulatory proceedings and any further transactions or dealings in bitcoin by us may be restricted or prohibited.

A portion of our bitcoin holdings serves as collateral for borrowings under our Bitcoin-collateralised credit facility (with a maximum facility amount of US$700 million), under which US$649 million in borrowings was outstanding as of 30 September 2026. In addition, we may incur indebtedness or enter into other financial arrangements in the future that may be collateralised by our bitcoin holdings. We also enter into options transactions relating to bitcoin, and may consider pursuing additional strategies to create income streams or otherwise generate funds using our bitcoin holdings. These types of bitcoin-related transactions are the subject of enhanced regulatory oversight. These and any other bitcoin-related transactions we may enter into, beyond simply acquiring and holding bitcoin, may subject us to additional regulatory compliance requirements and

scrutiny, including under money services regulations, money transmitter licencing requirements and various commodity and securities laws and regulations.

Additional laws, guidance and policies may be issued by domestic and foreign regulators as a result of increased regulatory focus on the digital assets industry, which has in the past occurred and may again occur in connection with a large-scale failure of one or more digital assets companies. Increased enforcement activity and changes in the regulatory environment, including changing interpretations and the implementation of new or varying regulatory requirements by the government or any new legislation affecting bitcoin, as well as enforcement actions involving or impacting our trading venues, counterparties and custodians, may impose significant costs or significantly limit our ability to hold and transact in bitcoin.

We are actively working to develop and strengthen our governance and compliance framework as necessary to support our bitcoin strategy and related activities, and enhanced regulatory oversight may present challenges

Adopted in April 2024, our bitcoin treasury strategy represents a significant change from our previous business strategy and introduces new operational, compliance, and regulatory considerations. Our prior operations and management systems were not initially designed to support continuous acquisition, custody, risk management, monetisation or other transactions involving bitcoin or our bitcoin income generation operations, or the frequent fundraising activities that support our bitcoin acquisition and other operations.

We may not be able to design, build, implement or maintain the governance, compliance, risk management and internal control infrastructure necessary to perform such new business strategies in a manner consistent with the expectations of investors, our auditors, or regulators. If we fail to establish and operate effective governance, controls and monitoring for our bitcoin treasury operations, we could experience operational losses, fraud, accounting errors, failures to file required reports on a timely basis or violations of applicable laws and regulations in an environment of enhanced regulatory oversight, any of which could subject us to regulatory scrutiny, enforcement actions, fines, civil litigation, sanctions or reputational harm in the jurisdictions in which we operate, which could adversely impact our business and financial condition.

The concentration of our bitcoin holdings enhances the risks inherent in our bitcoin strategy

As of 30 September 2026, we held 44,000 bitcoin, which were acquired at an aggregate purchase price of ¥15,555,717. We intend to continue to purchase additional bitcoin and, accordingly, increase our overall holdings of bitcoin in the future. The concentration of our bitcoin holdings limits the risk mitigation that we could achieve if we were to purchase a more diversified portfolio of treasury or other assets, and the absence of diversification enhances the risks inherent in our bitcoin strategy. The price of bitcoin experienced a significant decline in 2026, and such decline and any future significant declines in the price of bitcoin would have a more pronounced impact on our financial condition than if we used our cash to purchase a more diverse portfolio of assets. Because we have not held bitcoin during a significant decline in its market price, it may be more difficult for investors to assess the impact that any future decline would have on us. See "—Our historical financial statements do not reflect the performance of our bitcoin strategy in different market cycles, and we may not be able to manage our continued growth."

The emergence or growth of other digital assets, including those with significant private or public sector backing, could have a negative impact on the price of bitcoin and adversely affect our business

As a result of our bitcoin strategy, our assets are concentrated in our bitcoin holdings. Accordingly, the emergence or growth of digital assets other than bitcoin may have a material adverse effect on our financial condition. As of 30 June 2026, bitcoin was the largest digital asset by market capitalisation. However, there are numerous alternative digital assets and many entities, including consortiums and financial institutions, are researching and investing resources into private or permissioned blockchain platforms or digital assets that do not use proof-of-work mining like the bitcoin network. For example, in late 2022, the Ethereum network transitioned to a "proof-of-stake" mechanism for validating transactions that requires significantly less computing power than proof-of-work mining. The Ethereum network has completed another major upgrade since then and may undertake additional upgrades in the future. If the mechanisms for validating transactions in Ethereum and other alternative digital assets are perceived as superior to proof-of-work mining, those digital assets could gain market share relative to bitcoin.

Other alternative digital assets that compete with bitcoin in certain ways include "stablecoins," which are designed to maintain a constant price because of, for instance, their issuers' promise to hold high-quality liquid assets (such as U.S. dollar deposits and short-term U.S. treasury securities) equal to the total value of stablecoins in circulation. Stablecoins have grown rapidly as an alternative to bitcoin and other digital assets as a medium of exchange and store of value, particularly on digital asset trading platforms.

Additionally, central banks in some countries have started to introduce digital forms of legal tender. For example, the PRC's CBDC project was made available to consumers in January 2022, and governments including Japan, the United States, the United Kingdom, the European Union and Israel have been discussing or studying the potential creation of new CBDCs. Whether or not they incorporate blockchain or similar technology, CBDCs, as legal tender in the issuing jurisdiction, could also compete with or replace bitcoin and other digital assets as a medium of exchange or store of value. As a result, the emergence or growth of these or other digital assets could cause the market price of bitcoin to decrease, which could have a material adverse effect on our business, prospects, financial condition and operating results.

Our bitcoin holdings are less liquid than our existing cash and deposits and may not be able to serve as a sufficient source of liquidity for us

Historically, the bitcoin market has been characterised by significant volatility in price, limited liquidity and trading volumes compared to sovereign currencies markets, relative anonymity, a developing regulatory landscape, potential susceptibility to market abuse and manipulation, compliance and internal control failures at exchanges, and various other risks inherent in its entirely electronic, virtual form and decentralised network. We do not intend to sell our bitcoin, but to the extent way may deem it necessary or appropriate in the future, during times of market instability, we may not be able to sell our bitcoin at favourable prices or at all. For example, a number of bitcoin trading venues temporarily halted deposits and withdrawals in 2022. As a result, our bitcoin holdings may not be able to serve as a source of liquidity for us to the same extent as cash and cash equivalents. Further, bitcoin we hold with our custodians and transact with our trade execution partners does not enjoy the same protections as are available to cash or securities deposited with or transacted by institutions subject to regulation by the Deposit Insurance Corporation of Japan or the Japan Investor Protection Fund, or the equivalent entities in the United States. Additionally, we may be unable to enter into term loans or other capital raising transactions collateralised by our unencumbered bitcoin or otherwise generate funds using our bitcoin holdings, including in particular during times of market instability or when the price of bitcoin has declined significantly. If we are unable to sell our bitcoin, enter into additional capital raising transactions, including capital raising transactions using bitcoin as collateral, or otherwise generate funds using our bitcoin holdings, or if we are forced to sell our bitcoin at a significant loss, in order to meet our working capital requirements, our business and financial condition could be negatively impacted.

Due to the unregulated nature and lack of transparency surrounding the operations of many bitcoin trading venues, bitcoin trading venues may experience greater fraud, security failures or regulatory or operational problems than trading venues for more established asset classes, which may result in a loss of confidence in bitcoin trading venues and adversely affect the value of our bitcoin

Bitcoin trading venues are relatively new and, with certain exceptions such as registered CAESPs in Japan, are in many cases unregulated. Furthermore, there are many bitcoin trading venues which do not provide the public with significant information regarding their ownership structure, management teams, corporate practises and regulatory compliance. As a result, the marketplace may lose confidence in bitcoin trading venues, including prominent exchanges that handle a significant volume of bitcoin trading and/or are subject to regulatory oversight, in the event one or more bitcoin trading venues cease or pause for a prolonged period the trading of bitcoin or other digital assets, or experience fraud, significant volumes of withdrawal, security failures or operational problems.

In 2019 there were reports claiming that 80-95% of bitcoin trading volume on trading venues was false or non-economic in nature, with specific focus on unregulated exchanges located outside of Japan and the United States. The SEC also alleged as part of its 5 June 2023 complaint against Binance Holdings Ltd. that Binance committed strategic and targeted "wash trading" through its affiliates to artificially inflate the volume of certain digital assets traded on its exchange. The SEC has also brought recent actions against individuals and digital asset market participants alleging that such persons artificially increased trading volumes in certain digital assets through wash trades, or repeated buying and selling of the same assets in fictitious transactions to manipulate their underlying trading price. Such reports and allegations may indicate that the bitcoin market is significantly smaller than expected. Any actual or perceived wash trading in the bitcoin market, and any other fraudulent or manipulative acts and practises, could adversely affect the value of our bitcoin. Negative perception, a lack of stability in the broader bitcoin markets and the closure, temporary shutdown or operational disruption of bitcoin trading venues, lending institutions, institutional investors, institutional miners, custodians or other major participants in the bitcoin ecosystem, due to fraud, business failure, cybersecurity events, government regulation, bankruptcy or any other reason may result in a decline in confidence in bitcoin and the broader bitcoin ecosystem and greater volatility in the price of bitcoin. For example, in February 2014, Japan's Mt. Gox, then the largest crypto asset platform worldwide, filed for bankruptcy protection after an estimated 850,000 bitcoin were

discovered to have been stolen from its wallets, following which the market price of bitcoin significantly declined. More recently, in 2022, each of Celsius Network, Voyager Digital, Three Arrows Capital, FTX and BlockFi filed for bankruptcy, following which the market prices of bitcoin and other digital assets significantly declined. In addition, in June 2023, the SEC announced enforcement actions against Coinbase, Inc. and Binance Holdings Ltd., two providers of large trading venues for digital assets, which similarly was followed by a decrease in the market price of bitcoin and other digital assets. As the price of the Ordinary Shares is affected by the value of our bitcoin holdings, the failure of a major participant in the bitcoin ecosystem could have a material adverse effect on the market price of the Ordinary Shares.

U.S. regulatory change reclassifying bitcoin as a security could adversely affect the market price of bitcoin and the market price of the Ordinary Shares and could lead to our classification as an "investment company" under the U.S. Investment Company Act of 1940

Our assets are concentrated in our bitcoin holdings. While senior SEC officials have stated their view that bitcoin is not a "security" for purposes of the U.S. federal securities laws, a contrary determination by the SEC would create additional regulatory restrictions on many digital assets-related companies doing business in the United States, which could adversely affect the market price of bitcoin and in turn adversely affect the market price of the Ordinary Shares.

In addition, such determination could lead to our classification as an "investment company" under the U.S. Investment Company Act of 1940, which could impose limitations on our ability to raise funds from U.S. investors and other restrictions our business and operations, and may require us to substantially change the manner in which we conduct our business.

We are not subject to legal and regulatory obligations that apply to investment vehicles such as mutual funds and exchange-traded funds

Mutual funds, ETFs and their directors and management are subject to extensive regulation intended for the benefit and protection of investors. We are not subject to, and do not otherwise voluntarily comply with, the laws and regulations applicable to such entities. This means, among other things, that the execution of or changes to our bitcoin strategy, our use of leverage, the manner in which our bitcoin is custodied, our ability to engage in transactions with affiliated parties and our operating and investment activities generally are not subject to the extensive legal and regulatory requirements and prohibitions that apply to such entities. Consequently, our Board of Directors has broad discretion over the investment, leverage and cash management policies it authorises, whether in respect of our bitcoin holdings or other activities we may pursue, and has the power to change our current policies, including our strategy of acquiring and holding bitcoin.

Our bitcoin strategy exposes us to risk of non-performance by counterparties

Our bitcoin strategy exposes us to the risk of non-performance by counterparties, whether contractual or otherwise. Risk of non-performance includes inability or refusal of a counterparty to perform because of a deterioration in the counterparty's financial condition and liquidity or for any other reason. For example, our execution partners, custodians, or other counterparties might fail to perform in accordance with the terms of our agreements with them, which could result in a loss of bitcoin, a loss of the opportunity to generate funds, or other losses.

Our primary counterparty risk with respect to our bitcoin is custodian performance obligations under the various custody arrangements we have entered into. A series of recent high-profile bankruptcies, closures, liquidations, regulatory enforcement actions and other events relating to companies operating in the digital asset industry have highlighted the perceived and actual counterparty risk applicable to digital asset ownership and trading. These events include the following:

- the cessation of business of Japanese CAESP DMM Bitcoin following its May 2024 announcement that it had lost 4,502.9 bitcoin of customer assets as a result of a hacking incident;
- the filings for bankruptcy protection by Three Arrows Capital, Celsius Network, Voyager Digital, FTX Trading and Genesis Global Capital;
- the closure or liquidation of certain financial institutions that provided lending and other services to the digital assets industry, including Signature Bank and Silvergate Bank;
- the placement of Prime Trust, LLC into receivership following a cease-and-desist order issued by Nevada's Department of Business and Industry; and

- the filing and subsequent settlement of a civil fraud lawsuit by the New York Attorney General against Genesis Global Capital, its parent company Digital Currency Group, Inc., and former partner Gemini Trust Company.

Although these bankruptcies, closures and liquidations have not resulted in any loss or misappropriation of our bitcoin, nor have such events adversely impacted our access to our bitcoin, legal precedent created in these bankruptcy and other proceedings may increase the risk of future rulings adverse to our interests in the event one or more of our custodians becomes a debtor in a bankruptcy case or is the subject of other liquidation, insolvency or similar proceedings.

While all of our custodians are subject to regulatory regimes intended to protect customers in the event of a custodial bankruptcy, receivership or similar insolvency proceeding, no assurance can be provided that our custodially held bitcoin will not become part of the custodian's insolvency estate if one or more of our custodians enters bankruptcy, receivership or similar insolvency proceedings. In addition, a limited portion of our bitcoin is temporarily held at digital asset exchanges in connection with the settlement of transactions made through such exchanges. While we only transact through licenced exchanges that we believe are highly reputable, we are exposed to counterparty risks relating to such exchanges. Furthermore, as we sell options on bitcoin, we are subject to counterparty risk in connection with the performance of such contracts, and if we pursue any other strategies to create income streams or otherwise generate funds using our bitcoin holdings, we would become subject to additional counterparty risks. Any significant non-performance by counterparties, including in particular the custodians with which we custody substantially all of our bitcoin, could have a material adverse effect on our business, prospects, financial condition, and operating results.

We may face risks to our reputation and false, misleading or unfavourable media coverage

We believe that maintaining and enhancing our reputation is critical to our relationships with our existing investors and to our ability to attract new investors as well as contribute to our efforts to recruit and retain talented employees. However, our corporate reputation is potentially susceptible to material damage by events such as disputes with investors or third-party partners, information technology security breaches or service outages, or decreases in the value or acceptance of bitcoin. Similarly, our reputation could be damaged by actions or statements of current or former consumers, employees, competitors, as well as third-party partners and the media. Damage to our reputation could be difficult and time-consuming to repair or cause existing partners to terminate our relationship, resulting in a loss of business, and could adversely affect our recruitment and retention efforts. Damage to our reputation could also reduce investors' willingness to purchase our fixed income and equity assets, which may adversely affect our business, financial condition and results of operations.

We may be subject to a high degree of media coverage around the world, including with respect to our selection of certain members of our strategic board of advisors. In particular, two members of our strategic board of advisors, Eric Trump and David Bailey, have close associations with the current Presidential administration in the U.S., and media outlets may publish unfavourable or misleading information about such members or our operations. Any factual information we include in our disclosures and other public statements may be distorted by media outlets when conveyed to the public and the market. In addition, while we have chosen the members of our board of strategic advisors because of their experience and extensive involvement in the digital assets industry, such roles could create actual or perceived conflicts of interest despite our internal policies, and such members could make public statements about the digital assets industry or other matters that are inconsistent with the views of our Board of Directors and management. Any of the foregoing could harm our business, reputation, stock price, and/or ability to transact with third-party service providers in the U.S. or elsewhere.

Our brand and reputation may also be negatively impacted by actual or alleged illegal or unethical activity or conduct, as well as misconduct or inappropriate behaviour or activities, by our employees or management. In addition, the proliferation of social media increases the risk of rumours and negative perceptions concerning us or our businesses to be widely and swiftly disseminated through various methods such as media reports or comments on online platforms, which may damage our reputation and impact our ability to recruit and retain highly talented employees.

The maintenance and enhancement of our reputation may require us to make substantial additional expenditures, and we anticipate that these expenditures will increase as the areas in which we operate becomes more competitive and as we expand into new markets. To the extent that these activities yield increased net sales, these net sales may not always offset the increased expenses we incur. If we do not successfully maintain and enhance our reputation, our business may not grow, and we may have reduced pricing power relative to competitors and could lose investors and third-party partners or fail to attract new investors or partners, all of which would adversely affect our business, results of operations and financial condition.

Risk Related to Our Hotel Business

Our hotel business, consisting of the Hotel Royal Oak Gotanda, is subject to risks generally applicable to the hospitality industry in Tokyo, Japan

As of the date of this Offering Circular, we own and manage one hotel, the Hotel Royal Oak Gotanda, which is located in central Tokyo, Japan, and which forms our hotel business segment. While our bitcoin-related operations have become substantially more significant to our financial performance than our hotel business, our hotel business exposes us to various risks affecting hotels. Such risks include adverse trends in domestic and inbound travel demand as well as general economic conditions in Japan and Tokyo, competition from other hotels and hotel alternatives, our ability to effectively manage our hotel's operations, maintenance and any capital improvements; increases in operating costs such as labour and energy costs, the occurrence of any natural or man-made disasters, infectious diseases, or acts of violence or war, and compliance with laws and regulations, including customer data privacy regulations and liabilities with respect to any breach thereof.

Risks Related to Our Operations and Business in General

Our quarterly operating results, revenues and expenses may fluctuate significantly, which could have an adverse effect on the market price of the Ordinary Shares

For many reasons, including those described below, our operating results, revenues and expenses have varied in the past and may vary significantly in the future from quarter to quarter. These fluctuations could have an adverse effect on the market price of the Ordinary Shares.

Fluctuations in Quarterly Operating Results. Our quarterly operating results may fluctuate, in part, as a result of:

- fluctuations in the price of bitcoin, of which we have significant holdings and with respect to which we expect to continue to make significant future purchases, and our recording of non-operating gains and losses based on the market value of our bitcoin holdings as of the last day of the relevant fiscal quarter under Japanese GAAP;
- the performance of our strategies to generate income through derivatives on bitcoin (see "—Risks Related to Our Bitcoin Strategy and Holdings—Our generation of revenue through derivatives on bitcoin subjects us to various risks");
- regulatory, commercial and technical developments related to bitcoin or the bitcoin blockchain, or digital assets more generally;
- the incurrence of additional fixed interest charges or dividend obligations, including if borrowing costs continue to increase in Japan, or if we issue convertible debt or Preferred Stock in the future; and
- the impact of war, terrorism, infectious diseases (such as COVID-19), natural disasters and other global events, and government responses to such events, on the global economy and the market for and price of bitcoin.

Limited Ability to Adjust Expenses. We base our operating expense budgets on expected revenue trends and strategic objectives. Many of our expenses, such as certain tax liabilities, office leases, certain costs associated with our hotel business, audit expenses, expenses related to compliance with requirements applicable to public companies and certain personnel costs, are relatively fixed. We may be unable to adjust spending quickly enough to offset any unexpected shortfall in our cash flow. Accordingly, we may be required to take actions to pay expenses, such as selling bitcoin or using proceeds from equity or debt financings, some of which could cause significant variation in operating results in any quarter.

Based on the above factors, we believe quarter-to-quarter comparisons of our operating results are not a good indication of our future performance. It is possible that in one or more future quarters, our operating results may be below the expectations of public market analysts and investors. In that event, the market price of the Ordinary Shares may fall.

Our expansion in the United States exposes us to additional operational and regulatory risks

While our bitcoin-related business was initially based solely in Japan, we have recently begun expanding its footprint to the United States. Specifically, in May 2025, we established Metaplanet Treasury Corp. as a wholly owned subsidiary in the U.S., which has begun engaging in bitcoin accumulation and related treasury operations to diversify our bitcoin market and custodial access. Then, in July 2025, we established Metaplanet Inc. as another wholly owned subsidiary in the U.S., to which we contributed the shares of Metaplanet Treasury Corp., with the aim of organising our existing and contemplated future U.S.-based operations under Metaplanet Inc. as a holding company. Our Board of Directors has approved potential capital contributions of up to US$5 billion to develop these U.S.-based operations.

In August 2026, we took a further step in expanding our U.S. footprint. On 18 August 2026, Super League Enterprise, Inc. ("Super League"), a Nasdaq-listed company, and we entered into a definitive agreement pursuant to which our wholly owned U.S. subsidiary, Metaplanet Holdings, Inc., agreed to contribute 2,100 bitcoin, valued at approximately US$132.1 million, together with US$2.5 million in cash, to Super League in exchange for 44,859,400 shares of Super League common stock, together with shares of preferred stock and warrants. Upon closing of the proposed transaction, Super League will be renamed "Superplanet, Inc." and will become our consolidated subsidiary, with us holding approximately 95.7% of Superplanet's issued and outstanding common stock (approximately 93.6% assuming the exercise of Super League's outstanding pre-funded warrants), creating a Bitcoin treasury platform spanning the Nasdaq Capital Market and the Tokyo Stock Exchange.

Our expansion in the United States exposes us to additional operational and regulatory risks, including the following:

- challenges inherent to efficiently recruiting and retaining talented and capable employees in the United States and maintaining our company culture and employee programmes across our offices;
- cost of compliance with, and potential liability under, U.S. laws and regulations, including those related to the digital assets industry and employment and labour practises;
- adverse consequences and compliance burdens from the application of U.S. tax and accounting rules, regulations and principles;
- the potential need to replace our independent auditor with an audit firm with U.S. audit capabilities as we expand the proportion of our bitcoin holdings in the United States;
- greater risk of unexpected changes in laws and regulations;
- fluctuations in exchange rates between the Japanese yen and the U.S. dollar;
- management communication and integration problems resulting from geographic dispersion;
- adverse tax consequences arising from operating internationally;
- impacts of moving a greater proportion of our bitcoin holdings to our U.S. subsidiaries and acquiring additional bitcoin and potentially conducting other operations through them, including with respect to tax and accounting implications and our relationships with U.S.-based custodial service providers;
- exposure to regional or global public health issues and to travel restrictions and other measures undertaken by governments in response to such issues; and
- general economic, social and political conditions in the United States.

Any one or more of these or other factors could result in material adverse effects on our business, financial condition and results of operations. In addition, our exposure to the risks discussed above will increase as our global operations continue to expand.

Business disruptions, including interruptions, delays, or failures of our systems, or third-party services, as a result of geopolitical tensions, acts of terrorism, natural disasters, pandemics (like the COVID-19 pandemic), and similar events, could materially adversely affect our operating results or result in a material weakness in our internal controls that could adversely affect the market price of our stock

Our critical business operations are concentrated in facilities in Tokyo, Japan and Miami, Florida, in the United States. In addition, we manage certain critical internal processes using third-party services, including Google and other cloud services, and retain custodians in the Japan and the United States to hold our bitcoin reserves. Any disruptions or failures of our systems or the third-party services that we use, including as a result of a natural disaster, fire, cyberattack (including the potential increase in risk for such attacks due to cyberwarfare in connection with the ongoing Russia-Ukraine and Middle East conflicts), act of terrorism, geopolitical conflict (including due to the ongoing Russia-Ukraine and Middle East conflicts and any potential conflict involving China and Taiwan), pandemic, the effects of climate change, or other catastrophic event, as well as power outages, telecommunications infrastructure outages, a decision by one of our third-party service providers to close facilities that we use without adequate notice or to materially change the pricing or terms of their services, host country restrictions on the conduct of our business operations, or other unanticipated problems with our systems or the third-party services that we use, such as a failure to meet service standards, could severely impact our ability to conduct our business operations, or result in a material weakness in our internal control over financial reporting, any of which could materially adversely affect our future operating results.

If we are unable to recruit or retain skilled personnel, or if we lose the services of Simon Gerovich, our business, operating results, and financial condition could be materially adversely affected

Our future success depends on our continuing ability to attract, train, assimilate and retain highly skilled personnel. There has historically been significant competition for qualified employees in the digital asset industry, and such competition may be further amplified by rising digital asset prices and related establishment and growth of digital asset businesses. We may not be able to retain our current key employees or attract, train, assimilate and retain other highly skilled personnel in the future. Our future success also depends in large part on the continued service of Simon Gerovich, our Chief Executive Officer and Chair of the Board of Directors. If we were unable to attract, train, assimilate and retain the highly skilled personnel we need, or we were to lose the services of Mr. Gerovich, our business, operating results and financial condition could be materially adversely affected.

Foreign currency exchange rate fluctuations may adversely affect our business, results of operations and financial condition

We face both transaction and translation risks related to the fluctuation of foreign currency exchange rates. We report our financial results in Japanese yen, while the financial results of our foreign subsidiaries are reported in U.S. dollars and translated into Japanese yen using exchange rates in effect at each balance sheet date for assets and liabilities and average exchange rates for each fiscal year for revenues and expenses. In addition, we have historically financed a significant portion of our group's capital needs in Japanese yen through the issuance of stock acquisition rights and senior corporate bonds and may continue to raise capital in Japanese yen in the future. As a result, the weakening of the yen against the U.S. dollar, which is the functional currency of bitcoin, particularly at the time of each of our bitcoin purchases, could reduce the amount of capital resources available for the acquisition of bitcoin. The strengthening of the Japanese yen against the U.S. dollar can also have a negative impact on bitcoin valuation gains and losses, which are based on the market price of bitcoin in Japanese yen terms as of the end of each reporting period. Due to the above factors, movements in foreign exchange rates may adversely affect our financial results and the market price of the Ordinary Shares.

We may have exposure to greater than anticipated tax liabilities

We are subject to income taxes and non-income taxes in a variety of domestic and foreign jurisdictions. Our future income tax liability could be materially adversely affected by earnings that are lower than anticipated in jurisdictions where we have lower statutory rates, earnings that are higher than anticipated in jurisdictions where we have higher statutory rates, changes in the valuation of our deferred tax assets and liabilities, changes in the amount of our unrecognised tax benefits, or changes in tax laws, regulations, accounting principles, or interpretations thereof. In addition, if we sold any of our bitcoin at prices greater than the cost basis of the bitcoin sold, we would incur a tax liability with respect to any gain recognised, and such tax liability could be material.

Changes in the tax laws could arise, including as a result of the project undertaken by the Organisation for Economic Co-operation and Development ("OECD") to combat base erosion and profit shifting ("BEPS").

The OECD, which represents a coalition of member countries, has issued recommendations that, in some cases, make substantial changes to numerous long-standing tax positions and principles. These changes, many of which have been adopted or are under active consideration by OECD members and/or other countries, could increase tax uncertainty and may adversely affect our provision for income taxes.

Corporate holdings of bitcoin were previously uniformly subject to Japanese corporate tax on a mark-to-market basis at the end of each fiscal year. However, for fiscal years ending on or after 1 April 2024, Crypto Assets can be excluded from mark-to-market taxation if the relevant assets meet the all following requirements:

- the assets are subject to statutory transfer restrictions specified under Japanese tax law, such as technical specifications that prevent their transfer to others for approximately no less than one year; and

- the holders of the assets must notify or inform a CAESP that the aforementioned transfer restrictions are in place to enable information on such transfer restrictions to be published by the Japan Virtual and Crypto Assets Exchange Association.

We believe we comply with all requirements necessary to ensure that our bitcoin holdings in Japan and the United States are subject to Japanese corporate tax only upon disposition. However, the relevant regulations may change to our detriment in the future, and tax authorities could disagree with the positions we have taken. We may be subject to particular focus from Japan's tax authorities, as we believe we are the most prominent digital assets treasury company in Japan. If the relevant regulations change, or authorities disagree with positions we have taken, we may need to restructure our bitcoin holdings or operations, and we may be subject to back taxation with respect to prior periods and any applicable interest or penalties.

With respect to U.S. corporate tax, on 12 September 2024, the U.S. Department of Treasury and the U.S. Internal Revenue Service issued proposed regulations with respect to the application of the Corporate Alternative Minimum Tax ("CAMT") under the U.S. Inflation Reduction Act of 2022 ("IRA"). Unless an exemption applies, in the context of a foreign-parented multinational group, the IRA imposes a 15% corporate alternative minimum tax on a U.S. corporation with respect to an initial tax year and subsequent tax years, if the average annual adjusted financial statement income for any consecutive three-tax-year period preceding the initial tax year exceeds US$1 billion for the group, of which average financial statement income on the same basis for a group's U.S. subsidiary (together with certain affiliates) exceeds US$100 million. Because unrealised fair value gains on our bitcoin holdings are marked to market under Japanese GAAP and, at the U.S. subsidiary level, U.S. GAAP, such gains could cause us our U.S. subsidiaries to become subject to the CAMT. Unless the IRA is amended or the proposed regulations with respect to CAMT are, when finalised, revised to provide relief (or other interim relief is granted), we could become subject to the CAMT in future tax years. If we become subject to these new taxes under the IRA for these or any other reasons, it could result in a material tax obligation that we would need to satisfy in cash, which could materially affect our financial results, including our earnings and cash flow, and our financial condition. Further, other existing U.S. tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied in a manner that negatively impacts us.

In addition, our continuing operation of our hotel business permits us to use substantial tax-loss carryforwards (due to prior losses in such business) to offset our income, including income from our bitcoin income generation business. If we cease operating our hotel business, or otherwise are unable to make use of such tax-loss carryforwards as we have to date, our tax liability could increase.

Our determination of our tax liability is subject to review by applicable domestic and foreign tax authorities. Any adverse outcome of such reviews could have an adverse effect on our operating results and financial condition. The determination of our worldwide provision for income taxes and other tax liabilities requires significant judgement and there are many transactions and calculations, including in respect of transactions involving bitcoin, where the ultimate tax determination is uncertain.

As a result of these and other factors, the ultimate amount of tax obligations owed may differ from the amounts recorded in our financial statements and any such difference may materially affect our financial results in future periods in which we change our estimates of our tax obligations or in which the ultimate tax outcome is determined.

Failure to maintain effective internal controls and corporate governance could result in regulatory scrutiny and have a material adverse effect on our business and stock price

In accordance with the FIEA, we are required to evaluate the effectiveness of our internal controls over financial reporting as of the end of our fiscal year. If our internal controls over financial reporting are found to have material weaknesses or significant deficiencies in the future, our ability to produce reliable financial reports on a timely basis could be adversely affected, resulting in a loss of confidence in our financial reporting by investors, which could materially and adversely affect the price of the Ordinary Shares.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met and are subject to inherent limitations. We cannot be certain that our internal controls over financial reporting will have the effect of mitigating the risk of material misstatement which will lead to material weaknesses or significant deficiencies in our internal controls would further heighten such risk.

While it is our policy and practise to comply with all laws and regulations applicable to our business, and we remain committed to strengthening and maintaining our internal policies and governance framework, there can be no assurance that such policies and procedures will function in all cases to prevent misstatements or omissions in our disclosures due to error, fraud or other reasons, which could result in, among other things, failures to make required filings in a timely manner or filings containing incorrect or misleading information. Moreover, there is no guarantee that our internal control policies and procedures will protect us in all cases from actions taken by our officers, directors or employees or third parties with which we do business that are alleged or found to be in violation of applicable laws or regulations or otherwise constitute misconduct or inappropriate behaviour. Any of these factors could result in regulatory scrutiny, regulatory enforcement actions, monetary fines or other penalties, litigation, or damage to our reputation, business, financial condition, operating results and stock price.

In particular, the financial scale of our business has expanded rapidly since April 2024, and we seek to continue our growth, including through our newly formed U.S. subsidiaries. Our continued growth across multiple jurisdictions and ownership of subsidiaries of companies operating regulated businesses could pose a challenge to our internal controls and governance. In addition, the bitcoin-related industry is rapidly evolving, and the accounting and other standards and criteria for evaluating and auditing internal controls and our corporate governance framework may not be as established as in other sectors with a longer history. We may also need to enhance corporate governance to accommodate the increased scale of our business and financial operations as we continue to expand. As a result, there may be challenges to assess and establish effective internal controls and corporate governance.

We may be unable to protect our intellectual property adequately, and we may be subject to intellectual property claims

We regard the protection of our proprietary data, software, domain names, trademarks, trade names, copyrights, trade secrets and similar intellectual property as critical to our success, including for aspects of our bitcoin strategy and in relation to the promotion and enhancement of our brand and reputation. However, policing the unauthorised use of our intellectual property is difficult and expensive. Although we have taken steps to prevent the misappropriation of our intellectual property, including by entering into employment agreements with express confidentiality protections, such protective measures may not be adequate to prevent their unauthorised use.

Any misappropriation of intellectual property that is used in our business, whether licenced to us, such as our licence to publish Bitcoin Magazine in Japan, or owned by us, could have a material adverse effect on our business, financial condition and results of operations. In the future, we may need to resort to court proceedings to enforce our intellectual property rights, which might result in substantial costs and diversion of management attention and resources away from the operation and growth of our business. There can be no assurance that our means of protecting our intellectual property will be adequate or that our competitors will not independently develop similar technology. Furthermore, our efforts to enforce our intellectual property rights may be met with defences, counterclaims and countersuits attacking their validity and enforceability. These steps may be inadequate to protect our intellectual property. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect or defend against unauthorised use.

In addition, our success depends in part on our ability to conduct our business without infringing the intellectual property rights of third parties. However, there is a possibility that we may be subject to litigation

involving claims of violations of intellectual property rights of third parties. Existing or future claims against us, whether valid or not, may be time consuming, distracting to management and expensive to defend. Intellectual property litigation or claims could force us to obtain a licence from the holder of the infringed intellectual property, which may not be available on commercially favourable terms or at all, which could result in substantial additional costs. Additionally, in the event that there is a determination that we have infringed the proprietary rights of any third party, we could incur substantial liabilities. Any of the above may have a material adverse effect on our business, financial condition and results of operations.

Litigation and/or regulatory matters may be expensive and time consuming, or lead to unfavourable outcomes

We may become involved in litigation matters in the ordinary course of our business. Any lawsuit or administrative action to which we are a party, with or without merit, may result in an unfavourable judgement . We may also decide to settle lawsuits on unfavourable terms, or have such terms imposed on us in connection with administrative actions. Any such negative outcome could result in payments of substantial damages or fines, damage to our reputation or lead to unfavourable changes to our offerings or business practises. Any of these results could adversely affect our business. In addition, defending claims is costly and can impose a significant burden on our management.

Any regulatory investigation or proceedings involving our management or our business may distract our management's attention, disrupt our business, and/or subject us to substantial uncertainties as to the outcome of any such investigation or proceedings.

Risks Related to the Bonds and the Ordinary Shares

Bondholders will be required to make certain representations as to their status under U.S. laws in order to validly exercise the Stock Acquisition Rights

A Bondholder exercising its Stock Acquisition Rights must represent that it is not, and it is not acting for the account or benefit of, a U.S. person and is receiving Ordinary Shares in an "offshore transaction" within the meaning of Regulation S. **A Conversion Notice that does not contain such representations, or in the Company's opinion contains an incorrect representation, will be void.**

None of the Company, the Trustee, the Principal Agent and the Registrar will be required to notify a Bondholder of errors or lack of appropriate representations within a Conversion Notice.

Upon exercise of Stock Acquisition Rights, the Company will directly transfer Ordinary Shares

The Company has not appointed a custodian or custodian's agent to assist the Company with delivery of Ordinary Shares upon exercise of Stock Acquisition Rights by holders. Appointment of a custodian and a custodian's agent is common practise for convertible bonds issued by Japanese corporations to support an issuer and facilitate smooth delivery of shares upon conversion.

In place of appointment of a custodian and a custodian's agent, in accordance with the Conditions, the Company will directly take actions necessary to ensure that an exercising Bondholder or its nominee (as specified by the exercising Bondholder in the relevant conversion notice) is deemed to have become the holder of record of the number of Ordinary Shares to be acquired upon such exercise of the Stock Acquisition Rights. Thereafter, in accordance with the Conditions, the Company will directly take actions necessary to issue and deliver the relevant Ordinary Shares.

Amendment to the terms of existing stock acquisition rights plans may affect the value of Ordinary Shares

Our 10th Series Stock Acquisition Rights represent a substantial potential source of dilution to holders of the Ordinary Shares. As of 30 June 2026, under the adjustment provisions then applicable to the 10th Series Stock Acquisition Rights, the maximum number of potential Ordinary Shares issuable upon exercise of such rights was 319,624,556, representing approximately 24.9% of the total issued Ordinary Shares as of such date.

On 18 August 2026, with the consent of all current holders, we amended the terms of the 10th Series Stock Acquisition Rights to eliminate the adjustment mechanism and fix the aggregate number of potential Ordinary Shares at 319,464,000, or 696 Ordinary Shares per right. On 11 September 2026, we further amended the terms to reduce the number of Ordinary Shares underlying each right from 696 to 410, thereby reducing the aggregate number of potential Ordinary Shares from 319,464,000 to 188,190,000. The further amendment also provides for the unvested portion of the rights to become exercisable in three equal tranches from August 2029, 2030 and 2031, respectively.

Prior to the further amendment, two holders exercised an aggregate of 119,000 rights at the then-applicable rate of 696 Ordinary Shares per right and received an aggregate of 82,824,000 Ordinary Shares, of which 64,032,000 Ordinary Shares were issued to our Chief Executive Officer. Taking into account the shares already issued upon such exercises, 105,366,000 Ordinary Shares remained issuable under the 10th Series Stock Acquisition Rights as of 30 September 2026, representing approximately 7.7% of the issued Ordinary Shares as of such date. For details, see "Management and Employees – Stock Acquisition Plans".

The remaining 10th Series Stock Acquisition Rights are exercisable at a significantly low exercise price of ¥10 per Ordinary Share upon satisfaction of the applicable vesting and exercise conditions. Accordingly, the exercise of such rights and the issuance of the underlying Ordinary Shares may dilute the ownership interests of existing shareholders.

The Company intends to repurchase its Ordinary Shares

On 13 October 2026, the Company's Board of Directors authorised the repurchase of up to 200,000,000 Ordinary Shares (14.7 % of the issued Ordinary Shares (excluding treasury stock) as of 30 September 2026) at a maximum cost of ¥60 billion from the market in the period from and including 14 October 2026 to and including 13 October 2027. The Company has a policy of flexibly repurchasing its own shares as part of its disciplined capital allocation policy, with the aim of maximizing BTC Yield, improving capital efficiency and enhancing long-term shareholder value, while taking into account market conditions, its financial condition, mNAV, the prevailing share price and other relevant factors.

As part of its repurchase plan, the Company intends to repurchase up to ¥25.3 billion worth of Ordinary Shares, at 8:45 a.m. (Tokyo time) on 14 October 2026 at the closing price of the Ordinary Shares on the Tokyo Stock Exchange on 13 October 2026 through the ToSTNeT-3 system. The amount of Ordinary Shares which the Company is able to repurchase through the ToSTNeT-3 system is dependent on the amount of Ordinary Shares market participants offer to sell at the relevant price at the relevant time. The result of such repurchase will be announced in Japan on 14 October 2026.

To the extent any Ordinary Shares remain to be repurchased (within the maximum cost of ¥60 billion and the maximum number of 200,000,000 Ordinary Shares) after the above-mentioned repurchase through the ToSTNeT-3 system, the Company may repurchase further Ordinary Shares (on the auction market (at the market prices prevailing at the relevant time) or otherwise), until 13 October 2027. There can however be no assurance that any such repurchase will be proposed or effected. The Company does not undertake to review or revise this Offering Circular to reflect any repurchases of Ordinary Shares (or lack thereof) as referred to above. See "Information Concerning the Shares—Proposed Ordinary Share Repurchase by the Company".

Even if the Company is able to successfully repurchase its Ordinary Shares as originally planned, it will result in decreased shareholders' equity and the replacement of cash with debt. Although the Company believes such changes will not materially affect its creditworthiness, there can be no assurance that rating agencies, banks, other financial institutions or investors will view any share repurchase similarly, which may adversely impact credit rating, financing, share price or investor relations.

The market price of the Ordinary Shares has been and may continue to be volatile

The market price of the Ordinary Shares has been especially volatile since our announcement of our initial purchase of bitcoin in April 2024, including in recent periods. The closing price of the Ordinary Shares has increased from ¥34 (as adjusted for subsequent stock splits) as of 23 April 2024, the trading day before our announcement of our initial purchase of bitcoin, to as high as ¥1,930 in June 2025. The closing price of the Ordinary Shares was ¥261 as of 13 October 2026. The market price of the Ordinary Shares may fluctuate widely in response to various factors, some of which are beyond our control. These factors include, but are not limited to:

- fluctuations in the price of bitcoin, of which we have significant holdings, and in which we expect we will continue to make significant purchases and announcements about our transactions in bitcoin;
- changes to our bitcoin strategy;
- announcement of additional capital raising transactions;
- regulatory, commercial and technical developments related to bitcoin or the bitcoin blockchain;
- quarterly variations in our results of operations or those of our competitors;

- announcements about our earnings that are not in line with our announced forecasts;
- announcements by us or our competitors of acquisitions, dispositions, new offerings, significant contracts, strategic or other relationships, or capital commitments;
- commencement of, or our involvement in, litigation;
- recommendations by securities analysts or changes in earnings estimates and our ability to meet those estimates;
- investor perception of us, including as compared to investment vehicles that are designed to track the price of bitcoin, such as any spot bitcoin ETPs approved in Japan in the future;
- announcements by our competitors of their earnings that are not in line with analyst expectations;
- the volume of the Ordinary Shares and other securities available for public sale;
- sales or purchases of stock by us or by our stockholders and issuances of awards under our equity incentive plan; and
- general economic conditions and slow or negative growth of related markets, including as a result of war, terrorism, infectious diseases (such as COVID-19), natural disasters and other global events, and government responses to such events.

In addition, the stock market and the markets for bitcoin-influenced have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies in those markets. In particular, recent trading prices of the Ordinary Shares may reflect market dynamics that are not connected to valuation methods commonly associated with companies engaged predominantly in passive investments in bitcoin or other commodities, such as exchange-traded funds. As of 30 September 2026, our equity market capitalisation was below the market value of our bitcoin holdings. More generally, our equity market capitalisation has fluctuated significantly and may differ materially from our total net assets calculated in accordance with Japanese GAAP, the market value of our bitcoin holdings and valuations that might traditionally be expected based on our operating performance, cash flows and net assets. In particular, our Ordinary Shares may trade at either a premium or a discount to the value of our underlying bitcoin holdings and other net assets, and the extent of any such premium or discount may change significantly over time. Accordingly, the market price of our Ordinary Shares may not reflect the value of our underlying assets or our operating performance and may be subject to significant volatility. Investors may therefore be unable to assess the value the Ordinary Shares or evaluate the risks of an investment in us using traditional or commonly used enterprise valuation methods. We cannot predict how these dynamics may evolve over time, or whether or how long they may last. These market and industry factors may significantly harm the market price of the Ordinary Shares, regardless of our actual operating performance.

The trading price of the Bonds will be affected by fluctuations in the trading price of the Ordinary Shares

The trading price of the Bonds is expected to be affected by fluctuations in the trading price of the Ordinary Shares and it is impossible to predict whether the trading price of the Ordinary Shares will rise or fall. Any decline in the trading price of the Ordinary Shares will have an adverse effect on the trading price of the Bonds. Trading prices of the Bonds and the Ordinary Shares will be influenced by, among other things, the results of operations and financial condition of the Company, including the reporting of financial results. The issuance of the Bonds may result in downward pressure on the market price of the Ordinary Shares. Many investors in convertible bonds seek to hedge their exposure in the underlying equity securities, often through short selling the underlying equity securities or similar transactions, such as the delta placement.

Future issuances, or the perception of future issuances, of the Ordinary Shares, or moving strike warrants, Preferred Stock or other securities convertible into the Ordinary Shares could depress the price of the Ordinary Shares

We may issue additional Ordinary Shares, or moving strike warrants, Preferred Stock or other securities convertible into Ordinary Shares in subsequent offerings to raise capital, including in connection with the acquisition of additional bitcoin. For example, between 1 April 2024 and the date of this Offering Circular, we issued and sold a substantial majority of all the Ordinary Shares currently outstanding.

In order to execute our bitcoin strategy, our Articles of Incorporation currently authorise the issuance of up to 2,723,000,000 Ordinary Shares, of which 1,364,282,62 Ordinary Shares were issued and outstanding as of the date of this Offering Circular, and we intend to continue to issue a significant number of Ordinary Shares, including pursuant to moving strike warrants exercisable for the Ordinary Shares. There were a total of 304,730,000 Ordinary Shares issuable upon the exercise of outstanding moving strike warrants as of 30 September 2026. For a description of risks related to our moving strike warrants, see "—Risks Related to Our Bitcoin Strategy and Holdings—We may not be able to acquire additional bitcoin at the pace required to meet our targeted growth or in the manner we anticipate, particularly if we are unable to obtain substantial financing for such acquisitions on appropriate terms."

In addition, we have filed a shelf registration statement with respect to two classes of Preferred Stock, and on 1 September 2025 received shareholder approval of amendments to our Articles of Incorporation defining the general terms of such two classes. The Class A Preferred Stock ranks senior to the Class B Preferred Stock and senior to the Ordinary Shares, and cannot be convertible into the Ordinary Shares. The Class B Preferred Stock is junior to Class A, but senior to the Ordinary Shares, and can be convertible into the Ordinary Shares at a certain ratio. On 29 December 2025, the Company issued its inaugural Class B Preferred Stock. Any conversion of Class B Preferred Stock into Ordinary Shares could further dilute the Ordinary Shares. In addition, such Preferred Stock would rank senior to the Ordinary Shares with respect to the payment of dividends or the distribution of assets upon our liquidation, dissolution or winding up, which could adversely affect the rights of holders of the Ordinary Shares. See "—Risks Related to Our Bitcoin Strategy and Holdings—We have issued dividend-paying Preferred Stock that ranks senior to the Ordinary Shares stock with respect to dividends and liquidation rights. Issuance of further Preferred Stock could adversely affect the value of the Ordinary Shares, and dividend payment on and cash redemption of existing Preferred Stock could result in cash outflows".

Other than as described in general terms herein, in principle, we cannot predict, the size and terms of future issuances of Ordinary Shares and convertible securities, the effect, if any, that future issuances and sales of our securities will have on the market price of the Ordinary Shares. Transactions involving newly issued Ordinary Shares, or moving strike warrants, Preferred Stock or other securities convertible into Ordinary Shares could result in possibly substantial dilution to holders of the Ordinary Shares.

Limitations on the timing of exercise of Stock Acquisition Rights

Under the current handling rules and practises of Japan Securities Depository Centre, Inc. ("JASDEC"), it will take a minimum of three business days for the Ordinary Shares to be delivered to Bondholders after the Stock Acquisition Date (as defined in the Conditions). The Stock Acquisition Rights may not be exercised during any such period in which the relevant Stock Acquisition Date (or, if the Stock Acquisition Date would not be a Tokyo Business Day, the immediately following Tokyo Business Day) would fall on a date falling within any Shareholder Determination Date Restriction Period (as defined in the Conditions). Bondholders should therefore note in particular that exercise of Stock Acquisition Rights will be restricted during the period surrounding any record date in respect of Ordinary Shares set by the Company (as of the date of this Offering Circular, 31 December, 31 March, 30 June and 30 September in each year).

No cash amounts will be payable in respect of Ordinary Shares that constitute less than a full unit

The rights of holders of Ordinary Shares not constituting one whole unit are limited under the Company's Articles of Incorporation, and may not be tradable on the stock exchange on which they are listed. Currently, the Company's Articles of Incorporation provide that one unit comprises of 100 Ordinary Shares. Since the introduction of the Act on Book-Entry Transfer of Company Bonds, Ordinary Shares, Etc. of Japan (Act No. 75 of 2001, as amended) (including the regulations promulgated thereunder, the "Book-Entry Act"), making it possible for listed shares of Japanese companies comprising less than one full unit to be delivered through the JASDEC book-entry transfer system, JASDEC's guidance requires that stock acquisition rights issued by Japanese companies should be structured such that shares that constitute less than one full unit are delivered to the account of the exercising holder, instead of being automatically sold back to the issuer of such stock acquisition rights and receiving cash amounts in respect of them. Accordingly, Bondholders exercising their Stock Acquisition Rights will not receive cash amounts in respect of Ordinary Shares received upon such exercise that constitute less than one full unit.

Under the Companies Act of Japan (Act No. 86 of 2005, as amended) (the "Companies Act"), holders of Ordinary Shares constituting less than a full unit do not enjoy the right to vote. In addition, Ordinary Shares that constitute less than one full unit may not be traded on the stock exchange on which they are listed. Accordingly, a holder of Ordinary Shares that constitute less than one full unit will need to request the Company to purchase

such Ordinary Shares in accordance with the Companies Act, the rules of the JASDEC book-entry transfer system, the Company's Articles of Incorporation and the Company's Share Handling Regulations if they would like the Company to do so; alternatively, such holders may require the Company to sell sufficient number of Ordinary Shares in order to make its holding a full unit in accordance with the Companies Act, the rules of the JASDEC book-entry transfer system, the Company's Articles of Incorporation and the Company's Share Handling Regulations. See "Description of the Ordinary Shares, Preferred Stock and Certain Regulations—Unit Share System".

Limitations on Anti-Dilution Protection

The Conversion Price at which the Stock Acquisition Rights may be exercised will be adjusted in certain events having a dilutive impact on the price and value of the Ordinary Shares. There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Events in respect of which no adjustment is made may adversely affect the value of the Ordinary Shares and, therefore, adversely affect the value of the Bonds.

A trading market for the Bonds may not develop

Prior to the issue of the Bonds, there has been no trading market for the Bonds. Although Approval in-principle has been received for the listing of the Bonds on the SGX-ST, there can be no assurance that an active trading market for the Bonds will develop. Furthermore, there can be no assurance that the Bonds will not trade at prices lower than the initial Offer Price.

The Bonds are unsecured

The Bonds do not benefit from any security and the Bondholders' claims will rank behind any secured creditors in the event of the Company's liquidation or bankruptcy.

Because of daily price range limitations under Japanese stock exchange rules, investors may not be able to sell their Ordinary Shares at a particular price on any particular trading day, or at all

Stock prices on Japanese stock exchanges are determined on a real-time basis by the equilibrium between bids and offers. These exchanges are order-driven markets without specialists or market makers to guide price formation. To prevent excessive volatility, these exchanges set daily upward and downward price fluctuation limits for each stock, based on the previous day's closing price. Although transactions may continue at the upward or downward limit price if the limit price is reached on a particular trading day, no transactions may take place outside these limits. Consequently, an investor wishing to sell Ordinary Shares received upon exercise of the Stock Acquisition Rights at a price above or below the relevant daily limit may not be able to sell their Ordinary Shares at such price on a particular trading day, or at all.

The rights of shareholders under Japanese law may be more limited than under the laws of other jurisdictions

The corporate affairs of the Company are governed by, and in accordance with, the Articles of Incorporation, the Share Handling Regulations and the Regulations of the Board of Directors of the Company and other related regulations thereunder of the Company, as well as the Companies Act. Legal principles relating to such matters as the validity of corporate procedures, directors' and officers' fiduciary duties (including actions that may legitimately be taken by them in respect of unsolicited takeover attempts) and liabilities, and shareholders' rights under Japanese law may be different from those that apply to companies incorporated in other jurisdictions. Bondholders who acquire Ordinary Shares upon exercise of the Stock Acquisition Rights may have more difficulty in asserting their rights as a shareholder of the Company than they would as a shareholder of a corporation organised in other jurisdictions.

Future changes in Japanese law may affect the Stock Acquisition Rights and/or the Ordinary Shares

Future changes to provisions relating to Stock Acquisition Rights and/or the Ordinary Shares may have mandatory effect under Japanese law. Condition 15.2 provides for amendments to be made to the Conditions relating to the Stock Acquisition Rights where those amendments are required in order to comply with mandatory provisions of Japanese law, even if those amendments are materially prejudicial to the interests of Bondholders.

The Trustee may request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances, the Trustee may (at its sole discretion) request Bondholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of Bondholders.

The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions, notwithstanding the provision of an indemnity or security or prefunding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Bondholders to take such actions directly.

Risks Related to Forward-Looking Statements

Statements in this Offering Circular with respect to the Group's plans, strategies and beliefs, as well as other statements that are not historical facts, are forward-looking statements involving risks and uncertainties. The important factors that could cause actual results to differ materially from such statements include, but are not limited to, the impact of general economic and market conditions in the markets where the Group operates, the level of demand for the Group's products, the level of competition, and the Group's ability to adapt itself to market, industry and general economic, political, regulatory and business conditions.

Other than the statements in this Offering Circular, the Company and its management may, from time to time, make written or verbal forward-looking statements. Those statements relate to developments, results, conditions or other events the Company expects or anticipates will occur in the future. The Company intends words such as "believes," "anticipates," " plans," "expects" and similar expressions to identify forward-looking statements. Without limiting the foregoing, those statements may relate to future revenues, operating profit, bitcoin holdings and other bitcoin-related indicators and trends, market conditions, new strategies and the competitive environment. Forward-looking statements are based on management's then current views and assumptions and, as a result, are subject to certain risks and uncertainties that could cause actual results to differ materially from those projected. Any such forward-looking statements are qualified by the following important risk factors that could cause actual results to differ materially from those predicted by the forward-looking statements.

The Company confirms that this Offering Circular contains all information with respect to the Company, the Group, the Bonds and the Ordinary Shares which is material in the context of the issue and offering of the Bonds. Before investing in the Bonds, investors are reminded that any information or representation not contained in this Offering Circular must not be relied upon as having been authorised by or on behalf of the Company, the Trustee (as defined in the Conditions), the Lead Manager, the Principal Agent or the Registrar (each as defined in the Conditions) or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any person who controls any of them.

TERMS AND CONDITIONS OF THE BONDS

The following terms and conditions of the Bonds (the "Conditions") will, subject to completion and amendment and save for the paragraphs in italics, be endorsed on the Certificates (as defined herein) evidencing the Bonds.

The ¥52,000,000,000 Zero Coupon Convertible Bonds due 2031 (bonds with stock acquisition rights, *tenkanshasaigata shinkabu yoyakuken-tsuki shasai*) (the "Bonds", which term shall, unless the context requires otherwise, include the Stock Acquisition Rights (as defined below) incorporated in the Bonds) issued by Metaplanet Inc. (the "Company") are constituted by a trust deed (as amended or supplemented from time to time, the "Trust Deed") dated 29 October 2026 made between the Company and The Bank of New York Mellon, London Branch (the "Trustee", which expression shall include its successors as trustee and any other trustee appointed under the Trust Deed, as trustee for itself and the holders of the Bonds). Each Bond is issued in the denomination of ¥10,000,000 and a stock acquisition right (*shinkabu yoyakuken*) (the "Stock Acquisition Right"), entitling the Bondholder (as defined in Condition 1.2) to acquire fully paid and non-assessable shares of common stock of the Company (the "Ordinary Shares") as described below, is incorporated in each Bond as an integral part thereof. Copies of the Trust Deed and of the agency agreement (as amended or supplemented from time to time, the "Agency Agreement") dated 29 October 2026 relating to the Bonds among, *inter alios*, the Company, the Trustee, The Bank of New York Mellon, London Branch as principal paying agent and principal conversion agent (such capabilities collectively, the "Principal Agent", which expression shall include any successor thereto), The Bank of New York Mellon SA/NV, Dublin Branch as registrar and transfer agent (collectively, the "Registrar", which expression shall include any successor thereto) are available for inspection by Bondholders by prior appointment during business hours at the principal place of business for the time being of the Trustee, being at the date of issue of the Bonds at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom or electronically upon request to the Trustee, and at the specified office of the Principal Agent, in each case, following prior written request and proof of holding and identity to the satisfaction of the Trustee or the Principal Agent, as the case may be. References herein to the "Agents" shall, unless the context otherwise requires, include the Principal Agent and any other or further agent(s) appointed by the Company in connection with the Bonds for the purpose of making payments and transfers and acceptance of notices of the exercise of the Stock Acquisition Rights from time to time. The term "Agents" shall not include the Registrar.

The Bondholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of and are bound by all those provisions of the Agency Agreement applicable to them. The statements in these terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Trust Deed. Any terms defined in the Trust Deed and not in these Conditions shall have the same meanings when used herein except where otherwise indicated.

1 Form, Denomination, Issue Price, Title, Status, Transfers of Bonds and Relationship between Bonds and Stock Acquisition Rights

1.1 Form, Denomination and Issue Price

The Bonds are issued in registered form in the denomination of ¥10,000,000 each and are not exchangeable for bonds with stock acquisition rights in bearer form. The issue price of the Bonds (excluding the Stock Acquisition Rights) is 100.0 per cent of the principal amount of the Bonds. The issue price of the Stock Acquisition Rights is zero.

A bond certificate (each, a "Certificate") will be issued in respect of each Bond. Each Certificate will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the register (the "Register") of holders of Bonds to be kept by the Registrar in accordance with Condition 1.4.1.

1.2 Title

Title to the Bonds will pass only by transfer and registration of title in the Register. The holder of any Bond will (except as otherwise declared by a court of competent jurisdiction or required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust, or any interest in it, or any writing on, or theft or loss of, the Certificate issued in respect of it) and no person will be liable for so treating the holder.

In these Conditions, a "Bondholder" and (in relation to a Bond) "holder" mean the person in whose name a Bond is registered in the Register (or in the case of a joint holding, the first named thereof).

Upon issue, the Bonds will be evidenced by a global certificate (the "Global Certificate") deposited with and registered in the name of, or a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg.

The Conditions are modified by certain provisions contained in the Global Certificate. Except in the limited circumstances described in the Global Certificate, owners of interests in the Bonds evidenced by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of the Bonds.

1.3 Status

The Bonds are direct, unconditional, unsubordinated and (subject to the provisions of Condition 2) unsecured obligations of the Company, ranking *pari passu* and rateably without any preference among themselves, and, except for the provisions of Condition 2 and with the exception of obligations in respect of national and local taxes and certain other statutory exceptions, equally with all other present and future unsecured obligations (other than subordinated obligations, if any) of the Company from time to time outstanding.

1.4 Transfers of Bonds

1.4.1 *The Register*: The Company will cause to be kept at the specified office of the Registrar, and in accordance with the terms of the Agency Agreement, the Register on which shall be entered the names and addresses of the Bondholders and the particulars of the Bonds held by them and of all transfers and redemptions of the Bonds and exercise of the Stock Acquisition Rights.

Each Bondholder shall be entitled to receive one Certificate in respect of each Bond held by such holder.

1.4.2 *Transfers*: A Bond may, subject to this Condition, Condition 1.4.5 and the terms of the Agency Agreement, be transferred upon the surrender (at the specified office(s) of the Registrar) of the Certificate evidencing such Bond, together with the form of transfer endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Company), duly completed and executed and any other evidence as the Registrar may require. No transfer of a Bond will be valid unless and until entered on the Register. Upon such transfer, a new Certificate will be issued to the transferee in respect of the Bond so transferred. All transfers of the Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of the Bonds scheduled to the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar and the Trustee, or by the Registrar, with the prior written approval of the Trustee. A copy of the current regulations will be made available during business hours by the Registrar to any Bondholder following prior written request and proof of holding and identity to the satisfaction of the Registrar.

Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems, as described in "Summary of Provisions Relating to the Bonds While in Global Form" of this Offering Circular.

1.4.3 *Delivery of New Certificates*: Each new Certificate to be issued pursuant to Condition 1.4.2 shall be available for delivery within seven Transfer Business Days (as defined below) of receipt of the duly completed and signed form of transfer, and surrender of the original Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Registrar, or if so requested in the form of transfer, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address so specified (at the Company's expense) unless such holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or such insurance as it may specify. In these Conditions, "Transfer Business Day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar.

1.4.4 *Formalities Free of Charge*: Registration of a transfer of Bonds and issuance of Certificates in relation thereto shall be effected without charge by or on behalf of the Company or the Registrar, but upon (i) payment of any tax or other governmental charges that may be imposed

in relation to it (or the giving of such indemnity and/or security and/or pre-funding as the Registrar may require); and (ii) the Company and the Registrar being satisfied with the documents of title and/or identity of the person making the application and that the regulations concerning transfer of Bonds having been satisfied.

1.4.5 *No Registration of Transfer*: No Bondholder may require the transfer of a Bond to be registered:

(i) during the period of seven days ending on (and including) the due date for redemption pursuant to Condition 7.1, 7.5, 7.6 or 7.7;

(ii) after a Conversion Notice (as defined in Condition 3.1) has been given with respect to such Bond pursuant to Condition 5.9.1 (unless such Conversion Notice is withdrawn pursuant to Condition 5.9.3 in which event registration of transfer of such Bond may be made on or after the date on which such Conversion Notice is withdrawn);

(iii) after a notice of redemption has been given pursuant to Condition 7.2, 7.3 or 7.4 (except for any Bond held by a Bondholder who has given notice to the Company pursuant to the second paragraph of Condition 7.4); or

(iv) after a notice of redemption is deposited in respect of such Bond pursuant to Condition 7.9.

1.5 Relationship between Bonds and Stock Acquisition Rights

The obligations of the Company in respect of the Bonds and the Stock Acquisition Rights incorporated therein shall arise and shall be extinguished or cease to be exercisable simultaneously subject as provided herein.

The Bonds and the Stock Acquisition Rights incorporated therein may not be transferred or dealt with separately from each other.

2 Negative Pledge

So long as any of the Bonds remains outstanding (as defined in the Trust Deed), the Company will not, and will procure that none of its Principal Subsidiaries (as defined in Condition 3.1) will, create or permit to subsist any mortgage, charge, pledge or other security interest for the benefit of the holders of any Relevant Debt (as defined below) upon the whole or any part of the Company's or such Principal Subsidiary's property or assets, present or future, to secure (i) payment of any sum due in respect of any Relevant Debt or (ii) any payment under any guarantee of any Relevant Debt or (iii) any payment under any indemnity or other like obligation in respect of any Relevant Debt, without in any such case at the same time or prior thereto, according or procuring to be accorded to the Bonds, (x) to the satisfaction of the Trustee or as shall be approved by an Extraordinary Resolution (as defined in Condition 3.1), the same security as is granted to or subsists in respect of such Relevant Debt or such guarantee, indemnity or other like obligation or (y) such other security or guarantee as the Trustee may in its absolute discretion deem to be not materially less beneficial to the interests of the Bondholders or as shall be approved by an Extraordinary Resolution.

For the purposes of this Condition 2, "Relevant Debt" means any present or future indebtedness in the form of, or represented or evidenced by, bonds, debentures, notes or other similar securities of any person with a stated maturity of more than one year from the creation thereof and which:

(a) either are by their terms payable, or confer a right to receive payment, in any currency other than yen, or are denominated in yen and more than 50 per cent of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of the Company or the relevant Principal Subsidiary; and

(b) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside Japan.

3 Definitions and Construction of References

3.1 Definitions

In these Conditions (unless the context otherwise requires):

"3-Month Deposit Rate" means, as of any specified time on any date, the rate per annum as of such specified time on such date as shown on Bloomberg page JYDRC Curncy (setting "Bid", and using the pricing source "CMPL") (or any successor page, setting or pricing source), or, if no such rate is available as of the specified time on such day (for the purposes of this definition, the "Original Date"), the 3-Month Deposit Rate on the Original Date shall be the 3-Month Deposit Rate, determined as aforesaid, as of the specified time on the immediately preceding day on which the same can be so determined, provided however that if such immediately preceding day falls prior to the fifth day before the Original Date, or if the 3-Month Deposit Rate cannot be determined as aforesaid (including without limitation because such Bloomberg page (or any successor) has ceased to exist), the 3-Month Deposit Rate as of the specified time on the Original Date shall be determined in such other manner as determined in good faith to be appropriate by an Independent Financial Adviser. If the 3-Month Deposit Rate determined as aforesaid shall be less than zero, then the 3-Month Deposit Rate shall be deemed to be zero.

"Account Management Institution" means an account management institution (*koza-kanri-kikan*) which is an entity entitled under the Book-Entry Act to open and maintain an account for another person or entity;

"Additional Amounts" has the meaning provided in Condition 9;

"Additional Ordinary Shares" has the meaning provided in Condition 5.3;

"Annual Fiscal Period" means a period commencing on 1 January and ending on the following 31 December; provided that, if the Company shall change its fiscal year so as to end on a date other than 31 December, "Annual Fiscal Period" shall be deemed to be amended *mutatis mutandis* and any such change shall be promptly notified by the Company to the Trustee in writing;

"Articles of Incorporation" means the articles of incorporation of the Company from time to time in effect;

"Asset Transfer Event" means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a meeting of the Board of Directors of the Company) for the sale or transfer of all or substantially all of the assets of the Company to another entity (the "Asset Transferee"), pursuant to the terms of which the Company's obligations under the Bonds are to be transferred to or assumed by the Asset Transferee;

"Asset Transferee" has the meaning provided in the definition of Asset Transfer Event;

"Auditors" means the independent auditors for the time being of the Company or, if there shall be joint independent auditors, any one or more of such independent auditors or, if they are unable or unwilling to carry out any action requested of them under these Conditions or the Trust Deed, such other auditors or firm of auditors as may be appointed by the Company to act as such and promptly notified in writing to the Trustee by the Company;

"Authorised Officer" means any one of the directors or officers of the Company or the New Obligor (as the case may be) or any other person whom the Company or the New Obligor (as the case may be) shall have notified to the Trustee in writing as being duly authorised to sign any document or certificate on behalf of the Company or the New Obligor (as the case may be);

"Bankruptcy Act" means the Bankruptcy Act of Japan (Act No. 75 of 2004, as amended);

"Base Dividend" has the meaning provided in Condition 5.2.4;

"Board of Directors" of a company means the board of directors of that company within the meaning of the Companies Act. Provided that, if any individual director or executive officer is authorised by such board of directors to make the relevant decision in accordance with the Companies Act and such

company's articles of incorporation and other internal regulations, any reference to the Board of Directors of such company shall be deemed to mean such director or executive officer, and any reference to the relevant resolution or approval at a meeting of such Board of Directors shall be deemed to mean the relevant decision of such director or executive officer;

"Bondholder" and "holder" have the meaning provided in Condition 1.2;

"Bondholders' Optional Redemption Date" has the meaning provided in Condition 7.9;

"Book-Entry Act" means the Act on Book-Entry Transfer of Corporate Bonds and Shares of Japan (Act No. 75 of 2001, as amended), including the regulations promulgated thereunder;

"Business Day" in respect of any place means a day, other than a Saturday or Sunday, on which banks are open for business in such place;

"Certificate" has the meaning provided in Condition 1.1;

"Civil Rehabilitation Act" means the Civil Rehabilitation Act of Japan (Act No. 225 of 1999, as amended);

"Clean-up Redemption Notice" has the meaning provided in Condition 7.3;

"Closed Period" has the meaning provided in Condition 7.12;

"Closing Date" means 29 October 2026;

"Closing Price" means, in respect of the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be), for any Trading Day, the last reported selling price (regular way) of the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) on the Relevant Stock Exchange on such Trading Day or, if the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) are not listed or admitted to trading on the Relevant Stock Exchange, the average of the closing bid and offered prices of the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) for such Trading Day as furnished by any trading participant of the Relevant Stock Exchange selected from time to time by the Company or the New Obligor (as the case may be);

"Companies Act" means the Companies Act of Japan (Act No. 86 of 2005, as amended);

"Company's Territory" has the meaning provided in Condition 12.2;

"Consolidated Financial Statements" means, in relation to any Fiscal Period of the Company, the unaudited consolidated financial statements of the Company and its Consolidated Subsidiaries prepared in accordance with the Relevant GAAP or, if in respect of such Fiscal Period audited consolidated financial statements have been prepared, the audited consolidated financial statements of the Company and its Consolidated Subsidiaries prepared as aforesaid;

"Consolidated Subsidiary" means, in relation to a Fiscal Period of the Company, Subsidiaries consolidated in the relevant Consolidated Financial Statements;

"Controlling Shareholder" means a shareholder holding, directly or indirectly, 90 per cent (or such other percentage above 90 per cent as provided in the Articles of Incorporation) or more of the Company's voting rights as calculated in accordance with the Companies Act;

"Conversion Notice" means the written notice required to accompany any Bonds deposited for the purposes of the exercise of the Stock Acquisition Rights, the current form of which is set out in the Agency Agreement;

"Conversion Price" has the meaning provided in Condition 5.1.3;

"Corporate Event" has the meaning provided in Condition 6.1;

"Corporate Event Effective Date" has the meaning provided in Condition 6.3;

"Corporate Event Redemption Date" has the meaning provided in Condition 7.5;

"Corporate Reorganisation Act" means the Corporate Reorganisation Act of Japan (Act No. 154 of 2002, as amended);

"Corporate Split Counterparty" has the meaning provided in the definition of Corporate Split Event;

"Corporate Split Event" means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a meeting of the Board of Directors of the Company) for any corporate split (*shinsetsu bunkatsu* or *kyushu bunkatsu*) in which the Company's obligations under the Bonds are to be transferred to or assumed by the corporation which is the counterparty to such corporate split (the "Corporate Split Counterparty");

"Current Market Price per Ordinary Share" has the meaning provided in Condition 5.2.9;

"Delisting Event" has the meaning provided in Condition 7.6.1;

"Delisting Redemption Date" has the meaning provided in Condition 7.6.1;

"Deposit Date" has the meaning provided in Condition 5.9.3;

"Deposit Time" has the meaning provided in Condition 5.9.3;

"Due Date" has the meaning provided in Condition 9;

"Exercise Period" has the meaning provided in Condition 5.1.4;

"Extraordinary Dividend" has the meaning provided in Condition 5.2.4;

"Extraordinary Resolution" means a resolution passed (i) at a meeting of the Bondholders duly convened (including satisfaction of the quorum requirements set out in the Trust Deed) and held in accordance with the provisions contained in the Trust Deed by a majority consisting of not less than three-quarters of the votes cast thereon, or (ii) by a written resolution or electronic consent in accordance with the provisions contained in the Trust Deed;

"FATCA withholding" has the meaning provided in Condition 9;

"FIEA" means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended);

"Fiscal Period" means, as the context may require, (i) a period commencing on 1 January and ending on the following 31 December; or (ii) three month periods each commencing on 1 January, 1 April, 1 July and 1 October; provided that, if the Company shall change its fiscal year so as to end on a date other than 31 December, the provisions of items (i) and (ii) above shall be deemed to be amended *mutatis mutandis* and any such change shall be promptly notified by the Company to the Trustee in writing;

"Holding Company" has the meaning provided in the definition of Holding Company Event;

"Holding Company Event" means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a meeting of the Board of Directors of the Company) for the Company to become a wholly-owned subsidiary of another corporation (the "Holding Company") by way of share exchange (*kabushiki-kokan*) or share transfer (*kabushiki-iten*);

"Independent Financial Adviser" means an independent investment bank, securities company, accounting firm or consultancy firm of established repute appointed by the Company at its own expense and notified in writing to the Trustee. The Trustee shall not be responsible for or under any obligation to appoint an Independent Financial Adviser and shall have no responsibility or liability for verifying any calculation, determination, certification, advice or opinion made, given or reached by it;

"Listing" has the meaning provided in Condition 6.4.2;

"Merged Company" means the corporation formed by the relevant Merger Event or the corporation into which the Company shall have merged following a Merger Event;

"Merger Event" means the passing of a resolution at a general meeting of shareholders of the Company (or, where a resolution of a general meeting of shareholders is not required, at a meeting of the Board of

Directors of the Company) for any consolidation or amalgamation (*shinsetsu gappei*) of the Company with, or merger (*kyushu gappei*) of the Company into any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation);

"New Obligor" has the meaning provided in Condition 6.1;

"New Obligor Current Market Price per Ordinary Share" has the meaning provided in Condition 6.5.3;

"New Stock Acquisition Rights" has the meaning provided in Condition 12.2;

"New Territory" has the meaning provided in Condition 12.2;

"Non-unit Ordinary Shares" has the meaning provided in Condition 5.1.2;

"Number of Deliverable Ordinary Shares" has the meaning provided in Condition 6.5.3;

"Number of Held Ordinary Shares" has the meaning provided in Condition 6.5.3;

"Offeror" has the meaning provided in Condition 7.6.1;

"Payment Business Day" has the meaning provided in Condition 8.3;

"Principal Subsidiary" means any Consolidated Subsidiary of the Company (i) whose net sales as shown by the annual non-consolidated financial statements (or, where the Consolidated Subsidiary in question itself prepares consolidated financial statements, the annual consolidated financial statements) of such Consolidated Subsidiary used for the purposes of the latest audited annual Consolidated Financial Statements being made up, are 10 per cent or more of the net sales of the Company and its Consolidated Subsidiaries as shown by such audited annual Consolidated Financial Statements or (ii) whose total assets as shown by the annual non-consolidated financial statements (or, as the case may be, the annual consolidated financial statements) of such Consolidated Subsidiary used for the purposes of the latest audited annual Consolidated Financial Statements being made up, are 10 per cent or more of the total assets of the Company and its Consolidated Subsidiaries as shown by such audited annual Consolidated Financial Statements. A certificate signed by a Representative Director or an Authorised Officer of the Company that in the Company's opinion, a Consolidated Subsidiary is or is not or was or was not at a specified date a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties;

"Proceedings" has the meaning provided in Condition 21.2;

"Record Date" means the date fixed by the Articles of Incorporation or otherwise specified by the Company for the purpose of determining entitlements to dividends or other distributions to, or rights of, holders of Ordinary Shares; provided, however, that if the Company has fixed no such record date and the context so requires, the "Record Date" shall be construed as a reference to the date of any event in question coming into effect;

"Register" has the meaning provided in Condition 1.1;

"Registered Account" has the meaning provided in Condition 8.1;

"Relevant Debt" has the meaning provided in Condition 2;

"Relevant Event" means any Corporate Event, Delisting Event or Squeezeout Event;

"Relevant Event Redemption Price" has the meaning provided in Condition 7.8;

"Relevant GAAP" means the accounting principles which are adopted by the Company or the New Obligor (as the case may be) for the preparation of the Consolidated Financial Statements under the FIEA, being one of those generally accepted in Japan or International Financial Reporting Standards (as issued by the International Accounting Standards Board (or its successor) or, if applicable, as adopted or endorsed by the Accounting Standards Board of Japan (or its successor));

"Relevant Number of Ordinary Shares" has the meaning provided in Condition 5.2.4;

"Relevant Securities" has the meaning provided in Condition 5.2.8;

"Relevant Stock Exchange" means Tokyo Stock Exchange, Inc. (or its successor) or, if at the relevant time the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) are not listed on Tokyo Stock Exchange, Inc. (or its successor), the principal stock exchange or securities market in Japan on which the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) are then listed or quoted or dealt in;

"Representative Director" means a director of the Company (or the New Obligor, as the case may be) who is for the time being a representative director within the meaning of the Companies Act or, where applicable, a representative statutory executive officer of the Company (or the New Obligor, as the case may be) within the meaning of the Companies Act;

"Retroactive Adjustment" has the meaning provided in Condition 5.3;

"Securities" includes, without limitation, the Ordinary Shares, other shares, options, warrants or other rights (including stock acquisition rights) to subscribe for or purchase or acquire Ordinary Shares and securities convertible into or exchangeable for Ordinary Shares;

"Shareholder Determination Date" means (i) any Record Date and (ii) any other date set for the purpose of determination of the holders of Ordinary Shares in connection with Paragraph 1 of Article 151 of the Book-Entry Act;

"Shareholder Determination Date Restriction Period" means the period from and including the second Tokyo Business Day falling immediately prior to any Shareholder Determination Date to and including such Shareholder Determination Date (provided that if such Shareholder Determination Date falls on a date that is not a Tokyo Business Day, then the Shareholder Determination Date Restriction Period means the period from and including the third Tokyo Business Day falling immediately prior to such Shareholder Determination Date to and including the Tokyo Business Day immediately following such Shareholder Determination Date);

"Squeezeout Effective Date" has the meaning provided in Condition 7.7;

"Squeezeout Event" means either (i) the passing of a resolution at a general meeting of shareholders of the Company approving its acquisition of all of the outstanding Ordinary Shares in exchange for a consideration, following the outstanding Ordinary Shares being transformed into callable shares (*zenbushutokujoko tsuki shuruikabushiki*) by way of an amendment to the Articles of Incorporation, for the purpose of, including but not limited to, making the Company a wholly-owned subsidiary of another corporation, (ii) the passing of a resolution by the Board of Directors of the Company approving a request by the Controlling Shareholder that the other shareholders of the Company (other than the Company and, if the Controlling Shareholder so determines, the Controlling Shareholder's wholly-owned subsidiaries) sell to the Controlling Shareholder all of the shares of the Company held by them (*kabushikitou uriwatashi seikyu*) under the Companies Act, or (iii) the passing of a resolution at a general meeting of shareholders of the Company approving a consolidation of Ordinary Shares (*kabushiki no heigo*) under the Companies Act after which the Ordinary Shares are expected to cease to be listed, quoted or dealt in on the Relevant Stock Exchange or to be disqualified from such listing, quotation or dealing;

"Squeezeout Redemption Date" has the meaning provided in Condition 7.7;

"Stock Acquisition Date" has the meaning provided in Condition 5.9.3;

"Stock Split" means any kind of stock split in relation to the Ordinary Shares, including a free share distribution to the holders of Ordinary Shares, a stock dividend or a sub-division of Ordinary Shares;

"Subsidiary" means a company, more than 50 per cent of the outstanding shareholders' voting rights of which is at any given time owned by the Company, by one or more other Subsidiaries or by the Company and one or more other Subsidiaries, or any other company which is otherwise considered to be controlled by the Company under the Relevant GAAP (and, for this purpose, "voting rights" means the voting power attached to stocks or shares for the election of directors, officers or trustees of such company, other than voting powers attached to stocks or shares outstanding having such power by reason of the happening of a contingency);

"Tax Redemption Date" has the meaning provided in Condition 7.4;

"Tax Redemption Notice" has the meaning provided in Condition 7.4;

"Tokyo Business Day" has the meaning provided in Condition 5.1.4;

"Trading Day" means, in respect of the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be), a day, other than a Saturday or Sunday, on which the Relevant Stock Exchange is open for business, but does not include a day on which (a) no last selling price (regular way) for the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) is reported by the Relevant Stock Exchange and (b) if the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) are not listed or admitted to trading on the Relevant Stock Exchange, no closing bid or offered price of the Ordinary Shares or the shares of common stock of the New Obligor (as the case may be) is furnished as provided in the definition of Closing Price;

"Transfer Business Day" has the meaning provided in Condition 1.4.3; and

"yen" and "¥" mean Japanese yen, the lawful currency of Japan.

3.2 Construction of Certain References

References to any statute or provision of any statute shall be deemed to include a reference to any statute or the provision of any statute which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any ordinances, regulations, instruments or other subordinate legislation made under the relevant statute.

Except where the context requires otherwise, references to the "issue" of Ordinary Shares shall include the transfer and/or delivery of Ordinary Shares by the Company, whether newly issued or previously issued and held by or on behalf of the Company (and the words "issue", "issued" and "issuable" shall be construed accordingly), and references in these Conditions to the word "acquire" used in conjunction with the Ordinary Shares shall be read as including both the words "issue" and "transfer", and the words "acquired" and "acquisition" shall be construed accordingly, and references to "delivery" used in respect of the Ordinary Shares shall be read as including the transfer of Ordinary Shares by way of the book-entry transfer system operated by the Japan Securities Depository Centre, Incorporated. The words "substitution" and "grant" used in relation to the exchange of the Company's obligations in respect of the Bonds for those of a New Obligor following a Corporate Event shall be read as including the necessary legal concepts for such exchange to occur under both Japanese law and English law.

The headings in these Conditions are for convenience only and shall be ignored in construing these Conditions.

4 Default Interest

The Bonds do not bear interest unless payment of any amount in respect of any Bond is improperly withheld or refused, in which case such unpaid amount will bear interest (both before and after judgement) from the date of default to the earlier of (i) the day on which all sums due in respect of such Bond up to but excluding that day are received by or on behalf of the relevant Bondholder, and (ii) the day seven days after the Principal Agent has notified Bondholders of receipt of all sums due in respect of all the Bonds up to but excluding that seventh day (except to the extent that there is a failure in the subsequent payment to the relevant Bondholders under these Conditions) at the rate of interest per annum as being equal to the 3-Month Deposit Rate as at 11:00 a.m. (London time) on the date of such default. If interest is required to be calculated for a period of less than one year, it will be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed on the basis of a month of 30 days, rounding the resulting figure to the nearest yen (with five one-tenths or more of a yen to rounded upwards).

5 Exercise of Stock Acquisition Rights

5.1 Conversion Price, Exercise Period, Ordinary Shares Issuable and Procedure

5.1.1 *Exercise of Stock Acquisition Rights and Contribution of the Bond*: Subject to and upon compliance with the provisions of this Condition 5, each Bondholder is entitled to exercise the Stock Acquisition Right incorporated in each Bond held by it in accordance with and subject to these Conditions. The Bond, the Certificate in respect of which having been deposited with an

Agent for exercise of the relevant Stock Acquisition Right pursuant to Condition 5.9.1, shall be deemed to be acquired by the Company as at the Stock Acquisition Date as a capital contribution in kind by such Bondholder at the price equal to the principal amount of the Bond.

A Bondholder exercising Stock Acquisition Rights must certify in the relevant Conversion Notice (a "**U.S. Certification**") that it is not a "**U.S. person**" and that such exercise of Stock Acquisition Rights is being made by a non-U.S. person in an "**offshore transaction**" (as such terms are defined in Regulation S under the United States Securities Act of 1933, as amended). If such U.S. Certification is not provided or, in the Company's opinion, the representation is not correct, the relevant Conversion Notice shall be void.

None of the Trustee, the Principal Agent, the Registrar or any other Agent shall be responsible for, or be involved with the delivery of Ordinary Shares, cash or other consideration to a Bondholder upon exercise of the Stock Acquisition Rights.

5.1.2 *Number of Ordinary Shares*: The number of Ordinary Shares to be acquired by a Bondholder exercising its Stock Acquisition Rights will be determined by dividing the aggregate principal amount of the Bonds deposited by such Bondholder at the same time upon exercise of the Stock Acquisition Rights by the Conversion Price applicable on the Stock Acquisition Date. Fractions of an Ordinary Share will not be issued upon exercise of any Stock Acquisition Right and no adjustment or cash payment will be made in respect thereof. However, if two or more Stock Acquisition Rights are exercised at any one time by the same Bondholder, the number of Ordinary Shares which shall be acquired upon exercise of such Stock Acquisition Rights shall be calculated on the basis of the aggregate principal amount of the Bonds in which the Stock Acquisition Rights so exercised are incorporated.

For the avoidance of doubt, if a Bondholder would receive a number of Ordinary Shares not constituting a unit (*tangen*) of Ordinary Shares ("Non-unit Ordinary Shares") or integral multiples thereof upon exercise of the Stock Acquisition Right(s) or upon a Retroactive Adjustment, such Non-unit Ordinary Shares shall be delivered to the relevant Bondholder in the same manner as the Ordinary Shares constituting a whole unit of Ordinary Shares, and no cash amounts shall be paid by the Company in respect of such Non-unit Ordinary Shares.

As at the date of this Offering Circular, the Articles of Incorporation provide that 100 Ordinary Shares constitute one unit. Under the book-entry transfer system established pursuant to the Book-Entry Act, Ordinary Shares constituting less than one unit are transferable. Under the rules of the Japanese stock exchanges, however, Ordinary Shares constituting less than one unit do not comprise a trading unit, except in limited circumstances, and accordingly may not be sold on the Japanese stock exchanges. Further, a holder of Ordinary Shares constituting less than one unit cannot exercise any voting rights pertaining to those Ordinary Shares. A holder of Ordinary Shares constituting less than one unit may at any time require the Company to purchase such Ordinary Shares through the relevant Account Management Institution. The Articles of Incorporation currently provide that a holder of Ordinary Shares constituting less than one unit may also request the Company to sell to such holder of Ordinary Shares constituting less than one unit which, when added to the Ordinary Shares held by such holder, shall constitute one full unit.

5.1.3 *Conversion Price*: The price at which Ordinary Shares shall be acquired upon exercise of the Stock Acquisition Rights (the "Conversion Price") shall initially be ¥339 per Ordinary Share, subject to adjustment in the manner provided in Condition 5.2.

5.1.4 *Exercise Period*: Each Stock Acquisition Right may be exercised at any time during the period from, and including, 12 November 2026 to, and including, the close of business (at the place where the Bond is deposited for exercise of the Stock Acquisition Right) on 15 October 2031, or:

(i) if the relevant Bond shall have been called for redemption pursuant to Condition 7.2, 7.3 or 7.4, then up to the close of business (at the place as aforesaid) on the third Tokyo Business Day prior to the date fixed for redemption thereof (unless, in the case of such Bond being called for redemption pursuant to Condition 7.4, the relevant Bondholder has elected that such Bond shall not be redeemed);

(ii) if the relevant Bonds shall become due to be redeemed pursuant to Condition 7.5, 7.6 or 7.7, then up to the close of business (at the place as aforesaid) on the third Tokyo Business Day prior to the date fixed for redemption thereof;

(iii) if the relevant Bond shall become due to be redeemed pursuant to Condition 7.9, then up to the time when the relevant notice of redemption is deposited at the specified office of an Agent pursuant to Condition 7.9;

(iv) if the relevant Bond shall have been purchased by the Company or a Subsidiary pursuant to Condition 7.10 and cancelled by the Company pursuant to Condition 7.11, then up to the time when such Bond is so cancelled; or

(v) if the relevant Bond shall become due and repayable pursuant to Condition 10, then up to the time when such Bond becomes so due and repayable,

provided that:

(a) in no event shall the Stock Acquisition Rights be exercised after 15 October 2031;

(b) the Stock Acquisition Rights may not be exercised for such period as may be designated by the Company, which period may not exceed 30 days, and which period shall end on a date not later than 14 days after the Corporate Event Effective Date if the Company reasonably determines that such suspension is necessary in order to consummate the relevant transaction in compliance with these Conditions (including Conditions 6.4.1, 7.6 and 7.7); and

(c) the Stock Acquisition Rights may not be exercised where the relevant Stock Acquisition Date (or the next following Tokyo Business Day, if the Stock Acquisition Date would not be a Tokyo Business Day) would fall on a date within any Shareholder Determination Date Restriction Period; provided that if there is a change to the mandatory provisions of Japanese law, regulation or practise relating to the delivery of shares upon exercise of stock acquisition rights through book-entry transfer system established pursuant to the Book-Entry Act, then this Condition 5.1.4(c) and the definition of Shareholder Determination Date Restriction Period may be amended to the extent permitted by applicable law, regulation and practise by the Company to reflect such change in law, regulation or practise without the consent of the Trustee or the Bondholders and notice thereof (together with the reason for such change) shall be given promptly by the Company to the Trustee in writing and to the Bondholders in accordance with Condition 19.

The Company shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of the determination and period referred to in Condition 5.1.4(b) above at least 30 days prior to the commencement of such period.

The Company shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of each such Shareholder Determination Date Restriction Period at least three Tokyo Business Days prior to the commencement of such Shareholder Determination Date Restriction Period, provided that no such notice is required where the Shareholder Determination Date Restriction Period in question relates to a Record Date that has been fixed by the Articles of Incorporation then in effect.

As at the date of this Offering Circular, the Record Dates fixed by the Company's Articles of Incorporation are 31 December and 30 June. By way of example, in respect of the Record Date falling on 31 December 2026, it is anticipated that the Stock Acquisition Rights will not be exercisable where the Stock Acquisition Date would fall on any day from (and including) 29 December 2026 to (and including) 31 December 2026.

The term "Tokyo Business Day" means any day (other than a Saturday, Sunday or a day which shall be a legal holiday in Tokyo or a day on which banking institutions in Tokyo are obliged or authorised by law or executive order to close) on which banks are open for business in Tokyo.

The period during which the Stock Acquisition Rights are exercisable pursuant to this Condition 5.1.4 is referred to in these Conditions as the "Exercise Period" (for the avoidance of

doubt, the Exercise Period in respect of any Stock Acquisition Right may stop and restart from time to time). Upon final expiration of the Exercise Period, the Stock Acquisition Rights incorporated in the relevant Bonds will lapse and cease to be exercisable or valid for any purposes.

5.1.5 *Rights Attached to Ordinary Shares Acquired upon Exercise of Stock Acquisition Rights*: Ordinary Shares acquired upon exercise of the Stock Acquisition Rights shall have the same rights in all respects (including in relation to any distribution of dividends) as the Ordinary Shares outstanding on the relevant Stock Acquisition Date (except for any right the Record Date for which precedes such Stock Acquisition Date and any other right excluded by mandatory provisions of applicable law).

5.2 Adjustments of the Conversion Price

Upon the occurrence of any of the events described below, the Conversion Price shall be adjusted as follows:

5.2.1 *Stock Split and Consolidation of Ordinary Shares*: if the Company shall (a) make a Stock Split, (b) consolidate its outstanding Ordinary Shares into a smaller number of shares, or (c) re-classify any of its Ordinary Shares into other securities of the Company, then the Conversion Price shall be appropriately adjusted so that the holder of any Bond, the Stock Acquisition Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 5.2.1, shall be entitled to receive the number of Ordinary Shares and/or other securities of the Company which it would have held or have been entitled to receive after the coming into effect of any of the events described above had the Stock Acquisition Right in respect of such Bond been exercised immediately prior to the coming into effect of such event (or, if the Company has fixed a prior Record Date for the determination of shareholders entitled to receive any such Ordinary Shares or other securities issued upon any such Stock Split, consolidations or re-classification, immediately prior to such Record Date), but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the coming into effect of such event (or such Record Date) or any time thereafter. An adjustment made pursuant to this Condition 5.2.1 shall become effective immediately on the relevant event becoming effective or, if a prior Record Date is fixed therefor, immediately after the Record Date; provided that, in the case of a relevant transaction which must, under applicable Japanese law, be approved by a general meeting of shareholders or the Board of Directors of the Company before being legally effective, and which is so approved after the Record Date fixed for the determination of shareholders entitled to receive such Ordinary Shares or other securities, such adjustment shall, immediately upon such approval being given, become effective retroactively to immediately after such Record Date.

If the Company shall make a Stock Split and the Record Date therefor is also:

(i) the Record Date for the allotment, grant, issue or offer of any rights or warrants (including stock acquisition rights) which requires an adjustment of the Conversion Price pursuant to Condition 5.2.2 or 5.2.3; or

(ii) the last date (in the place of issue) of the period during which payment may be made for the issue of any securities convertible into or exchangeable for Ordinary Shares which requires an adjustment of the Conversion Price pursuant to Condition 5.2.5 or 5.2.8; or

(iii) the last date (in the place of issue) of the period during which payment may be made for the issue or transfer of any Ordinary Shares which requires an adjustment of the Conversion Price pursuant to Condition 5.2.6 or 5.2.8; or

(iv) the date of grant, issue, transfer or offer of any rights or warrants which requires an adjustment of the Conversion Price pursuant to Condition 5.2.7 or 5.2.8,

then (except where such Stock Split gives rise to a Retroactive Adjustment of the Conversion Price under this Condition 5.2.1) no adjustment of the Conversion Price in respect of such Stock Split shall be made under this Condition 5.2.1, but in lieu thereof an adjustment shall be made under Condition 5.2.2, 5.2.3, 5.2.5, 5.2.6, 5.2.7 or 5.2.8, as the case may be, by including in item "n" of the formula described therein the aggregate number of additional Ordinary Shares to be delivered pursuant to such Stock Split;

5.2.2 *Issue to Shareholders of Rights or Warrants to Acquire Ordinary Shares*: if the Company shall allot, grant, issue or offer to the holders of Ordinary Shares rights or warrants (including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire Ordinary Shares:

(i) at a consideration per Ordinary Share receivable by the Company (determined as provided in Condition 5.2.10) which is fixed on or prior to the Record Date mentioned below and is less than the Current Market Price per Ordinary Share on such Record Date, or

(ii) at a consideration per Ordinary Share receivable by the Company (determined as aforesaid) which is fixed after the Record Date mentioned below and is less than the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration,

then the Conversion Price in effect (in a case within (i) above) on the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Ordinary Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan (in a case within (i) above) on such Record Date or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration, but excluding the number of Ordinary Shares, if any, contained in the definition of "n" immediately below, but only to the extent that such Ordinary Shares are then issued and outstanding.

n = the number of Ordinary Shares to be allotted, issued or acquired on exercise of all such rights or warrants at the initial subscription, purchase or acquisition price.

v = the number of Ordinary Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Ordinary Share specified in (i) above or, as the case may be, (ii) above.

Such adjustment shall become effective (in a case within (i) above) immediately after the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the Record Date for the said determination.

If, in connection with an allotment, grant, issue or offer to the holders of Ordinary Shares of rights or warrants (including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire Ordinary Shares, any such rights and/or warrants which are not subscribed for, purchased or otherwise acquired by the persons entitled thereto are offered to and/or subscribed for, purchased or otherwise acquired by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Conversion Price by reason of such offer and/or subscription, purchase or acquisition;

5.2.3 *Issue to Shareholders of Rights or Warrants to Acquire Convertible/Exchangeable Securities*: if the Company shall grant, issue or offer to the holders of Ordinary Shares rights or warrants

(including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire any securities convertible into or exchangeable for Ordinary Shares (including bonds with stock acquisition rights):

(i) at a consideration per Ordinary Share receivable by the Company (determined as provided in Condition 5.2.10) which is fixed on or prior to the Record Date mentioned below and is less than the Current Market Price per Ordinary Share on such Record Date, or

(ii) at a consideration per Ordinary Share receivable by the Company (determined as aforesaid) which is fixed after the Record Date mentioned below and is less than the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration,

then the Conversion Price in effect (in a case within (i) above) on the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Ordinary Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan (in a case within (i) above) on such Record Date or (in a case within (ii) above) on the date in Japan on which the Company fixes the said consideration.

n = the number of Ordinary Shares to be acquired upon conversion or exchange of all such convertible or exchangeable securities at the initial conversion or exchange price or ratio following the exercise of all such rights or warrants at the initial subscription, purchase or acquisition price.

v = the number of Ordinary Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Ordinary Share specified in (i) above or, as the case may be, (ii) above.

Such adjustment shall become effective (in a case within (i) above) immediately after the Record Date for the determination of shareholders entitled to receive such rights or warrants or (in a case within (ii) above) immediately after the day upon which the Company fixes the said consideration but retroactively to immediately after the Record Date for the said determination.

If, in connection with a grant, issue or offer to the holders of Ordinary Shares of rights or warrants (including stock acquisition rights) entitling them to subscribe for, purchase or otherwise acquire securities convertible into or exchangeable for Ordinary Shares (including bonds with stock acquisition rights), any such securities convertible into or exchangeable for Ordinary Shares (including bonds with stock acquisition rights) which are not subscribed for, purchased or otherwise acquired by the persons entitled thereto are offered to and/or subscribed for, purchased or otherwise acquired by others (whether as placees or members of the public or pursuant to underwriting arrangements or otherwise), no further adjustment shall be required or made to the Conversion Price by reason of such offer and/or subscription, purchase or acquisition;

5.2.4 *Distribution to Shareholders of Assets (including Extraordinary Dividends)*:

if the Company shall distribute to the holders of Ordinary Shares (i) evidence of its indebtedness (such as bonds), (ii) shares of capital stock of the Company (other than Ordinary

Shares), (iii) cash or assets of the Company, or (iv) rights or warrants (including stock acquisition rights) to subscribe for, purchase or otherwise acquire shares (other than Ordinary Shares) or securities of the Company (other than those rights and warrants referred to in Conditions 5.2.2 and 5.2.3), in each of the cases set out in (i) through (iv) above, excluding dividends (being "distribution of surplus" within the meaning of, and subject to the limitation on amounts prescribed by, the Companies Act) other than Extraordinary Dividends, then the Conversion Price in effect on the Record Date for the determination of shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{CMP - fmv}{CMP}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

CMP = the Current Market Price per Ordinary Share on the Record Date for the determination of shareholders entitled to receive such distribution, including a distribution of an Extraordinary Dividend.

fmv = (i) in cases other than an Extraordinary Dividend, the fair market value ((a) as determined by the Company in consultation with an Independent Financial Adviser (whose advice the Company will take fully into account), or (b) if pursuant to applicable Japanese law such determination is to be made by application to a court of competent jurisdiction, as determined by such court or by an appraiser appointed by such court) of the portion of the evidence of indebtedness, shares, cash, assets, rights or warrants so distributed applicable to one Ordinary Share or, (ii) in the case of an Extraordinary Dividend, the amount of such Extraordinary Dividend divided by the Relevant Number of Ordinary Shares in respect of such Extraordinary Dividend.

Such adjustment shall become effective immediately after the Record Date for the determination of shareholders entitled to receive such distribution (including a distribution of an Extraordinary Dividend); provided, however, that (a) if such distribution must, under applicable Japanese law, be approved by a general meeting of shareholders or the Board of Directors of the Company before being legally made, and if such distribution is so approved after the Record Date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given, become effective retroactively to immediately after such Record Date and (b) if the fair market value of the evidence of indebtedness, shares, cash or assets, rights or warrants so distributed cannot be determined until after the Record Date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such fair market value being determined, become effective retroactively to immediately after such Record Date.

"Extraordinary Dividend" means, in relation to an Annual Fiscal Period ending on or after the last day of the Annual Fiscal Period in which the Closing Date falls, the part of any dividend (such dividend being the historical dividend without making any retroactive adjustment resulting from Stock Splits or otherwise) in respect of any number of Ordinary Shares amounting to the Relevant Number of Ordinary Shares, the Record Date for which falls within such Annual Fiscal Period which, when aggregated with the amount of all other dividends the Record Date for which falls within such Annual Fiscal Period in respect of such number of Ordinary Shares amounting to the Relevant Number of Ordinary Shares, is in excess of the sum of (i) the Base Dividend and (ii) the amount, if any, previously determined to be an Extraordinary Dividend in respect of that Annual Fiscal Period:

"Base Dividend" means: ¥0.

"Relevant Number of Ordinary Shares" means, such number of Ordinary Shares (disregarding fractions of an Ordinary Share) as Bondholders would be entitled to receive in respect of each

Bond deposited (were such Bond, and only such Bond, to be so deposited) for exercise of the Stock Acquisition Right incorporated therein at the Conversion Price in effect at the Record Date in respect of the relevant dividend.

5.2.5 *Issue to Non-shareholders of Convertible/Exchangeable Securities*: if the Company shall issue any securities convertible into or exchangeable for Ordinary Shares, including bonds with stock acquisition rights (other than the Bonds or in any of the circumstances described in Conditions 5.2.2 and 5.2.3), and the consideration per Ordinary Share receivable by the Company (determined as provided in Condition 5.2.10) shall be less than the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting), then the Conversion Price in effect on the last day of the period during which payment may be made in respect of the issue of such convertible or exchangeable securities shall, subject to Condition 5.2.8, be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Ordinary Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the last day of the period during which payment may be made in respect of such convertible or exchangeable securities.

n = the number of Ordinary Shares to be acquired upon conversion or exchange of all such convertible or exchangeable securities at the initial conversion or exchange price or rate.

v = the number of Ordinary Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Ordinary Share.

Such adjustment shall become effective immediately after the calendar day in Japan corresponding to the last day (in the place of issue) of the period during which payment may be made in respect of such convertible or exchangeable securities;

5.2.6 *Issue to Non-shareholders of Ordinary Shares*: if the Company shall issue or transfer any Ordinary Shares (other than Ordinary Shares issued or transferred (i) on conversion or exchange of any convertible or exchangeable securities (including the Bonds) allotted, granted, issued or offered by the Company, (ii) on the exercise of any rights or warrants (including stock acquisition rights) allotted, granted, issued or offered by the Company, (iii) to the extent permitted by the Articles of Incorporation, to any holder of Non-unit Ordinary Shares for the purpose of making such holder's holding, when added to the Ordinary Shares held by such holder, constitute a full one unit, (iv) in any of the circumstances described in Conditions 5.2.1, 5.2.2 and 5.2.3, (v) to shareholders of any corporation which merges into the Company upon such merger or which becomes a wholly-owned subsidiary of the Company by a share exchange (*kabushiki-kokan*) or which becomes a subsidiary of the Company by a share delivery (*kabushiki-kofu*), in proportion to their shareholding in such corporation immediately prior to such merger, exchange or delivery or (vi) to any corporation or to shareholders of any corporation which transfers its business to the Company following the split of such corporation's business (*kyushu bunkatsu*)), and the consideration per Ordinary Share receivable by the Company (determined as provided in Condition 5.2.10) shall be less than the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration (or, if the issue or transfer of such Ordinary Shares is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the

Company fixes the consideration to be recommended at such meeting), then the Conversion Price in effect on the last day of the period during which payment may be made in respect of the issue or transfer of such Ordinary Shares shall, subject to Condition 5.2.8, be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Ordinary Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the last day of the period during which payment may be made in respect of the issue or transfer of such Ordinary Shares, but excluding the number of Ordinary Shares, if any, contained in the definition of "n" immediately below, but only to the extent that such Ordinary Shares are then issued and outstanding.

n = the number of Ordinary Shares being issued or transferred as aforesaid.

v = the number of Ordinary Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Ordinary Share.

Such adjustment shall become effective immediately after the calendar day in Japan corresponding to the last day (in the place of issue or transfer) of the period during which payment may be made in respect of the issue or transfer of such Ordinary Shares;

5.2.7 *Issue to Non-shareholders of Rights or Warrants to Acquire Ordinary Shares or Convertible/ Exchangeable Securities*: if the Company shall grant, issue or offer any rights or warrants (including stock acquisition rights) entitling non-shareholders to subscribe for, purchase or otherwise acquire Ordinary Shares or securities convertible into or exchangeable for Ordinary Shares (other than the Stock Acquisition Rights or in any of the circumstances described in Conditions 5.2.2, 5.2.3, 5.2.4 and 5.2.5) and the consideration per Ordinary Share receivable by the Company (determined as provided in Condition 5.2.10) shall be less than the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration (or, if the grant, issue or offer of such rights or warrants is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting), then the Conversion Price in effect on the date of the grant, issue or offer of such rights or warrants shall, subject to Condition 5.2.8, be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{N + v}{N + n}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Ordinary Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the date of the grant, issue or offer of such rights or warrants.

n = the number of Ordinary Shares to be acquired on exercise of all such rights or warrants at the initial subscription, purchase or acquisition price, or upon conversion or exchange of all such convertible or exchangeable securities at the initial conversion or exchange price or rate following the exercise of all such rights or warrants.

v = the number of Ordinary Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.2.10) would purchase at such Current Market Price per Ordinary Share.

Such adjustment shall become effective immediately after the calendar day in Japan corresponding to the calendar day at the place of the grant, issue or offer of such rights or warrants;

5.2.8 *Combined Adjustment*: if the Company shall grant, issue, transfer or offer (as the case may be) securities of a type falling within Condition 5.2.5, 5.2.6 or 5.2.7 which otherwise require an adjustment to the Conversion Price pursuant thereto and the date of grant, issue, transfer or offer of such securities or, if applicable, the last day of the period during which payment may be made in respect thereof (in each case, referred to as the "relevant date") is also the relevant date in respect of securities of another type or types (including a different tranche or issue of a same type) falling within Conditions 5.2.5, 5.2.6 and/or 5.2.7 which otherwise require an adjustment to the Conversion Price pursuant thereto (all such securities being hereafter referred to as "Relevant Securities"), then any adjustment of the Conversion Price shall not be made separately under each such Condition but in one calculation in accordance with the following formula:

$$NCP = OCP \times \frac{N + v1 + v2 + v3}{N + n1 + n2 + n3}$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Ordinary Shares outstanding (having regard to Condition 5.2.11) at the close of business in Japan on the relevant date but excluding the number of Ordinary Shares contained in the definition of "n2" below to the extent that such Ordinary Shares are then issued and outstanding.

n1 = the number of Ordinary Shares to be acquired upon conversion or exchange of any convertible or exchangeable securities (included within the Relevant Securities) at the initial conversion or exchange price or rate.

n2 = the number of any Ordinary Shares (included within the Relevant Securities) being issued or transferred.

n3 = the number of Ordinary Shares to be acquired on exercise of any rights or warrants (included within the Relevant Securities) at the initial subscription, purchase or acquisition price, or upon conversion or exchange of any convertible or exchangeable securities at the initial conversion or exchange price or rate following the exercise of such rights or warrants.

v1 = the number of Ordinary Shares which the aggregate consideration receivable by the Company for such convertible or exchangeable securities (determined as provided in Condition 5.2.10) would purchase at the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration (or, if the issue of such convertible or exchangeable securities is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting).

v2 = the number of Ordinary Shares which the aggregate consideration receivable by the Company for the issue or transfer of such Ordinary Shares (determined as provided in Condition 5.2.10) would purchase at the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration (or, if the issue or transfer of such Ordinary Shares is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting).

v3 = the number of Ordinary Shares which the aggregate consideration receivable by the Company for the issue or transfer of the total number of Ordinary Shares to be acquired on exercise of such rights or warrants and (if applicable) upon conversion or exchange of such convertible or exchangeable securities (determined as provided in Condition 5.2.10) would purchase at the Current Market Price per Ordinary Share on the date in Japan on which the Company fixes the said consideration (or, if the grant, issue, transfer or offer of such rights or warrants is subject to approval by a general meeting of shareholders, on the date in Japan on which the Board of Directors of the Company fixes the consideration to be recommended at such meeting).

Any such adjustment shall become effective immediately after the calendar day in Japan corresponding to the calendar day at the relevant place of grant, issue, transfer or offer which is the relevant date.

5.2.9 *Current Market Price per Ordinary Share*: for the purpose of these Conditions, "Current Market Price per Ordinary Share" on any date shall be deemed to be the average of the daily Closing Prices of the Ordinary Shares for the 30 consecutive Trading Days commencing 45 Trading Days before such date.

If, during the said 45 Trading Day period or any period thereafter up to but excluding the date as at which the adjustment of the Conversion Price in question shall be effected, any event (other than the event which requires the adjustment in question, and any event which requires an adjustment with reference to the same Current Market Price per Ordinary Share) shall occur which gives rise to a separate adjustment (excluding a Retroactive Adjustment to take effect on or after such date) to the Conversion Price under the provisions of this Condition 5.2, the Current Market Price per Ordinary Share as determined above shall be adjusted in such manner and to such extent as the Company in consultation with an Independent Financial Adviser (whose advice the Company will take fully into account) shall deem to be appropriate and fair in order to compensate for the effect of such event;

5.2.10 *Consideration per Ordinary Share*: for the purposes of any calculation of the consideration per Ordinary Share receivable pursuant to Conditions 5.2.2, 5.2.3, 5.2.5, 5.2.6, 5.2.7 and 5.2.8, the following provisions shall be applicable:

(i) in the case of the issue or transfer of Ordinary Shares for cash, the consideration shall be the amount of such cash, provided that in no case shall any deduction be made for any commissions or any expenses paid or incurred by or on behalf of the Company for any underwriting of the issue or transfer or otherwise in connection therewith;

(ii) in the case of the issue or transfer of Ordinary Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair market value thereof as determined by the Company in consultation with an Independent Financial Adviser or, if pursuant to applicable Japanese law such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof. Such determination shall be final and binding on the Company, the Trustee and the Bondholders;

(iii) (a) in the case of the issue by the Company of securities convertible into or exchangeable for Ordinary Shares, including bonds with stock acquisition rights, the aggregate consideration receivable by the Company shall be deemed to be the consideration for any such securities plus the additional consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange of such securities at the initial conversion or exchange price or rate, and (b) in the case of the allotment, grant, issue, transfer or offer of rights or warrants, including stock acquisition rights, to subscribe for, purchase or otherwise acquire securities convertible into or exchangeable for Ordinary Shares, the aggregate consideration receivable by the Company shall be the consideration (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise thereof at the initial subscription, purchase or acquisition price and (if applicable) upon the following conversion or exchange of such securities at

the initial conversion or exchange price or rate. The consideration per Ordinary Share receivable by the Company shall be such aggregate consideration divided by the number of Ordinary Shares to be acquired upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate (if applicable) following the exercise of such rights or warrants at the initial subscription, purchase or acquisition price (the consideration in each case to be determined in the same manner as provided in sub-paragraphs (i) and (ii) above);

(iv) in the case of the allotment, grant, issue, transfer or offer of rights or warrants (including stock acquisition rights) entitling holders to subscribe for, purchase or otherwise acquire Ordinary Shares, the aggregate consideration receivable by the Company shall be deemed to be the consideration (if any) received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise of such rights or warrants at the initial subscription, purchase or acquisition price (the consideration in each case to be determined in the same manner as provided in sub-paragraphs (i) and (ii) above), and the consideration per Ordinary Share receivable by the Company shall be such aggregate consideration divided by the number of Ordinary Shares to be acquired upon (and assuming) such exercise at the initial subscription, purchase or acquisition price; and

(v) if any consideration referred to in the foregoing provisions of this Condition 5.2.10 is receivable in a currency other than yen, such consideration shall, in any case where there is a fixed rate of exchange between yen and the relevant currency provided for the purposes of the issue of such Ordinary Shares or the conversion or exchange of such securities or the exercise of such rights or warrants, be translated into yen for the purposes of this Condition 5.2.10 at such fixed rate of exchange and shall, in all other cases, be so translated at the mean of the exchange rate quotations (being quotations for the cross rate through U.S. dollars if no direct rate is quoted) by a leading bank in Japan for buying and selling spot units of the relevant currency by telegraphic transfer against yen on the date as at which such consideration is required to be calculated;

5.2.11 *Later Adjustments*: if, at the time of computing an adjustment (the "later adjustment") of the Conversion Price pursuant to any of Conditions 5.2.2 to 5.2.8 (both inclusive), the Conversion Price already incorporates an adjustment made (or taken into account pursuant to the proviso to Condition 5.6) to reflect the issue or transfer of such Ordinary Shares, the allotment, grant, issue, transfer or offer of rights or warrants (including stock acquisition rights) to subscribe for, purchase or otherwise acquire such Ordinary Shares or other securities convertible into or exchangeable for such Ordinary Shares, but such Ordinary Shares are not outstanding at the time relevant for ascertaining the number of outstanding Ordinary Shares for the purposes of computing the later adjustment, such Ordinary Shares shall be deemed to be outstanding for the purposes of making such computation to the extent that the number of the Ordinary Shares so deemed to be outstanding exceeds the actual number of Ordinary Shares in issue as a result thereof at the time of making such computation. For the purposes of determining the number of Ordinary Shares outstanding in Conditions 5.2.2, 5.2.3, 5.2.5, 5.2.6, 5.2.7 and 5.2.8, the Ordinary Shares held by the Company as treasury stock on the relevant date shall be deemed not to be outstanding;

5.2.12 *Meaning of "Fixed"*: any reference in this Condition 5.2 to the date on which the consideration is "fixed" shall be construed as a reference to the first day on which such consideration in a cash amount can be ascertained, where the consideration is originally expressed by reference to a formula and not then ascertainable in a cash amount;

5.2.13 *Other Events*: if the Company determines at its sole discretion that a downward adjustment should be made to the Conversion Price as a result of one or more events or circumstances not otherwise referred to in this Condition 5.2, the Company shall, at its own expense, request an Independent Financial Adviser to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof and, if the adjustment would result in a reduction in the Conversion Price, the date on which such adjustment should take effect and, upon such determination, such downward adjustment (if any) shall be made and shall take effect in accordance with such determination;

5.2.14 *Modification to Operation of Adjustment Provisions*: notwithstanding the foregoing, where the circumstances giving rise to any adjustment pursuant to this Condition 5.2 have already resulted or will result in an adjustment to the Conversion Price or where the circumstances giving rise to any adjustment arise by virtue of other circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 5.2 as may be advised by an Independent Financial Adviser to be in its opinion appropriate to give the intended result; and

5.2.15 *Conversion Price Adjustment on Relevant Events:* On the occurrence of any Relevant Event (and, in the case of a Corporate Event, if any of the conditions set out in items (i), (ii), (iii) and (iv) of Condition 7.5 is satisfied), the Conversion Price in effect on the date in Japan on which the Relevant Event takes place (and, in the case of a Corporate Event, such condition is satisfied) (the "Relevant Event Date"), shall be adjusted in accordance with the following formula:

$$NCP = \frac{OCP}{(1 + (CP \times c/t))}$$

where:

NCP	=	the Conversion Price after such adjustment.
OCP	=	the Conversion Price before such adjustment.
CP	=	30 per cent, expressed as a fraction.
c	=	the number of days from and including the Relevant Event Date to but excluding the Maturity Date.
t	=	the number of days from and including the Closing Date to but excluding the Maturity Date.

Such adjustment shall become effective from the day immediately after the Relevant Event Date. No further adjustment under this Condition 5.2.15 will be made in respect of a Relevant Event (or subsequent Relevant Events) if and once the Conversion Price has been adjusted pursuant to this Condition 5.2.15.

"CP" is the conversion premium (the percentage above the Closing Price of the Ordinary Shares on 13 October 2026) at which the initial Conversion Price is set.

5.3 Retroactive Adjustments

If the Stock Acquisition Date in relation to a Stock Acquisition Right shall be on or after a date with effect from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions of Condition 5.2 and the relevant Stock Acquisition Date falls on a date before the relevant adjustment becomes effective under Condition 5.2 (such adjustment, a "Retroactive Adjustment"), the Company shall procure that the provisions of Condition 5.9.4 shall be applied, *mutatis mutandis*, to such number of Ordinary Shares ("Additional Ordinary Shares") as is equal to the excess of the number of Ordinary Shares which would have been acquired upon exercise of such Stock Acquisition Right if the relevant Retroactive Adjustment had been given effect as at the said Stock Acquisition Date over the number of Ordinary Shares previously acquired pursuant to such exercise, and in such event and in respect of such Additional Ordinary Shares, references in Condition 5.9.4 to the "Stock Acquisition Date" shall be deemed to refer to the date upon which such Retroactive Adjustment is first reflected in the Conversion Price.

5.4 Limitation on Reduction of Conversion Price

Notwithstanding the provisions of this Condition 5, the Conversion Price will not be reduced as a result of any adjustment made hereunder to such an extent that, under applicable law then in effect, the Stock Acquisition Rights may not be permitted to be exercised at such lower Conversion Price into legally issued, fully paid and non-assessable Ordinary Shares.

5.5 Employee Ordinary Share Schemes

No adjustment will be made to the Conversion Price where Ordinary Shares or other Securities are issued, offered, exercised, allotted, appropriated, modified or granted to, or for the benefit of, employees, former employees, officers, audit and supervisory board members or directors (including directors holding or formerly holding executive office or the personal service company of any such person) of the Company or any of its Subsidiaries or affiliates, their spouses or relatives, or any associated companies of any such person, or to any trustee or trustees for the benefit of any such person, in any such case, pursuant to any employees' or executives' share or option scheme.

5.6 Minimum Adjustments

No adjustment of the Conversion Price shall be required unless such adjustment would result in an increase or decrease in such Conversion Price of at least one yen provided that any adjustment which by reason of this Condition 5.6 is not required to be made shall be carried forward and taken into account (as if such adjustment were made at the time when it would be made but for the provisions of this Condition 5.6) in any subsequent adjustment.

5.7 Calculations

All calculations (including, without limitation, calculations of the Conversion Price and the Current Market Price per Ordinary Share) under this Condition 5 shall, unless otherwise expressly specified herein, be made to the nearest one-tenth of a yen with five one-hundredths or more of a yen to be considered a full tenth of a yen.

Neither the Trustee nor any Agent shall be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation or determination (or verification thereof) in connection with the Conversion Price and/or any adjustments to it, or any determinations, advice or opinions made or given in connection therewith and none of them will be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so or for any delay by the Company or any Independent Financial Adviser in making any calculation or determination or any erroneous calculation or determination in connection with the Conversion Price.

5.8 Notification of Adjustments

Whenever the Conversion Price is adjusted as herein provided, the Company shall promptly notify the Trustee, the Principal Agent, the other Agents and the Registrar in writing setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment and the effective date thereof, and shall promptly give notice to the Bondholders in accordance with Condition 19 stating that the Conversion Price has been adjusted and setting forth the Conversion Price in effect prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

5.9 Procedure for Conversion

5.9.1 *Conversion Notice*: To exercise a Stock Acquisition Right, the exercising Bondholder shall complete, sign and deposit at the specified office of an Agent at its own expense during business hours of the Agent with which the deposit is being made a Conversion Notice, in the form obtainable from any Agent, together with the Certificate evidencing the relevant Bond. No Stock Acquisition Right may be exercised in part only.

Upon delivery of a Conversion Notice, Bondholders should immediately notify their standing proxy or other agent in Japan (as identified in the Conversion Notice) to ensure delivery of Ordinary Shares. Failure to so notify may inhibit timely delivery of Ordinary Shares.

5.9.2 *Conditions Precedent*: As conditions precedent to the exercise of the Stock Acquisition Right, the Bondholder must certify in the Conversion Notice that it has paid in full directly to the relevant authorities all stamp, issue, registration or other similar taxes and duties (if any), together with any incidental expenses in connection therewith, arising on such exercise in the country in which the Stock Acquisition Right is to be exercised or payable in any jurisdiction consequent upon the issue or delivery of Ordinary Shares to or to the order of a person other

than the exercising Bondholder (if any) together with an amount sufficient to pay the expenses of delivery pursuant to Condition 5.9.4(ii). Except as aforesaid, the Company will pay the expenses arising on the acquisition of Ordinary Shares upon exercise of the Stock Acquisition Rights (which for the avoidance of doubt does not include the exercising Bondholder's own costs and expenses for holding such Ordinary Shares) and all charges of the Agents in connection therewith (including all costs, charges and expenses incurred by any delegate). Neither the Trustee nor the Agents shall be responsible for determining whether such taxes and duties or such expenses of delivery are payable or the amount thereof and none of them shall be responsible or liable for any failure by the Company or any Bondholder to pay any such amount.

5.9.3 *Deposit Date and Stock Acquisition Date*:

(i) The time at which the Certificate evidencing any Bond and the Conversion Notice relating thereto are deposited with an Agent, or on which all conditions precedent to the exercise of the relevant Stock Acquisition Right are fulfilled, whichever shall be later, is hereinafter referred to as the "Deposit Time" applicable to such Bond, and the date in London on which the Deposit Time falls is hereinafter referred to as the "Deposit Date" applicable to such Bond. For the avoidance of doubt, a Deposit Date may not occur during any period when the Stock Acquisition Rights may not be exercised;

(ii) The request for exercise of the Stock Acquisition Right shall be deemed to have been made, and accordingly the exercise of the Stock Acquisition Right and the delivery of the relevant Certificate therefor will become effective, at 23:59 hours (London time) on the Deposit Date applicable to the relevant Bond (and the next calendar day, being the calendar day in Japan on which such time in London falls, is herein referred to as the "Stock Acquisition Date" applicable to such Bond);

(iii) A Conversion Notice once deposited shall not be withdrawn without the consent in writing of the Company; and

(iv) If deposit of the Conversion Notice is made on a day which is not a Business Day or after 15:00 hours in the place of the specified office of the relevant Agent, such deposit shall be deemed for all purposes of these Conditions to have been made on the next following such Business Day.

At any time when the relevant Bonds are evidenced by the Global Certificate, the exercising Bondholder shall, in lieu of depositing the Conversion Notice in the manner aforesaid, transmit the Conversion Notice as an electronic instruction to any Agent in accordance with the operating procedures of the relevant clearing systems, together with an authority to Euroclear to debit, or to procure Clearstream, Luxembourg to debit, the Bondholder's account pro tanto. The time at which such duly completed Conversion Notice is received by the relevant Agent through the relevant clearing systems shall be deemed for the purposes of these Conditions to be its Deposit Time; provided that, if transmission of the Conversion Notice in electronic form is (i) sent on a day which is not a Business Day in place of the specified office of the Agent or (ii) is received by such Agent after 15:00 hours on a Business Day in place of the specified office of such Agent, in each case, such Conversion Notice shall be deemed for the purposes of the Conditions to have been deposited on the next following Business Day in place of the specified office of such Agent (and the Deposit Date will be determined accordingly). With effect from the relevant Stock Acquisition Date, Euroclear or Clearstream, Luxembourg, as the case may be, shall debit the Bondholder's account with the number of the Bonds the Stock Acquisition Rights incorporated in which have been exercised and the Register shall be amended accordingly.

5.9.4 *Delivery of Ordinary Shares*: With effect from the Stock Acquisition Date (or as soon as practicable thereafter under Japanese law, regulation and practise relating to the delivery of shares and the register of shareholders), the Company shall deem the exercising Bondholder or its nominee (as specified by the exercising Bondholder in the relevant Conversion Notice) to have become the holder of record of the number of Ordinary Shares to be acquired upon such exercise of the Stock Acquisition Right (disregarding any fraction of an Ordinary Share resulting from such exercise and also disregarding any Retroactive Adjustment of the

Conversion Price prior to the time when such Retroactive Adjustment is first reflected in the Conversion Price).

Thereafter, subject to any applicable limitations then imposed by Japanese law or regulation (including any administrative order or guidelines issued by any relevant authority) or the Articles of Incorporation or the share handling regulations of the Company:

(i) as soon as practicable and in any event within 14 days after the Stock Acquisition Date, in accordance with the book-entry transfer system established pursuant to the Book-Entry Act, the Company shall issue and deliver the relevant Ordinary Shares to or to the order of the exercising Bondholder at such account maintained with an Account Management Institution in Japan as specified in the relevant Conversion Notice (unless such instruction given by the exercising Bondholder in the relevant Conversion Notice is inaccurate, incomplete or insufficient for the purposes of such transfer); and

(ii) according to the request made in the relevant Conversion Notice as soon as practicable, and in any event within 21 days after the Stock Acquisition Date, the Company shall despatch or cause to be despatched to, or to the order of the person named for that purpose in the relevant Conversion Notice and at the place in Japan and in the manner specified in the relevant Conversion Notice (the expense and risk of despatch at any such place being that of the exercising Bondholder), any such securities (other than Ordinary Shares) required to be delivered upon exercise and such assignments and other documents (if any) as may be required by law to effect the transfer thereof; provided, however, that if such securities (other than Ordinary Shares) are subject to the book-entry transfer system established pursuant to the Book-Entry Act, such delivery or despatch will be implemented in accordance therewith.

Any Conversion Notice transmitted electronically shall be processed in accordance with the operating procedures of the relevant clearing systems.

5.9.5 *Amount of Stated Capital and Additional Paid-in Capital*: With effect as at the Stock Acquisition Date, one-half of the "maximum capital and other increase amount", as calculated pursuant to Article 17 of the Rules of Account Settlement of Corporations (Ordinance of Ministry of Justice No. 13 of 2006, as amended) in respect of such exercise (with any fraction of less than one yen being rounded up) shall be accounted for as stated capital, and the rest of such amount shall be accounted for as additional paid-in capital.

6 Certain Corporate Events

6.1 Corporate Events

In the case of a proposal for:

(i) any Merger Event; or

(ii) any Asset Transfer Event; or

(iii) any Corporate Split Event; or

(iv) any Holding Company Event; or

(v) the passing of a resolution at a general meeting of shareholders of the Company (or, where such a resolution is not required, at a meeting of the Board of Directors of the Company) for any other corporate reorganisation procedure then provided for under Japanese law (the passing of any such resolution and any Merger Event, any Asset Transfer Event, any Corporate Split Event and any Holding Company Event being together referred to in these Conditions as a "Corporate Event") pursuant to which the obligations under the Bonds and/or the Stock Acquisition Rights are proposed to be transferred to or assumed by another entity (such other entity and any Merged Company, any Asset Transferee, any Corporate Split Counterparty and any Holding Company being together referred to as a "New Obligor"),

the following provisions of this Condition 6 shall apply.

6.2 Notice of Proposal

The Company shall give notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of a proposed Corporate Event at the same time as it gives notice to the holders of Ordinary Shares (or, if no such notice is required or if a public announcement of such proposed Corporate Event is made on a date earlier than the date of such notice, promptly after the first public announcement of such proposed Corporate Event) and, as soon as practicable thereafter, of its proposals in relation to the Bonds (including the Stock Acquisition Rights). Such notice shall specify the anticipated Corporate Event Effective Date. If those proposals and/or that date have not been determined, the notice shall state that fact.

6.3 Notice of Passing of Resolution

Upon the occurrence of a Corporate Event, the Company shall forthwith give a further notice to the Trustee in writing and to the Bondholders in accordance with Condition 19 of that fact, the Company's proposals in relation to the Bonds (including the Stock Acquisition Rights) and the anticipated effective date of the transaction, and, if such anticipated effective date or proposals are changed or fixed, a further notice to such effect shall be given in the same manner. The effective date of the transaction contemplated by the relevant Corporate Event is referred to herein as its "Corporate Event Effective Date".

6.4 Transfer of Obligations Following a Corporate Event

6.4.1 *Transfer:* If a Corporate Event occurs and

(i) it is legally possible under then applicable laws (taking into account the then official or judicial interpretation or application of such laws) to effect substitution of the New Obligor for the Company and the grant of the New Stock Acquisition Rights in such a manner as set out in Conditions 6.5 and 12.2;

(ii) a practical structure for such substitution and grant has been or can be established; and

(iii) such substitution and grant can be consummated without the Company or the New Obligor incurring costs or expenses (including taxes) which are in the opinion of the Company unreasonable in the context of the entire transaction,

then the Company shall use its best endeavours to cause the New Obligor to be substituted as the principal obligor under the Bonds and the Trust Deed pursuant to Condition 12.2 and the Trust Deed and for the grant of the New Stock Acquisition Rights in relation to the Bonds in place of the Stock Acquisition Rights in the manner described in Condition 6.5. Such substitution and grant shall take effect on the relevant Corporate Event Effective Date, or, in the case of a Merger Event, a Holding Company Event or a Corporate Split Event where the Merged Company, the Holding Company or the Corporate Split Counterparty (as the case may be) is established on or immediately after the relevant Corporate Event Effective Date, as soon as practicable on or after, but in any event no later than 14 days after, the relevant Corporate Event Effective Date.

6.4.2 *Listing*: In connection with the substitution and grant described in Condition 6.4.1, the Company shall also use its best endeavours to ensure that the shares of common stock of the New Obligor will be listed on any stock exchange in Japan or be quoted or dealt in on any securities market in Japan (such listing, quotation and dealing being hereinafter collectively referred to as "Listing") on the relevant Corporate Event Effective Date.

6.4.3 *Condition*: The obligations of the Company pursuant to this Condition 6.4 shall not apply if the Company delivers a certificate to the Trustee pursuant to Condition 7.5(iv).

6.5 New Stock Acquisition Rights

At the time of the substitution of (or assumption by) the New Obligor as principal obligor under Condition 12.2 and the Trust Deed, New Stock Acquisition Rights will be granted, in place of the Stock Acquisition Rights, to the Bondholders by the New Obligor, in accordance with the following terms:

6.5.1 *Number of the New Stock Acquisition Rights to be Granted*: The number of New Stock Acquisition Rights to be granted will be equal to the number of the Stock Acquisition Rights incorporated in the Bonds outstanding immediately prior to the relevant Corporate Event Effective Date;

6.5.2 *Class of Ordinary Shares to be Issued or Transferred upon Exercise of the New Stock Acquisition Rights*: Upon exercise of the New Stock Acquisition Rights, shares of common stock of the New Obligor shall be issued or transferred;

6.5.3 *Number of Ordinary Shares to be Issued or Transferred upon Exercise of the New Stock Acquisition Rights*: The number of shares of the New Obligor to be issued or transferred upon exercise of the New Stock Acquisition Rights shall be determined by the New Obligor by reference to these Conditions taking into account the terms of the transaction contemplated under the relevant Corporate Event, and

(i) in the case of a Merger Event or a Holding Company Event, the conversion price for the New Stock Acquisition Rights shall be such that the holder of a New Stock Acquisition Right would upon its exercise immediately after the Corporate Event Effective Date receive the number of shares of common stock of the New Obligor (the "Number of Deliverable Ordinary Shares") receivable upon the relevant Corporate Event by a holder of the number of Ordinary Shares (such number being the "Number of Held Ordinary Shares") which a holder of a Stock Acquisition Right would have received had such Stock Acquisition Right been exercised immediately prior to the relevant Corporate Event Effective Date. If securities (other than shares of common stock of the New Obligor) or other property shall be delivered to such holder of the Number of Held Ordinary Shares upon the taking effect of the Merger Event or the Holding Company Event (as the case may be), such number of shares of common stock of the New Obligor shall form part of the Number of Deliverable Ordinary Shares as shall be calculated by dividing the fair market value of such securities or properties delivered to such holder of the Number of Held Ordinary Shares by the New Obligor Current Market Price per Ordinary Share, such fair market value to be determined by the Company, provided that in determining such fair market value, the Company shall, at its own expense, consult with an Independent Financial Adviser and shall take fully into account the advice of the Independent Financial Adviser; or

(ii) in the case of any other Corporate Event, the conversion price for the New Stock Acquisition Rights shall be such that the holder of a New Stock Acquisition Right shall, upon its exercise immediately after the Corporate Event Effective Date, receive an equivalent economic interest to be determined by the Company as that which would have been received by a holder of the number of Ordinary Shares which a holder of a Stock Acquisition Right would have received had such Stock Acquisition Right been exercised immediately before the relevant Corporate Event Effective Date, provided that, in determining such equivalent economic interest, the Company shall, at its own expense, consult with an Independent Financial Adviser and shall take fully into account the advice of such Independent Financial Adviser.

For the purpose of this Condition 6, the "New Obligor Current Market Price per Ordinary Share" means (i) the average of the daily Closing Prices of the shares of common stock of the New Obligor for the 30 consecutive Trading Days commencing 45 Trading Days immediately before the relevant Corporate Event Effective Date, or (ii) if such market price shall not be available, such price as is determined by the Company, provided that in determining such price, the Company shall, at its own expense, consult with an Independent Financial Adviser and shall take fully into account the advice of such Independent Financial Adviser.

The conversion price for the New Stock Acquisition Rights shall be subject to adjustment which shall be as nearly equivalent as may be practicable to the adjustments provided in Condition 5.2;

6.5.4 *Description of the Asset to be Contributed upon Exercise of the New Stock Acquisition Rights and the Amount or the Calculation Method Thereof*: Upon exercise of each New Stock Acquisition Right, the relevant Bond shall be deemed to be acquired by the New Obligor as a capital contribution in kind by the relevant Bondholder at the price equal to the principal amount of the Bond;

6.5.5 *Exercise Period of the New Stock Acquisition Rights*: The New Stock Acquisition Rights may be exercised at any time during the period from, and including, the later of the relevant Corporate Event Effective Date or the date of implementation of the scheme described in Condition 6.4.1 up to, and including, the last day of the Exercise Period of the Stock Acquisition Rights;

6.5.6 *Other Conditions for the Exercise of the New Stock Acquisition Rights*: No New Stock Acquisition Right may be exercised in part;

6.5.7 *Amount of Stated Capital and Additional Paid-in Capital*: As at the date on which the exercise of a New Stock Acquisition Right becomes effective, one-half of the "maximum capital and other increase amount" as calculated pursuant to Article 17 of the Rules of Account Settlement of Corporations (Ordinance of Ministry of Justice No. 13 of 2006, as amended) in respect of such exercise (with any fraction of less than one yen being rounded up) shall be accounted for as stated capital, and the rest of such amount shall be accounted for as additional paid-in capital; and

6.5.8 *Others*: Fractions of a share of common stock of the New Obligor will not be issued upon exercise of the New Stock Acquisition Rights and no adjustment or cash payment will be made in respect thereof. The holder of each bond assumed (by way of substitution or otherwise only for the purposes of Japanese law), or bond provided, by the New Obligor may not transfer such bond separately from the New Stock Acquisition Rights. In cases where such restriction on transfer of the bond would not be effective under the then applicable law, a stock acquisition right incorporated in a bond equivalent to the Bond may be issued to the holder of each Bond outstanding immediately prior to the Corporate Event Effective Date in place of the Stock Acquisition Right and the Bond.

6.6 No Statutory Put Rights

Each Bondholder by accepting or acquiring any Bond agrees that its remedies if a Corporate Event or a Squeezeout Event occurs shall not include any statutory rights provided by Japanese law to require the Company to repurchase such Bond at fair market value, such rights being waived to the fullest extent permitted by applicable law.

6.7 Subsequent Corporate Events

The above provisions of this Condition 6 shall apply in the same way to any subsequent Corporate Events.

7 Redemption, Purchase and Cancellation

7.1 Final Maturity

Unless the Bonds have previously been redeemed or purchased and cancelled, or become due and repayable, and unless the Stock Acquisition Rights incorporated therein have previously been exercised (in each case as provided in these Conditions), the Company will redeem the Bonds at 100 per cent of their principal amount on 29 October 2031. The Bonds may not be redeemed at the option of the Company other than in accordance with this Condition 7.

7.2 Redemption at the Option of the Company upon Increased Ordinary Share Prices

At any time on or after 12 November 2029, the Company may, but shall not be bound to, redeem all, but not some only, of the Bonds then outstanding at 100 per cent of their principal amount on the date fixed for such redemption, provided, however, that no such redemption may be made unless the Closing Price of the Ordinary Shares for any 20 Trading Days in a period of 30 consecutive Trading Days, the last of which occurs not more than 30 days prior to the date upon which the Optional Redemption Notice (as defined below) is first given, is at least 160 per cent of the Conversion Price in effect on each such Trading Day (taking into account any Retroactive Adjustment not then reflected in the Conversion Price). To exercise such option to redeem, the Company shall give not less than 30 nor more than 60 days' prior notice of such redemption (the "Optional Redemption Notice") to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable); and upon giving such notice, all such Bonds shall be redeemed by the Company on the date fixed for such redemption.

7.3 Redemption at the Option of the Company upon Reduced Outstanding Amounts

The Company may, but shall not be bound to, having given not less than 30 nor more than 60 days' prior notice (the "Clean-up Redemption Notice") to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable), redeem all, but not some only, of the Bonds then outstanding at 100 per cent of their principal amount on the date fixed for such redemption in the Clean-up Redemption Notice, if at any time prior to the date upon which the Clean-up Redemption Notice is first given, the outstanding principal amount of the Bonds is less than 10 per cent of the aggregate principal amount of the Bonds as at the date of issue thereof.

7.4 Redemption for Taxation Reasons

The Company may, but shall not be bound to, at any time, having given not less than 30 nor more than 60 days' prior notice (the "Tax Redemption Notice") to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable), redeem all, but not some only, of the Bonds then outstanding at 100 per cent of their principal amount on the date fixed for redemption in the Tax Redemption Notice (the "Tax Redemption Date"), if the Company satisfies the Trustee immediately prior to the giving of the Tax Redemption Notice that (i) it has or will become obliged to pay Additional Amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 13 October 2026 and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it; provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such Additional Amounts were a payment in respect of the Bonds then due. Prior to the giving of any Tax Redemption Notice, the Company shall deliver to the Trustee a certificate signed by a Representative Director or Authorised Officer stating that the obligation referred to in (i) above has arisen and cannot be avoided by the Company taking reasonable measures available to it and the Trustee shall be bound to accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in (i) and (ii) above, in which event it shall be conclusive and binding on the Bondholders and the Trustee, and the Trustee shall not be responsible or liable to any person for any loss occasioned by relying, acting and/or not acting based on such certificate. Upon the giving of the Tax Redemption Notice to the Bondholders, the Company shall be bound to redeem the Bonds then outstanding at 100 per cent of their principal amount on the Tax Redemption Date.

Notwithstanding the foregoing, if the Company shall have given a Tax Redemption Notice, and if the outstanding principal amount of the Bonds at the time when such Tax Redemption Notice is given is 10 per cent or more of the aggregate principal amount of the Bonds as at the date of issue thereof, each holder of the Bonds will have the right to elect, and the Tax Redemption Notice shall state that such Bondholder will have the right to elect, that its Bonds should not be redeemed and that the provisions set forth in Condition 9 shall not apply in respect of payment of any amount to be made in respect of the Bonds which will fall after the Tax Redemption Date and payment of all amounts due on such Bonds thereafter shall be made subject to the withholding of, or deduction for or on account of, Japanese taxes, duties, assessments and governmental charges referred to in Condition 9. Such right of the Bondholder shall be exercised by the Bondholder giving notice to the Company in the form (for the time being current) obtainable from any Agent no later than 20 days prior to the Tax Redemption Date.

7.5 Corporate Event Redemption

Upon or following the occurrence of a Corporate Event, the Company shall give not less than 14 Tokyo Business Days' prior notice to the Bondholders in accordance with Condition 19 to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) determined in accordance with the provisions of Condition 7.8 together with all Additional Amounts due on the Bonds (if any), on the date (the "Corporate Event Redemption Date") specified for redemption in such notice (such Corporate Event Redemption Date shall be a date falling on or prior to the relevant Corporate Event Effective Date or, if such Corporate Event Effective Date occurs earlier than the 14th Tokyo Business Day from the date of occurrence of the Corporate Event, such Corporate Event Redemption Date shall be the 14th Tokyo Business Day from the date of the notice of such

redemption, which notice shall be given as soon as practicable after the date of occurrence of the Corporate Event), if any of the following conditions is satisfied:

(i) it is not legally possible under the then applicable laws (taking into account the then official or judicial interpretation or application of such laws) to effect a scheme provided for by Condition 6.4.1; or

(ii) it is legally possible as aforesaid but, despite the Company using its best endeavours, the Company is not able to effect such a scheme in compliance with Condition 6.4.1; or

(iii) despite the Company using its best endeavours pursuant to Condition 6.4.2, on (a) the date of occurrence of the relevant Corporate Event or (b) the 25th day prior to the relevant Corporate Event Effective Date, whichever occurs later, (x) no Listing has been obtained for the shares of common stock of the New Obligor, and (y) no confirmation has been obtained by the New Obligor from any stock exchange in Japan or the governing body of any securities market in Japan that such Listing will be obtained on or prior to such Corporate Event Effective Date; or

(iv) the Company has delivered to the Trustee, on or prior to the date of occurrence of the relevant Corporate Event, a certificate signed by a Representative Director or an Authorised Officer stating that the Company does not currently anticipate that a Listing will be obtained or maintained for the shares of common stock of the New Obligor on the relevant Corporate Event Effective Date for any reason stated in such certificate. The Trustee and the Bondholders shall be bound to accept such certificate as sufficient and conclusive evidence of the satisfaction of the condition set out in this Condition 7.5 and the Trustee shall not be responsible or liable to any person for any loss occasioned by relying, acting and/or not acting based on such certificate without further investigation or query.

Any notice of redemption given under this Condition 7.5 shall be irrevocable and the Company shall be bound to redeem the Bonds in accordance with such notice even if (in the case of Condition 7.5(iii) or 7.5(iv) above) a Listing for the shares of common stock of the New Obligor is subsequently obtained.

7.6 Redemption on Delisting of the Ordinary Shares

7.6.1 *Offers and Redemption*: If

(i) any offer is made by a party or parties (the "Offeror") other than the Company in accordance with the FIEA to all holders of Ordinary Shares (or all such holders other than the Offeror and/or any company controlled by the Offeror and/or persons associated or acting in concert with the Offeror) to acquire all or a portion of the Ordinary Shares;

(ii) the Company expresses its opinion to support such offer in accordance with the FIEA;

(iii) the Company or the Offeror states in the relevant tender offer registration statement or any amendment thereto, or otherwise publicly announces or admits, that the Ordinary Shares may cease to be listed, quoted or dealt in on the Relevant Stock Exchange or may be disqualified from such listing, quotation or dealing, as a result of the acquisition of Ordinary Shares pursuant to the offer (unless the Company or the Offeror publicly expresses its intention to use its best endeavours to continue such listing, quotation or dealing after such acquisition); and

(iv) the Offeror acquires any Ordinary Shares pursuant to the offer,

(the occurrence of items (i), (ii), (iii) and (iv) above together being a "Delisting Event") then the Company shall give notice to the Bondholders in accordance with Condition 19, as soon as practicable but within 14 days after the date of acquisition of those Ordinary Shares pursuant to the offer, to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) determined in accordance with the provisions of Condition 7.8, together with all Additional Amounts due on the Bonds (if any), on the date (the "Delisting Redemption Date") specified for redemption in such notice (which shall be a date falling not earlier than 14 Tokyo Business Days, nor later than 30 Tokyo Business Days, from the date of such notice). The Trustee shall be entitled to assume, without being required to take any action and without liability, until it has written notice to the contrary that the Offeror has not so acquired any Ordinary Shares.

7.6.2 *Offer Followed by Corporate Event or Squeezeout Event*: Notwithstanding the above provisions of this Condition 7.6, if the Company or the Offeror states in the relevant tender offer registration statement or any amendment thereto, or otherwise publicly announces, that it intends to effect a Corporate Event or Squeezeout Event after the date of acquisition of any Ordinary Shares pursuant to the offer, then the Company's obligation to redeem the Bonds under this Condition 7.6 shall not apply (but, for the avoidance of doubt, the provisions of Conditions 6 and 7.5, or Condition 7.7, as the case may be, shall be applicable to such Corporate Event or Squeezeout Event, as the case may be) unless such Corporate Event or Squeezeout Event does not occur within 60 days after the date of such acquisition, in which case the Company shall give notice to the Bondholders in accordance with Condition 19, as soon as practicable but within 14 days after the last day of such 60-day period, to redeem all, but not some only, of the Bonds then outstanding on the date (for the avoidance of doubt, the Delisting Redemption Date applicable to such redemption being such date) specified for redemption in such notice (which shall be a date falling not earlier than 14 Tokyo Business Days, nor later than 30 Tokyo Business Days, from the date of such notice) at the Relevant Event Redemption Price per Bond (expressed in yen) calculated in accordance with the provisions of Condition 7.8 (for the avoidance of doubt, "r" in the formula set out in Condition 7.8 being the number of days from and including such Delisting Redemption Date to but excluding the Maturity Date), .

7.6.3 *Irrevocable Notice*: Any notice of redemption given under this Condition 7.6 shall be irrevocable and the Company shall be bound to redeem the Bonds in accordance with such notice.

7.6.4 *Notice to Bondholders*: Upon the occurrence of:

(a) any of the events set out in (i) through (iv) of Condition 7.6.1; or

(b) any of the events set out in Condition 7.6.2 which results in the cancellation or revival of the Company's obligation to redeem the Bonds,

the Company shall as soon as practicable give notice thereof to the Trustee and the Principal Agent in writing and to the Bondholders in accordance with Condition 19.

7.7 Squeezeout Redemption

Upon the occurrence of a Squeezeout Event, the Company shall be required to give notice to the Bondholders in accordance with Condition 19 (which notice shall be irrevocable), as soon as practicable but within 14 days after the date on which the Squeezeout Event occurs, to redeem all, but not some only, of the Bonds then outstanding at the Relevant Event Redemption Price per Bond (expressed in yen) determined in accordance with the provisions of Condition 7.8, on the date (the "Squeezeout Redemption Date") specified for redemption in such notice (which shall be a date falling not earlier than 14 Tokyo Business Days, nor later than 30 Tokyo Business Days, from the date of such notice and in any event before the effective date (the "Squeezeout Effective Date") of the acquisition, sale or consolidation of the Ordinary Shares with respect to the Squeezeout Event, as the case may be; provided however, that if the Squeezeout Effective Date falls earlier than 14 Tokyo Business Days from the date of such notice, the Squeezeout Redemption Date shall be accelerated to the extent necessary to ensure that it shall fall on a date earlier than the Squeezeout Effective Date), together with all Additional Amounts due on the Bonds (if any).

7.8 Relevant Event Redemption Price

The Relevant Event Redemption Price per Bond for the purposes of Conditions 7.5, 7.6 and 7.7 shall be determined in accordance with the following formula:

$$\textit{Relevant Event Redemption Price} = (OP - D) \times \frac{r}{t} + D$$

where:

D = ¥10,000,000.

OP = 102.5% x D

r = the number of days (i) in the case of a redemption following a Corporate Event, from and including the Corporate Event Redemption Date to but excluding the Maturity Date, (ii) in the case of a redemption following a Delisting Event, from and including the Delisting Redemption Date (or, if applicable, the Corporate Event Redemption Date which follows such Delisting Event) to but excluding the Maturity Date, and (iii) in the case of a redemption following a Squeezeout Event, from and including the Squeezeout Redemption Date to but excluding the Maturity Date.

t = the number of days from and including the Closing Date to but excluding the Maturity Date.

The amount calculated in accordance with the above formula shall be rounded to the nearest yen with five one-tenths or more of a yen to be considered a full yen.

"D" is the denomination of each Bond and "OP" is the Offer Price of each Bond.

7.9 Redemption at the Option of the Bondholders

The holder of any Bond is entitled, at its option, to require the Company to redeem such Bond at 100 per cent of its principal amount on 29 October 2029 (the "Bondholders' Optional Redemption Date"). To exercise such option, the holder of such Bond shall complete, execute and deposit at the specified office of the Principal Agent, at such Bondholder's own expense, during business hours of the Principal Agent, a notice of redemption in the form (for the time being current) obtainable from the Principal Agent, together with the Certificate in respect of such Bond. Such notice of redemption must be given not less than 30 days nor more than 60 days prior to the Bondholders' Optional Redemption Date. Such notice may only be withdrawn with the consent in writing of the Company; provided, however, that if, prior to the Bondholders' Optional Redemption Date, the Bonds evidenced by any Certificate so deposited become immediately due and payable pursuant to Condition 10, or, upon due presentation of any Certificate on the Bondholders' Optional Redemption Date, payment of the redemption moneys is improperly withheld or refused, such Certificate shall, without prejudice to the exercise of the option contained in this Condition 7.9, be returned to the relevant holder by uninsured first class mail (airmail if overseas) at the address specified by such holder in the relevant notice of redemption.

7.10 Purchase of Bonds by the Company

Subject to the requirements (if any) of any stock exchange on which the Bonds may be listed at the relevant time, the Company and/or any of its Subsidiaries may at any time purchase Bonds in the open market or otherwise. Such Bonds may, at the option of the Company or the relevant Subsidiary, be held or resold. The Bonds so purchased, while held by or on behalf of the Company or any of its Subsidiaries, shall not entitle the Bondholder to vote at any meeting of Bondholders or otherwise to exercise any voting rights and shall be deemed not to be outstanding for the purpose of calculating the quorum at a meeting of Bondholders or for voting on any Extraordinary Resolution or for the purposes of these Conditions. Bonds that have been purchased by the Company may, at the option of the Company, be cancelled. Bonds that have been purchased by any Subsidiary may, at the option of such Subsidiary, be delivered to the Company for cancellation.

7.11 Cancellation

All Bonds which are redeemed or with respect to which the Stock Acquisition Rights have been exercised shall forthwith be cancelled and such Bonds may not be reissued or resold. All Certificates in respect of Bonds so cancelled and Certificates in respect of Bonds purchased and cancelled pursuant to Condition 7.10 shall be forwarded to the Principal Agent for cancellation.

7.12 Notice of Redemption

All notices to Bondholders given by or on behalf of the Company pursuant to this Condition 7 will specify the Conversion Price as at the date of the relevant notice, the Closing Price of the Ordinary

Shares as at the latest practicable date prior to the publication of the relevant notice, the applicable date fixed for redemption, the redemption price of the Bonds, the last day on which the Stock Acquisition Rights may be exercised and the aggregate principal amount of the Bonds outstanding as at the latest practicable date prior to the publication of the relevant notice. No notice of redemption given under Condition 7.2, 7.3 or 7.4 shall be effective if it specifies a date for redemption which falls during a period (a "Closed Period") in which Stock Acquisition Rights may not be exercised pursuant to Condition 5.1.4(b) or within 15 days following the last day of a Closed Period. Neither the Trustee nor the Agents shall be responsible for calculating or verifying any calculations of any amounts payable under this Condition 7, and none of them shall be liable to the Bondholders or any other person for not doing so.

7.13 Priorities among Redemption Provisions

If any notice of redemption is given by the Company pursuant to any of Condition 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7, no other notice may be, or as the case may be, is required to be, given pursuant to any other of such Conditions, subject as provided in Condition 7.6.2 and except for such Bonds so elected by the relevant Bondholder not to be redeemed pursuant to Condition 7.4.

If (a) the Company becomes obliged to give notice of redemption pursuant to Condition 7.5 or 7.7, or (b) the events set out in (i) to (iv) of Condition 7.6.1 occur, then a notice pursuant to Condition 7.2, 7.3 or 7.4 may not subsequently be given.

If the Company becomes obliged to redeem the Bonds pursuant to both Condition 7.6 and either Condition 7.5 or 7.7, the procedure pursuant to Condition 7.5 or 7.7, as the case may be, shall apply.

If any notice of redemption is given by the Company pursuant to any of Condition 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7, that notice shall take priority over a notice given by a Bondholder pursuant to Condition 7.9 (whether such notice is given before or after any notice of redemption being given by the Company pursuant to Condition 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7) so long as such notice by the Company is given prior to the Bondholders' Optional Redemption Date. If any notice of redemption is given by the Company pursuant to Condition 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7 after a notice of redemption is given by a Bondholder pursuant to Condition 7.9, the Certificate for the relevant Bond shall be deemed to have been surrendered for payment as provided in Condition 8 for the purpose of redemption under Condition 7.2, 7.3, 7.4, 7.5, 7.6 or 7.7, as the case may be.

8 Payments

8.1 Method of Payment

Payments in respect of principal, default interest (if any) and premium (if any) will be made (subject to surrender of the Certificates in respect of the relevant Bonds at any specified office outside Japan of the Registrar or any Agent, if no further payments are due in respect of the Bonds evidenced by the relevant Certificates) to the person shown on the Register at the close of business on the seventh Business Day in the place of the specified office of the Registrar before the due date for payment thereof, by transfer to its Registered Account. All payments are subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment but without prejudice to the provisions of Condition 9. If an amount which is due in respect of the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

"Registered Account" means a yen account maintained by the payee with a bank in Japan, details of which appear on the Register at the close of business on the seventh Business Day in the place of the specified office of the Registrar before the due date of payment.

*So long as the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg, each payment will be made to the person shown as the holder in the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

8.2 Agents

The initial Principal Agent and the initial Registrar and their respective initial specified offices are set out at the end of these Conditions. The Company reserves the right, subject to the prior written approval

of the Trustee, at any time to vary or terminate the appointment of the Principal Agent, the Registrar or any other Agent and to appoint other or further Agents, provided that it will at all times maintain (i) a Principal Agent; (ii) a Registrar; (iii) an Agent having a specified office in Singapore, so long as the Bonds are listed on the Singapore Exchange Securities Trading Limited and the rules of that exchange so require; and (iv) such other agents as may be required by the rules of any stock exchange on which the Bonds are listed. Notice of any such termination or appointment and of any changes in the specified offices of the Principal Agent, the Registrar or any other Agent will be given to the Bondholders in accordance with Condition 19.

8.3 Payments on Payment Business Days

If the due date for payment of any amount in respect of any Bond is not a Payment Business Day, then the holder of such Bond shall not be entitled to payment of the amount due until the next following Payment Business Day and no other payment will be made as a consequence of the day on which the relevant Bond may be presented for payment under this Condition 8.3 falling after the due date. "Payment Business Day" means any day on which banks are open for business in the place of the specified office of the Agent at which (where required) the Certificate is presented for payment and (in the case of payment by transfer to a Registered Account as referred to in Condition 8.1) on which dealings in foreign currency may be carried out both in Tokyo and in such place.

9 Taxation

All payments by the Company in respect of the Bonds, subject to Condition 7.4, will be made without withholding of, or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any political subdivision or any authority thereof or therein having power to tax unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. If such withholding or deduction is so required, the Company will pay such additional amounts ("Additional Amounts") as may be necessary in order that the net amounts received by the Bondholders after such withholding or deduction shall equal the amounts which would have been receivable in respect of the Bonds in the absence of such withholding or deduction; except that no such Additional Amounts shall be payable with respect to any Bond:

(i) to a Bondholder (a) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation, or (b) who fails to comply with Japanese tax law requirements in respect of the exemption from such withholding or deduction, or (c) who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of its being connected with Japan (including carrying on a business or maintaining a permanent establishment in Japan) otherwise than by reason only of the holding of any Bond or the receipt of payment in respect of any Bond; or

(ii) in respect of which the relevant Certificate is presented for payment, more than 30 days after the Due Date (as defined below) except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting such Certificate for payment as at the expiry of such 30-day period.

If the Company becomes obliged to pay Additional Amounts in accordance with this Condition 9, then it will have the right to redeem the Bonds in accordance with and subject to Condition 7.4.

No Additional Amounts will be payable for or on account of any deduction or withholding from a payment on, or in respect of, any Bond where such deduction or withholding is imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, any regulation or agreement thereunder, any inter-governmental agreement or implementing legislation adopted by another jurisdiction in connection with these provisions or any agreement with the U.S. Internal Revenue Service ("FATCA withholding"). Further, the Company will have no obligation to otherwise indemnify for any such FATCA withholding deducted or withheld by the Company, the Agents or any other party that is not an agent of the Company.

As used herein, the "Due Date" for any payment means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Agent or the Trustee on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect shall have been duly given to the Bondholders in accordance with Condition 19.

Any reference in these Conditions and the Trust Deed to principal, premium (if any) or default interest in respect of the Bonds shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 9 or any undertakings or covenants given in addition thereto or in substitution therefor pursuant to the Trust Deed.

10 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall, subject in each case to its being indemnified and/or secured and/or prefunded to its satisfaction, give notice in writing to the Company that the Bonds are due and repayable on the occurrence of any of the following events:

10.1 *Non-Payment*: the Company defaults in the payment of principal of any of the Bonds under Condition 7.4 or 7.9 as and when the same shall become due and payable, and such default is not remedied within seven days; or

10.2 *Breach of Obligations*: the Company defaults in the performance or observance of any covenant, condition or provision contained in the Trust Deed or in the Bonds and on its part to be performed or observed (other than the covenant to pay principal in respect of any of the Bonds), which default is, in the opinion of the Trustee, incapable of remedy, or if, in the opinion of the Trustee, capable of remedy, is not remedied within 30 days (or such longer period as the Trustee may permit) next following the service by the Trustee on the Company of notice requiring such default to be remedied; or

10.3 *Cross Default on Indebtedness*: the obligation to repay any indebtedness for money borrowed by the Company or any Principal Subsidiary and having an aggregate outstanding principal amount of at least ¥1,000,000,000 (or its equivalent in any other currency or currencies) is accelerated or capable of being accelerated prior to its stated maturity as a result of a default in respect of the terms thereof, or any such indebtedness due (on demand or otherwise) having an aggregate outstanding principal amount of at least ¥1,000,000,000 (or its equivalent in any other currency or currencies) is not paid when due (on demand or otherwise) (or at the expiration of any applicable grace period as originally provided); or

10.4 *Cross Default on Guarantee/Indemnity*: the Company or any Principal Subsidiary fails to pay or otherwise defaults in making any payment due under any guarantee and/or any indemnity given by it in respect of any obligation or indebtedness for money borrowed having an aggregate outstanding principal amount of at least ¥1,000,000,000 (or its equivalent in any other currency or currencies); or

10.5 *Initiation of Insolvency Proceedings*: proceedings shall have been initiated against the Company or any Principal Subsidiary seeking with respect to the Company or such Principal Subsidiary a decree of commencement of bankruptcy, reorganisation, rehabilitation or special liquidation procedures or adjustment under the Bankruptcy Act, the Corporate Reorganisation Act, the Civil Rehabilitation Act, the Companies Act or any other similar applicable law of Japan or any other jurisdiction and such proceedings shall not have been discharged or stayed within a period of 60 days; or

10.6 *Decree of Insolvency/Dissolution*: a final decree or order is made or issued by a court of competent jurisdiction adjudicating the Company or any Principal Subsidiary bankrupt or insolvent, or approving a petition seeking with respect to the Company or any Principal Subsidiary a decree of commencement of bankruptcy, reorganisation, rehabilitation or special liquidation procedures or adjustment under the Bankruptcy Act, the Corporate Reorganisation Act, the Civil Rehabilitation Act, the Companies Act or any other similar applicable law of Japan or any other jurisdiction or a final decree or order is made or issued by a court of competent jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Company or any Principal Subsidiary or of all or any material part of the property of any of them, or for the winding-up, dissolution or liquidation of the Company or any Principal Subsidiary in its bankruptcy or insolvency; or

10.7 *Resolution for Dissolution*: a resolution is passed for the winding-up, dissolution or liquidation of the Company or any Principal Subsidiary except:

10.7.1 (in the case of the Company) in connection with or in pursuance of a merger, consolidation, amalgamation, reorganisation or reconstruction (including the Company becoming, or becoming a subsidiary of, a holding company) upon which (a) the continuing corporation or the corporation formed thereby effectively assumes (as a matter of English law) the entire

obligations of the Company under the Trust Deed and the Bonds (and Condition 6.4 is satisfied) or (b) the Bonds are to be redeemed pursuant to Condition 7.5, 7.6 or 7.7 prior to the date or proposed date of such winding-up, dissolution or liquidation, or, (in the case of a Principal Subsidiary) where the undertaking, business and assets of such Principal Subsidiary are transferred or are otherwise vested in, or the proceeds of sale are received by, the Company or any other Subsidiary of the Company or Holding Company, in any such case, in proportion to the ownership interest held by the Company, such other Subsidiary or the Holding Company (as the case may be) in the relevant Principal Subsidiary; or

10.7.2 if the terms have previously been approved by an Extraordinary Resolution; or

10.8 *Institution of Insolvency Proceedings*: the Company or any Principal Subsidiary institutes proceedings seeking with respect to itself adjudication of bankruptcy or a decree of commencement of bankruptcy, reorganisation, rehabilitation or special liquidation procedures or adjustment under the Bankruptcy Act, the Corporate Reorganisation Act, the Civil Rehabilitation Act, the Companies Act or any other similar applicable law of Japan or any other jurisdiction, or consents to the institution of any such proceedings, or consents to, or acquiesces in, the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or any material part of its property, or makes a general assignment for the benefit of its creditors; or

10.9 *Stoppage of Payment*: the Company or any Principal Subsidiary stops payment (within the meaning of the Bankruptcy Act or any applicable law of any other jurisdiction); or

10.10 *Cessation of Business*: the Company or any Principal Subsidiary ceases, or through an official action of its Board of Directors threatens to cease to carry on business, except:

10.10.1 (in the case of the Company) in connection with or in pursuance of a merger, consolidation, amalgamation, reorganisation or reconstruction (including the Company becoming, or becoming a subsidiary of, a holding company) upon which (a) the continuing corporation or the corporation formed thereby effectively assumes (as a matter of English law) the entire obligations of the Company under the Trust Deed and the Bonds (and Condition 6.4 is satisfied) or (b) the Bonds are to be redeemed pursuant to Condition 7.5, 7.6 or 7.7 prior to the date or proposed date of such cessation of business, or (in the case of a Principal Subsidiary) where the undertaking, business and assets of such Principal Subsidiary are transferred or are otherwise vested in, or the proceeds of sale are received by, the Company or any other Subsidiary of the Company or Holding Company, in any such case, in proportion to the ownership interest held by the Company, such other Subsidiary or Holding Company (as the case may be) in the relevant Principal Subsidiary; or

10.10.2 the terms have previously been approved by an Extraordinary Resolution; or

10.11 *Encumbrancer*: any encumbrancer takes possession of the whole or any material part of the assets or undertakings of the Company or any Principal Subsidiary or a distress, execution or other similar process is levied or enforced upon or sued out against the whole or any material part of the assets of the Company or any Principal Subsidiary and is not removed, discharged or paid out within 60 days.

Upon any such notice being given to the Company, the Bonds shall immediately become due and repayable at 100 per cent of their principal amount (together with premium, if any, and default interest) as provided in the Trust Deed.

11 Undertakings

11.1 Undertakings with Respect to the Stock Acquisition Rights

While any Stock Acquisition Rights are, or are capable of being, exercisable, the Company will, save with the approval of an Extraordinary Resolution or with the prior written approval of the Trustee where, in the opinion of the Trustee, it is not materially prejudicial to the interests of the Bondholders to give such approval:

11.1.1 *Ordinary Shares:* issue, register and deliver Ordinary Shares upon exercise of Stock Acquisition Rights in accordance with these Conditions, and keep available free from pre-emptive or other rights for the purpose of effecting the exercise of the Stock Acquisition Rights such number of its Ordinary Shares (whether authorised and unissued or in issue and

held in treasury) as would be required to be delivered upon exercise of all of the Stock Acquisition Rights outstanding from time to time and will ensure that all Ordinary Shares delivered upon exercise of the Stock Acquisition Rights pursuant to these Conditions will be duly and validly issued and fully-paid and non-assessable;

11.1.2 *Transfers:* not close its register of shareholders or take any action which prevents the transfer of its Ordinary Shares generally unless, under Japanese law and the Articles of Incorporation as then in effect, the Stock Acquisition Rights may be exercised legally for Ordinary Shares and the Ordinary Shares issued upon exercise of the Stock Acquisition Rights, if any, may (subject to any limitation imposed by law) be transferred (as between transferor and transferee although not as against the Company) at all times while such action is effective, nor take any action which prevents exercise of the Stock Acquisition Rights or the issue or transfer of Ordinary Shares in respect thereof, except as permitted under Condition 5.1.4;

11.1.3 *Fiscal Year and Record Date:* give notice to the Bondholders in accordance with Condition 19 as soon as practicable after it effects any change in its fiscal year or in the Record Date (including the setting of new Record Dates) for the payment of any cash dividend;

11.1.4 *Listing:* use its best endeavours to obtain and maintain the listing, quotation or dealing in on the Relevant Stock Exchange for the Ordinary Shares or, if it is unable to do so having used such best endeavours, use its best endeavours to obtain and maintain the listing, quotation or dealing in of the Ordinary Shares on such other stock exchange or securities market in Japan as the Company may from time to time reasonably determine and give notice of the identity of such stock exchange or securities market to the Bondholders in accordance with Condition 19; provided that, (i) so long as the Company is not in breach of its obligations under Condition 6 in the case of any Corporate Event where the obligations under the Bonds and/or Stock Acquisition Rights are proposed to be transferred to or assumed by a New Obligor, then the Ordinary Shares may be delisted with effect from the date falling no earlier than 30 days prior to the relevant Corporate Event Effective Date or such earlier date as may be determined by the Relevant Stock Exchange and (unless shares of common stock of the New Obligor are then listed or quoted or dealt in on any stock exchange or securities market) the Company shall use its best endeavours to cause the obtaining of a listing, quotation or dealing in of the shares of common stock of the New Obligor on any stock exchange or securities market in Japan, and (ii) the Company's obligations under this Condition 11.1.4 shall not apply if the Bonds are to be redeemed under Condition 7.5, 7.6 or 7.7 (for the avoidance of doubt, the provisions of this Condition 11.1.4 shall not prevent the Company from (x) delivering a certificate to the Trustee, as provided in Condition 7.5(iv), (y) taking any action provided in items (ii) and (iii) of Condition 7.6.1, or (z) proposing an amendment to the Articles of Incorporation for transforming the Ordinary Shares into callable shares (*zenbushutokujoko tsuki shuruikabushiki*), approving a request by the Controlling Shareholder that the other shareholders of the Company (other than the Company and, if the Controlling Shareholder so determines, the Controlling Shareholder's wholly-owned subsidiaries) sell to the Controlling Shareholder all of the shares of the Company held by them (*kabushikitou uriwatashi seikyu*), proposing a consolidation of Ordinary Shares (*kabushiki no heigo*) after which the Ordinary Shares are expected to cease to be listed, quoted or dealt in on the Relevant Stock Exchange or to be disqualified from such listing, quotation or dealing, or announcing or admitting that the Ordinary Shares may cease to be listed, quoted or dealt in on the Relevant Stock Exchange or be disqualified from such listing, quotation or dealing after the acquisition or consolidation of Ordinary Shares pursuant to a Squeezeout Event, as the case may be);

11.1.5 *Other Securities:* procure that no securities of the Company convertible into, or exchangeable for, by their terms, Ordinary Shares are, without the prior approval by an Extraordinary Resolution (and in compliance with the conditions attached to such consent, if any), converted into or exchanged for Ordinary Shares and that no rights or warrants to subscribe for, purchase or otherwise acquire Ordinary Shares are, without the prior approval by an Extraordinary Resolution (and in compliance with the conditions attached to such approval, if any), exercised otherwise than, in each case, in accordance with the terms of issue thereof (for the avoidance of doubt, such terms may be amended as a result of any change in or bringing into force of Japanese law, including but not limited to certain tax qualification requirements relating to incentive stock options);

11.1.6 *Capital:* not create or issue any class of share capital other than Ordinary Shares, without giving notice to the Bondholders in accordance with Condition 19, at least 14 days prior to the date of such creation or issue;

11.1.7 *Limitation on Reduction of Conversion Price:* not take any action which would result in an adjustment of the Conversion Price if, after giving effect thereto, the Conversion Price would (but for the provisions of Condition 5.4) be decreased to such an extent that the Ordinary Shares to be acquired on exercise of the Stock Acquisition Right could not, under any applicable law then in effect, be legally issued as fully-paid and non-assessable;

11.1.8 *Corporate Event:* if a Corporate Event occurs, use its best endeavours to obtain all consents which may be necessary or appropriate under Japanese law to enable the relevant company to give effect to the relevant arrangement, and to take all other action, as required by Condition 6 in a timely manner (unless, for the avoidance of doubt, the Bonds are to be redeemed pursuant to Condition 7.5 or 7.6); and

11.1.9 *Consents:* obtain and maintain all consents, clearances, approvals, authorisations, orders, registrations or qualifications (if any) required to be obtained or maintained by the Company on exercise of the Stock Acquisition Rights.

The Trust Deed contains certain other undertakings in relation to the Bonds and the Stock Acquisition Rights.

11.2 Charges

Except as otherwise provided in Condition 5.9, the Company will pay all charges of the Trustee, the Principal Agent, the Registrar and the other Agents (including the cost of providing notices) and all issue, transfer and other similar taxes payable with respect to the deposit of Bonds pursuant to Condition 5.9.2, and the issue and delivery of Ordinary Shares and the delivery of any other securities pursuant to Condition 5.9.4 following such deposit.

12 Substitution

12.1 Substitution other than under a Corporate Event

The Trustee may, without the consent of the Bondholders, agree with the Company to the substitution in place of the Company (or any previous substitute under this Condition 12) as the principal obligor under the Bonds and the Trust Deed of any Subsidiary of the Company subject to (i) the Bonds continuing to be convertible into Ordinary Shares as provided in these Conditions, with such amendments as the Trustee shall consider appropriate, (ii) the Trustee being satisfied that the interests of the Bondholders will not be materially prejudiced by the substitution, and (iii) satisfaction of such other conditions as are set out in the Trust Deed. Any such substitution shall be binding on the Bondholders and shall be notified promptly to the Bondholders in accordance with Condition 19.

Further conditions to such substitution are set out in the Trust Deed.

12.2 Substitution under a Corporate Event

Prior to a Corporate Event Effective Date, the Trustee may, if so requested by the Company, agree with the Company, without the consent of Bondholders, to the substitution in place of the Company of the New Obligor subject to a trust deed supplemental to the Trust Deed (which shall include the provisions described below), providing that the Company's obligations under the Bonds and the Trust Deed shall be assumed by the New Obligor by way of substitution (which, for the purposes of Japanese law, may be deemed to be a transfer or assumption of such obligations to or by the New Obligor), and that the New Obligor shall grant stock acquisition rights (the "New Stock Acquisition Rights") to all holders of the Bonds then outstanding, in place of the Stock Acquisition Rights incorporated in the Bonds held by them, being executed on or prior to the relevant Corporate Event Effective Date or (in the case of a Merger Event, a Holding Company Event or a Corporate Split Event where the Merged Company, the Holding Company or the Corporate Split Counterparty (as the case may be) is established on or immediately after the relevant Corporate Event Effective Date) within 14 days after the relevant Corporate Event Effective Date. The Trustee may enter into such supplemental trust deed without consent of Bondholders only if:

(i) under such supplemental trust deed, the New Obligor agrees, in form and manner satisfactory to the Trustee, to be bound by the Trust Deed and the Bonds (with consequential amendments as the Trustee may deem appropriate) with effect (as specified in this Condition 12.2) as if the New Obligor had been named in the Trust Deed and the Bonds as the principal obligor in place of the Company and providing that the holders of the Bonds then outstanding shall be granted New Stock Acquisition Rights;

(ii) except in the case of a Merger Event, pursuant to such supplemental trust deed the Company guarantees, in a form and manner satisfactory to the Trustee, the payment obligations of the New Obligor under the Trust Deed and the Bonds with effect as specified in this Condition 12.2, provided that no such guarantee will be required if the Company determines and has delivered to the Trustee no later than 10 calendar days prior to the relevant Corporate Event Effective Date a certificate of the Company signed by a Representative Director of the Company that, as at the Corporate Event Effective Date, any rating which would be assigned to the New Obligor's long-term unsecured and unsubordinated debt is unlikely to be lower than the rating then currently assigned to the Company's long-term, unsecured and unsubordinated debt and which certificate the Trustee shall be entitled to rely upon without further investigation and without incurring any liability to any person for doing so. In making this determination, the Company shall consult an Independent Financial Adviser and shall take fully into account the advice of such Independent Financial Adviser;

(iii) if the New Obligor is subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the "New Territory") other than the territory to the taxing jurisdiction of which (or to any such authority of or in which) the Company is subject generally (the "Company's Territory"), the New Obligor will give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 with the substitution for, or addition to, in relation to the New Obligor, references in Condition 9 to the Company's Territory of references to the New Territory whereupon the Trust Deed and the Bonds will be read accordingly, and corresponding amendments shall be made to Condition 7.4 in relation to payment of Additional Amounts by the New Obligor (and/or the guarantor, if any);

(iv) a Representative Director of the New Obligor certifies that the New Obligor will be solvent immediately after such substitution (if the Trustee receives such certification, the Trustee need not have regard to the New Obligor's financial condition, profits or prospects or compare them with those of the Company);

(v) the Company shall have certified (by a certificate of a Representative Director) to the Trustee that the New Stock Acquisition Rights satisfy the provisions of Condition 6.5;

(vi) the Company and the New Obligor comply with such other requirements as the Trustee may direct in the interests of the Bondholders; and

(vii) such substitution and grant of the New Stock Acquisition Rights become effective on the Corporate Event Effective Date (or in the case of a Merger Event, a Holding Company Event or a Corporate Split Event where the Merged Company, the Holding Company or the Corporate Split Counterparty (as the case may be) is established on or immediately after the relevant Corporate Event Effective Date, within 14 days after the relevant Corporate Event Effective Date).

12.3 Release of Obligations

An agreement by the Trustee pursuant to Condition 12.2 will (except in respect of any guarantee under Condition 12.2), if so expressed, release the Company (or a previous substitute) from any or all of its obligations under the Trust Deed and the Bonds.

12.4 Deemed Amendment

On completion of the formalities set out in Condition 12.2, the New Obligor will be deemed to be named in the Trust Deed and the Bonds as the principal obligor in place of the Company (or of any previous substitute) and the Trust Deed and the Bonds will be deemed to be amended as necessary to give effect to the substitution. In particular and without limitation:

(i) the terms "Stock Acquisition Rights" and "Ordinary Shares" shall, where the context so requires, include the New Stock Acquisition Rights and shares of common stock to be issued by the New Obligor; and

(ii) references to the Company in Condition 10, in the definition of Principal Subsidiary and in the Trust Deed shall also include any guarantor pursuant to Condition 12.2(ii) except where the context requires otherwise.

13 Prescription

Claims in respect of the Bonds will become void unless made within the period of 10 years (five years in the case of any default interest pursuant to Condition 4) from the Due Date for the payment thereof.

14 Replacement of Certificates

Should any Certificate be lost, stolen, destroyed, mutilated or defaced, it may be replaced at the specified office of the Principal Agent upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security, indemnity and otherwise as the Company may require (provided that the requirement is reasonable in the light of prevailing market practise). Mutilated or defaced Certificates must be surrendered before replacements will be issued.

15 Meetings of Bondholders; Modification and Waiver

15.1 Meetings of Bondholders

The Trust Deed contains provisions for convening meetings of the Bondholders to consider any matter affecting their interests, including the sanctioning by an Extraordinary Resolution of a modification of any provision of these Conditions or of the Trust Deed. The quorum for any such meeting convened to consider any matter requiring an Extraordinary Resolution shall be two or more persons holding or representing not less than 50 per cent in principal amount of the Bonds for the time being outstanding, or for any adjourned meeting two or more persons being or representing Bondholders (whatever the principal amount of Bonds held or represented) except that at any meeting the business of which includes the modification of certain provisions of the Bonds or of the Trust Deed (including, inter alia, modifying the date of maturity of the Bonds, reducing or cancelling the principal amount of, or any premium payable in respect of, the Bonds, modifying the method or basis of calculating the rate or amount of default interest in respect of the Bonds, altering the currency of payment of the Bonds or (to the extent permitted by applicable law) abrogating or modifying any Stock Acquisition Right), the necessary quorum for passing an Extraordinary Resolution shall be two or more persons holding or representing not less than 75 per cent, or at any adjourned such meeting not less than 50 per cent, in principal amount of the Bonds for the time being outstanding. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Bondholders, whether present or not.

Notwithstanding the above provisions, any resolution in writing signed by or on behalf of the holders of not less than 90 per cent in principal amount of the Bonds outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of such Bondholders duly convened and held in accordance with the provisions contained in these Conditions and in the Trust Deed. Any resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Bondholders. A meeting of Bondholders may be held physically, virtually or in a hybrid format in accordance with the procedures set out in the Trust Deed.

15.2 Modification and Waiver

The Trustee may, without the consent of the Bondholders, agree to any modification (except as aforesaid and as set out in the Trust Deed) of the Trust Deed or the Bonds (including these Conditions) or to any waiver or authorisation of any breach, continuing breach or potential breach by the Company of the provisions of the Trust Deed or the Bonds or determine that any Event of Default shall not be treated as such which, in the opinion of the Trustee, is not materially prejudicial to the interests of the Bondholders or to any modification of the Trust Deed or the Bonds (including these Conditions) which, in the opinion of the Trustee, is of a formal, minor or technical nature or which is made to correct a manifest error or is necessary in order to comply with mandatory provisions of any applicable law. Any such modification, waiver, authorisation or determination shall be binding on the Bondholders and shall be notified to the Bondholders in accordance with Condition 19 as soon as practicable thereafter.

If there is a change to the mandatory provisions of (i) Japanese law which in the reasonable opinion of the Company after obtaining advice from legal advisers (evidenced by (a) a certificate of a Representative Director or an Authorised Officer and (b) an opinion addressed and delivered to the Trustee in a form satisfactory to it of independent legal counsel of recognised standing confirming that such change has occurred) would make it necessary to amend and/or supplement the provisions of Conditions 1.1, 1.5, 5, 6, 7.5 and/or 7.7 or (ii) the FIEA which in the reasonable opinion of the Company (evidenced by (a) a certificate of a Representative Director or Authorised Officer and (b) an opinion

addressed and delivered to the Trustee in a form satisfactory to it of independent legal counsel of recognised standing confirming that such change has occurred) would make it necessary to amend and/or supplement the provisions of Condition 7.6, the relevant Conditions shall be amended and/or supplemented to reflect that change by means of a trust deed supplemental to the Trust Deed. The Trustee (unless in its sole opinion such supplemental trust deed (i) imposes obligations, responsibilities or liabilities on it which are greater than those it has as Trustee under the Trust Deed or (ii) decreases the protections it has as Trustee under the Trust Deed) shall be obliged (subject to being indemnified and/or secured and/or prefunded by the Company to its satisfaction) to enter into such supplemental trust deed (in a form and substance satisfactory to it) to effect such change (even if, in the opinion of the Trustee, that change may be materially prejudicial to the interests of the Bondholders) without the consent of the Bondholders, but the Trustee shall have no responsibility or liability to any person for so doing and may rely on any opinion or any certificate of a Representative Director or Authorised Officer provided pursuant to this Condition 15.2 without liability to any person and without further investigation. The Company shall forthwith give notice to the Bondholders following the execution of any such supplemental trust deed in accordance with Condition 19.

15.3 Entitlement of the Trustee

In connection with the exercise of its functions, rights, powers and discretions (including but not limited to those referred to in these Conditions), the Trustee shall have regard to the interests of the Bondholders as a class and shall not have regard to the interests of individual Bondholders and the Trustee shall not be entitled to require, nor shall any Bondholder be entitled to claim, from the Company any indemnification or payment in respect of any tax consequence of any such exercise upon individual Bondholders.

15.4 Authority to the Trustee

To the fullest extent permitted by applicable law, by acquiring a Bond, the Bondholder irrevocably authorises and instructs the Trustee (without its direction whether by Extraordinary Resolution or otherwise) to take any action, step or proceeding before a Japanese court on behalf of and in the name of the Bondholder which the Trustee considers to be necessary or desirable in the interests of the Bondholders. The Trustee shall not be bound to take any such action, step or proceeding unless (a) so directed by an Extraordinary Resolution or so requested in writing by holders of at least one-quarter in principal amount of Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction, and shall incur no liability in taking or refraining from taking such action, step or proceeding. The Trustee shall not take any action, step or proceeding on behalf of a Bondholder in respect of the statutory rights referred to in Condition 6.6, such rights having been irrevocably waived by the Bondholder to the fullest extent permitted by applicable law.

16 Enforcement

At any time after the Bonds shall have become due and repayable, the Trustee may, at its absolute discretion and without further notice, take such proceedings, actions or steps against the Company as it may think fit to enforce repayment of the Bonds, together with accrued interest, if any, pursuant to Condition 4 and to enforce the provisions of the Trust Deed and the Bonds, but it shall not be bound to take any such proceedings, actions or steps unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-quarter in principal amount of the Bonds then outstanding, and (b) it shall have been indemnified and/or secured and/or prefunded to its satisfaction. No Bondholder shall be entitled to proceed directly against the Company unless the Trustee, having become bound so to proceed, fails or is unable to do so within a reasonable time following such direction or request or provision of indemnity and/or security and/or prefunding (whichever is the latest) and such failure or inability shall be continuing.

17 Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings, actions or steps to enforce the provisions of the Trust Deed or the terms of the Bonds. The Trustee is entitled to enter into business transactions with the Company or any person or body corporate associated with the Company without accounting for any profit resulting therefrom.

The Trustee may rely without liability to Bondholders on any certificate or report prepared by the Auditors or any Independent Financial Adviser or other expert pursuant to these Conditions and/or the Trust Deed, whether or not addressed to the Trustee and whether or not the liability of the Auditors or the Independent Financial Adviser or such other expert (as the case may be) in respect thereof is limited by a monetary cap or otherwise; any such certificate or report shall be conclusive and binding on the Company, the Trustee, and the Bondholders.

None of the Trustee or any of the Agents shall be responsible for the performance by the Company and any other person appointed by the Company in relation to the Bonds of the duties and obligations on its part expressed in respect of the same and, unless it has express written notice from the Company to the contrary, the Trustee and each Agent shall be entitled to assume that the same are being duly performed. The Trustee shall not be under any obligation to monitor compliance with the provisions of the Trust Deed, the Agency Agreement or these Conditions or whether an Event of Default or a potential Event of Default has occurred, and shall not be liable to the Bondholders or any other person for not doing so.

None of the Trustee or any Agent shall be liable to any Bondholder or any other person for any action taken by the Trustee or such Agent in accordance with the instructions, direction or request of the Bondholders. The Trustee shall be entitled to rely on any instruction, direction, request or resolution of Bondholders given by holders of the requisite principal amount of Bonds outstanding or passed at a meeting of Bondholders convened and held in accordance with the Trust Deed or by way of written resolution or electronic consent.

Whenever the Trustee is required or entitled by the terms of the Trust Deed the Agency Agreement or these Conditions to exercise any discretion or power, take any action, make any decision or give any direction, the Trustee is entitled, prior to its exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction, to seek directions or clarifications of any directions from the Bondholders by way of an Extraordinary Resolution, and the Trustee shall not be responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction where the Trustee is seeking such directions or clarifications of any direction or in the event that no such directions or clarifications are received.

18 Independent Financial Adviser

If any doubt shall arise as to the appropriate adjustment to the Conversion Price or in relation to any other matter which is reserved in these Conditions for a decision of an Independent Financial Adviser, a written opinion of such Independent Financial Adviser in respect of such adjustment to the Conversion Price or other matter shall be conclusive and binding on the Company, the Trustee and the Bondholders in the absence of manifest error.

If the Company shall fail to appoint an Independent Financial Adviser when required to do so and such failure continues for a reasonable period (as determined by the Trustee in its absolute discretion) and the Trustee is indemnified and/or secured and/or prefunded to its satisfaction against the costs, fees and expenses of such Independent Financial Adviser or otherwise in connection with such appointment, the Trustee shall have the power, but shall not be obliged, to make such appointment in its absolute discretion and without liability for so doing or not doing, following notification to the Company, in which case such Independent Financial Adviser shall be deemed to have been appointed by the Company.

19 Notices

All notices to the Bondholders will be valid if mailed to them at their respective addresses in the Register and published in a leading newspaper having general circulation in London (which is expected to be the Financial Times). If publication in any of such newspapers is not practicable, notices will be given in such other newspaper or newspapers as the Company, with the approval of the Trustee, shall determine. Such notices shall be deemed to have been given on the later of (i) the date of their publication or, if published more than once or on different dates, on the first date on which publication shall have been made in the newspaper or newspapers in which publication is required and (ii) the seventh day after being so mailed.

So long as the Bonds are evidenced by the Global Certificate and such Bonds are held on behalf of a clearing system, notices to Bondholders shall be given by delivery of the relevant notice to the relevant

clearing system for communication by it to entitled accountholders in substitution for mailing and publication required by the Conditions, and such notice shall be deemed to be received by the Bondholders on the date of delivery of such notice to the relevant clearing system.

20 Contracts (Rights of Third Parties) Act 1999

Except as provided herein, no person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999.

21 Governing Law and Submission to Jurisdiction

21.1 Governing Law

The Trust Deed, the Agency Agreement and the Bonds, and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

21.2 Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed or the Bonds ("Proceedings") may be brought in such courts. The Company has in the Trust Deed submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission has been made for the benefit of the Trustee and each of the Bondholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

21.3 Agent for Service of Process

The Company has irrevocably appointed Cogency Global (UK) Limited (whose office is presently located at 6 Lloyds Avenue, Unit 4CL, London EC3N 3AX, United Kingdom) as its agent in England to receive service of process in any Proceedings in England. If for any reason Cogency Global (UK) Limited ceases to be able to act as such or no longer has an address in England, the Company irrevocably agrees to appoint a substitute process agent acceptable to the Trustee and shall immediately notify the Trustee of such appointment. Nothing herein or in the Trust Deed shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE BONDS WHILE IN GLOBAL FORM

The Trust Deed and the Global Certificate contain provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same meanings in the paragraphs below. The following is a summary of those provisions.

Notices

So long as the Bonds are evidenced by the Global Certificate and such Global Certificate is registered in the name of a nominee on behalf of Euroclear and/or Clearstream, Luxembourg or any other clearing system as shall have been approved in writing by the Trustee (the "Alternative Clearing System"), notices required to be given to the Bondholders shall be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System for communication by it to the entitled accountholders in substitution for publication and mailing as required by the Conditions. Such notices shall be deemed to have been given in accordance with the Conditions on the date of delivery to Euroclear and/or Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System.

Meetings

The registered holder of the Bonds (or any proxy or representative appointed by it) in respect of which the Global Certificate is issued shall (unless such Global Certificate represents only one Bond) be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each Bond in respect of which such Global Certificate is issued. The Trustee may allow any accountholder (or the representative of such person) of a clearing system entitled to the Bonds in respect of which the Global Certificate has been issued to attend and speak (but not to vote) at a meeting of Bondholders on appropriate proof of his identity.

Exercise of Stock Acquisition Rights

Subject to the requirements of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, the Stock Acquisition Right incorporated in the Bonds in respect of which the Global Certificate is issued may only be exercised by the transmission in electronic form (via the systems of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System) to an Agent (as defined in the Trust Deed) of one or more Conversion Notices duly completed by, or on behalf of, an accountholder in such system with an entitlement to such Bond and otherwise in accordance with the procedures of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System. Deposit of such Global Certificate with an Agent shall not be required. Deposit only of a hard copy of the Conversion Notice outside of the systems of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System will not be sufficient to exercise a Stock Acquisition Right.

If transmission of the Conversion Notice is (i) sent on a day which is not a Business Day in place of the specified office of the Agent or (ii) is received by such Agent after 15:00 hours on a Business Day in place of the specified office of such Agent, in each case, such Conversion Notice shall be deemed for the purposes of the Conditions to have been deposited on the next following Business Day in place of the specified office of such Agent (and the Deposit Date will be determined accordingly).

Payments

Payments of principal and premium (if any) and any other amount in respect of the Bonds evidenced by the Global Certificate shall be made against presentation of, or, if no further payment falls to be made in respect of such Bonds, against presentation and surrender of, such Global Certificate to or to the order of the Principal Agent or such other Agent as shall have been notified to the Bondholders for such purpose.

Each payment will be made to, or to the order of, the person whose name is entered in the Register on the close of business on the Clearing System Business Day immediately prior to the date of payment, where "Clearing System Business Day" means Monday to Friday inclusive, except 25 December and 1 January each year.

So long as the Global Certificate is held on behalf of Euroclear and/or Clearstream, Luxembourg or any Alternative Clearing System, a "Payment Business Day" for the purposes of the Conditions shall be any day on which dealings in foreign currency may be carried out in Tokyo.

Transfers

Transfers of interests in the Bonds in respect of which the Global Certificate is issued shall be effected through the records of Euroclear or Clearstream, Luxembourg or any Alternative Clearing System and their respective direct and indirect participants in accordance with the rules and procedures of the relevant clearing system, as the case may be, and their respective direct and indirect participants.

Prescription

Claims in respect of the Bonds in respect of which the Global Certificate is issued shall become void unless made within a period of 10 years from the appropriate Due Date (as defined in the Conditions).

Trustee's Powers

In considering the interests of Bondholders evidenced by the Global Certificate while such Global Certificate is registered in the name of a nominee for Euroclear, Clearstream, Luxembourg or an Alternative Clearing System, the Trustee may, to the extent it considers appropriate to do so in the circumstances, have regard to and rely upon any information made available to it by or on behalf of such clearing system or its operator as to the identity of its accountholders (either individually or by category) with entitlements to the Bonds in respect of which the Global Certificate is issued and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Cancellation

Cancellation of the Bond in respect of which the Global Certificate is issued pursuant to the Conditions will be effected by a reduction in the principal amount of the Bonds in the Register and the endorsement (for information only) of such Global Certificate by the Principal Agent.

Early Redemption

The options and obligations of the Company to redeem the Bonds prior to maturity provided for in any of Conditions 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 shall be exercised or performed by the Company giving notice to the Bondholders within the time limits set out therein and containing the information required of the Company in accordance with the relevant Condition.

Election of Bondholders

The election of the Bondholders provided for in Condition 7.4 may be exercised by the holder of the Bonds evidenced by the Global Certificate by giving notice to the Principal Agent of the principal amount of the Bonds in respect of which the option is exercised and within the time limits relating thereto set out in that Condition and otherwise in accordance with the procedures of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System in the form acceptable thereto from time to time.

Redemption at the Option of the Bondholders

The option of the Bondholders provided for in Condition 7.9 may be exercised by the holder of the Global Certificate by giving notice to the Principal Agent, in electronic form, within the time limits relating thereto set out in that Condition substantially in the form of the notice of redemption available from any Agent (or in a form of notice acceptable to Euroclear, Clearstream, Luxembourg or the Alternative Clearing System in accordance with the procedures thereof) and stating the principal amount of Bonds in respect of which the option is exercised.

Written Consent/Electronic Consent

While the Global Certificate is registered in the name of any nominee for, or a nominee for any common depositary for, a clearing system, then (a) approval of a resolution proposed by the Company or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of Euroclear, Clearstream, Luxembourg or any Alternative Clearing System in accordance with their operating rules and procedures by or on behalf of holders of not less than 90% in nominal amount of the Bonds then outstanding (an "Electronic Consent" as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an extraordinary resolution to be passed at a meeting subject to a special quorum), take effect as an extraordinary resolution passed at a meeting of Bondholders duly convened and held, and shall be binding on all Bondholders whether or not they participated in such Electronic Consent; and (b) where Electronic Consent is not being sought, for the purpose of determining whether a written resolution has been validly passed, subject to certain requirements set out in the Trust Deed, the Company and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Company and/or the Trustee, as the case may be, by accountholders in Euroclear and/or Clearstream, Luxembourg or any Alternative Clearing System with entitlements to the Bonds evidenced by such Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries.

USE OF PROCEEDS

The net proceeds of the issue of the Bonds are estimated to amount to ¥51.9 billion in aggregate, and are expected to be used as follows:

- approximately ¥23.6 billion will be applied to loan repayment; and
- up to approximately ¥28.3 billion will be applied to replenishing cash on hand applied to, or repaying borrowings incurred for, the repurchase of Ordinary Shares, ¥25.3 billion of which will be conducted through ToSTNeT-3 prior to the payment date of the Bonds.

If the aggregate amount of such repurchase falls below the planned amount, the Company expects to conduct additional market repurchases of its own shares in accordance with its Capital Allocation Policy or to apply the relevant amount to the repayment of borrowings under the credit facility.

INFORMATION CONCERNING THE SHARES

Authorised and Issued Ordinary Share Capital

As of 30 September 2026, the Company had an authorised share capital of 2,723,000,000 Ordinary Shares, of which 1,364,282,624 Ordinary Shares were issued and outstanding. The following table shows the changes in the Company's issued share capital since 1 April 2025:

Date(s)	Increase (decrease) in total number of issued Ordinary Shares	Total number of issued Ordinary Shares after transaction
1 April 2025[1]	413,915,706	459,906,340
1 April 2025 to 19 May 2025[2]	140,808,000	600,714,340
24 June 2025[2]	54,000,000	654,714,340
2 July 2025 to 1 September 2025[2]	101,260,000	755,974,340
2 September 2025 to 30 September 2025[3]	385,000,000	1,140,974,340
1 October 2025 to 31 December 2025[4]	1,300,000	1,142,274,340
13 February 2026[4]	24,529,000	1,166,803,340
31 March 2026[4]	107,368,000	1,274,171,340
1 April 2026 to 30 June 2026[2]	7,112,284	1,281,283,624
31 August 2026 to 30 September 2026[2]	82,999,000	1,364,282,624

Notes:

(1) Stock split on a 10-for -1 basis as of 1 April 2025.

(2) Exercise of stock acquisition rights.

(3) Overseas offering.

(4) Third-party allotment.

There has been no change in the Company's issued share capital since 30 September 2026. The reduction of stated capital to ¥1 proposed for approval at an extraordinary general meeting of shareholders on 18 December 2026 (see "Recent Business—Overview of Operating Results—Recent Developments") will, if approved, reclassify approximately ¥27,804 million from stated capital to other capital surplus and will not affect the number of issued shares or total net assets.

Japanese Stock Market and Price Range of the Ordinary Shares

The Company's Ordinary Shares were listed on the Standard Market of the Tokyo Stock Exchange under the securities code "3350". The following table sets forth, for the periods indicated, (i) the highs and lows of the reported trading sales prices of the Ordinary Shares on the Tokyo Stock Exchange, (ii) the highs and lows of the daily closing of the Nikkei Stock Average, an index of 225 selected stocks listed on the Prime Market of the Tokyo Stock Exchange, (iii) the highs and lows of the daily closing of the TSE Standard Market Index, an index of the market value of all Japanese stocks listed on the Standard Market of the Tokyo Stock Exchange and (iv) the highs and lows of the daily closing of the Tokyo Stock Price Index (TOPIX), an index of the market value of 1,638 (as of 30 June 2026) selected Japanese stocks listed on the markets of the Tokyo Stock Exchange:

	Price per Ordinary Share[1]		Nikkei Stock Average		TSE Standard Market Index		TOPIX	
	High	Low	High	Low	High	Low	High	Low
Calendar period	(Yen)				(Points)			
2021	68	38	30,670.10	27,013.25	—	—	2,118.87	1,791.22
2022	107	30	29,332.16	24,717.53	1,029.27	936.33	2,039.27	1,758.89
2023	48	14	33,753.33	25,716.86	1,169.31	984.53	2,430.30	1,868.15
2024	4,270	14	42,224.02	31,458.42	1,295.77	1,056.25	2,929.17	2,227.15
2025	7,210	291	52,411.34	31,136.58	1,541.71	1,111.63	3,431.47	2,288.66
2026:								
1st quarter	639	284	58,850.27	51,063.72	1,765.34	1,551.46	3,938.68	3,477.52
2nd quarter	378	195	72,366.34	52,463.27	1,698.88	1,578.27	4,095.05	3,611.67
3rd quarter	359	192	70,474.96	61,434.19	1,742.44	1,594.79	4,197.20	3,919.21
4th quarter (up to 13 October)	307	249	70,683.98	67,777.52	1,741.91	1,702.87	4,183.56	4,091.00

Note:

(1) The Company conducted a 1-for-10 Ordinary Shares stock consolidation, effective as of 1 August 2024, and a 10-for-1 Ordinary Shares stock split, effective as of 1 April 2025. The information in the table above has been retroactively adjusted to reflect both stock splits.

On 13 October 2026, the last reported closing price of the Ordinary Shares on the Tokyo Stock Exchange was ¥261 per Ordinary Share and the Nikkei Stock Average, the TSE Standard Market Index and TOPIX closed at ¥67,777.52, 1,708.83 and 4,110.67, respectively.

Dividends

Under the Company's Articles of Incorporation, a year-end dividend to Ordinary Shares may be distributed to shareholders of Ordinary Shares of record as of 31 December of each year pursuant to a resolution of a general meeting of shareholders; however, an interim dividend may be distributed to shareholders of Ordinary Shares of record as of 30 June of each year pursuant to a resolution of the Board of Directors. The payment of dividends will also be subject to other factors, including legal restrictions with respect to the payment of dividends. See "Description of the Ordinary Shares, Preferred Stock and Certain Regulations—Distribution of surplus".

Dividend Policy

While we recognise that returning profits to shareholders is one of our key management priorities, we have adopted a policy of prioritising the maximisation of corporate value. Accordingly, for the time being, we have chosen not to pay dividends on the Ordinary Shares (i.e., a non-dividend policy) in order to prioritise the strategic acquisition and long-term holding of bitcoin.

This policy is a core element of our "bitcoin treasury strategy," under which we believe that allocating surplus funds to the accumulation and retention of bitcoin, rather than returning surplus to shareholders, will lead to greater shareholder value over the medium to long term.

We intend to maintain this policy for the foreseeable future. Any future decisions regarding dividends on the Ordinary Shares will be made prudently, taking into consideration the alignment with our bitcoin acquisition strategy and financial position.

Dividends paid to individuals who are non-residents of Japan or non-Japanese corporations will generally be subject to Japanese withholding taxes

Furthermore, on 29 December 2025, the Company issued its inaugural Class B Preferred Stock (MERCURY). The Class B Preferred Stock carries a dividend of ¥12.25 per share at the record dates of 31 March, 30 June, 30 September and 31 December (except for the quarterly dividend period ending 31 December 2025, the amount of such dividend shall be ¥0.40 per share). Holders of the Class B Preferred Stock shall receive dividends in priority to holders of Ordinary Shares and holders of Class A Preferred Stock.

Principal Shareholders and Other Information of Ordinary Shares

The table below shows information about the ownership of Ordinary Shares as of 30 June 2026 by the Company's ten largest shareholders, as appearing on the register of shareholders.

Shareholder	Number of Ordinary Shares held	Percentage of total Ordinary Shares in issue
	(Ordinary Shares)	(%)
Clearstream Banking S.A.	123,787,665	9.49%
State Street Bank and Trust Company 505001	80,188,344	6.15%
National Financial Services LLC	73,551,305	5.64%
Charles Schwab FBO Customer	56,319,052	4.32%
Interactive Brokers LLC	48,454,067	3.71%
MMXX Ventures Limited	42,474,750	3.26%
Deutsche Bank Trust Company Americas	34,207,944	2.62%
BNP PARIBAS London Branch for Prime Brokerage Clearance ACC for Third Party	30,000,050	2.30%
Euroclear Bank S.A./N.V.	19,770,947	1.52%
Morgan Stanley Smith Barney LLC Clients Fully Paid Seg Account	17,621,072	1.35%
Total	526,375,196	40.34%

Notes:

(1) Percentage of shareholding is calculated based on the total number of Ordinary Shares issued and outstanding, excluding the treasury stock of 26,725 Ordinary Shares as of 30 June 2026.

(2) The FIEA and its related regulations require any person who has become, beneficially and solely or jointly, a holder of issued voting shares (excluding treasury stock) amounting to more than 5% of the total shares of a company that is listed on any Japanese stock exchange to file a report concerning such shareholdings with the director of the relevant Local Finance Bureau of the Ministry of Finance, and also require such person to file an amendment concerning any subsequent changes of 1% or more of the total issued shares in such substantial shareholdings or any change in material matters set out in reports previously filed (see "Description of the Ordinary Shares, Preferred Stock and Certain Regulations—Reporting of Substantial Shareholdings").

As of the date of this Offering Circular, the Company is aware of the following reports in relation to which it was unable to confirm beneficial ownership as of 30 June 2026:

- according to a report of change in substantial holding filed on 15 September 2026 under the FIEA, as of 8 September 2026, the following shareholders held the Ordinary Shares of the Company's Ordinary Shares as shown below, which is not reflected in the table above.

Shareholder	Number of Ordinary Shares held on record (Ordinary Shares)	Percentage of outstanding Ordinary Shares
Capital Research and Management Company	125,455,820	9.32%

- according to a report of change in substantial holding filed on 15 May 2026 under the FIEA, as of 8 May 2026, the following shareholders held the Ordinary Shares of the Company's Ordinary Shares as shown below, which is not reflected in the table above.

Shareholder	Number of Ordinary Shares held on record (Ordinary Shares)	Percentage of outstanding Ordinary Shares
Evo Fund	334,732,550	20.82%
Evolution Capital Management LLC	0	0.00

(3) On 31 August 2026, Mr. Simon Gerovich has exercised stock acquisition rights to acquire 64,032,000 Ordinary Shares pursuant to the 10th Series Stock Acquisition Rights, which carry a five-year sale restriction until 17 August 2031. Immediately after such acquisition, Mr. Gerovich held 79,587,500 Ordinary Shares.

The ownership distribution of the Ordinary Shares by category of shareholders of record as of 31 December 2025 (being the most recent date as of which the information is available) was as follows:

	Number of Units held[(1)] (Unit of Ordinary Shares)	Percentage of total Ordinary Shares in issue (%)
Government and municipal bodies	—	—
Japanese financial institutions	216,425	1.90%
Japanese financial instruments business operators	128,891	1.13%
Other Japanese corporations	148,549	1.30%
Japanese individual investors and others[(2)]	2,977,217	26.08%
Foreign corporations and individual investors	7,944,224	69.59%
Total	11,415,306	100.00%

Notes:

(1) 100 Ordinary Shares constitute one unit of Ordinary Shares. See "Description of the Ordinary Shares, Preferred Stock and Certain Regulations – Unit Share System".

(2) As of 31 December 2025, the Company held 26,311 Ordinary Shares in treasury stock, of which 263 units of Ordinary Shares were included in "Japanese individual investors and others", and 11 Ordinary Shares were included in "Ordinary Shares constituting less than one unit".

As of the date of this Offering Circular, the Company is not aware of any person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

Proposed Ordinary Share Repurchase by the Company

On 13 October 2026, the Company's Board of Directors authorised the repurchase of up to 200,000,000 Ordinary Shares (14.7% of the issued Ordinary Shares (excluding treasury stock) as of 30 September 2026) at a maximum cost of ¥60 billion from the market in the period from and including 14 October 2026 to and including 13 October 2027. The Company has a policy of flexibly repurchasing its own shares as part of its disciplined

capital allocation policy, with the aim of maximizing BTC Yield, improving capital efficiency and enhancing long-term shareholder value, while taking into account market conditions, its financial condition, mNAV, the prevailing share price and other relevant factors.

As part of its repurchase plan, the Company intends to repurchase up to ¥25.3 billion worth of Ordinary Shares, at 8:45 a.m. (Tokyo time) on 14 October 2026 at the closing price of the Ordinary Shares on the Tokyo Stock Exchange on 13 October 2026 through the ToSTNeT-3 system. The amount of Ordinary Shares which the Company is able to repurchase through the ToSTNeT-3 system is dependent on the amount of Ordinary Shares market participants offer to sell at the relevant price at the relevant time. The result of such repurchase will be announced in Japan on 14 October 2026.

To the extent any Ordinary Shares remain to be repurchased (within the maximum cost of ¥60 billion and the maximum number of 200,000,000 Ordinary Shares) after the above-mentioned repurchase through the ToSTNeT-3 system, the Company may repurchase further Ordinary Shares (on the auction market (at the market prices prevailing at the relevant time) or otherwise), until 13 October 2027. There can however be no assurance that any such repurchase will be proposed or effected.

The Tokyo Stock Exchange Trading Network System, or "ToSTNeT", is a trading system which has fully computerised the trading process from order input to execution. The ToSTNeT-3 system is an off-market hour trading system specifically for use by issuers to buy-back their own shares, which provides investors with the means of executing their sell orders at the Tokyo Stock Exchange's prior-day closing prices at 8:45 a.m. (Tokyo time). If the number of shares for the aggregated sell orders exceeds the buyback order, the sell orders will be in principle executed proportionally based on the number of shares of each sell order.

CAPITALISATION AND INDEBTEDNESS

The following table sets out the consolidated capitalisation and indebtedness of the Company as of 30 June 2026, which has been extracted without material adjustment from the Company's unaudited interim consolidated balance sheet as of the same date, and as adjusted to give effect to the issue of the Bonds:

	As of 30 June 2026 (unaudited)	
	Actual	**As adjusted**
	(Millions of yen)	
Current liabilities:		
Short-term borrowings	¥67,486	¥67,486
Current portion of bonds payable	8,000	8,000
Income taxes payable	359	359
Other	1,032	1,032
Total current liabilities	76,878	76,878
Non-current liabilities:		
Retirement benefit liabilities	8	8
Deferred tax liabilities	—	—
Other	405	405
The Bonds now being issued	—	52,000
Total non-current liabilities	414	52,414
Net assets		
Shareholders' equity:		
Share capital:	27,481	27,481
Capital surplus	552,601	552,601
Retained earnings	(268,961)	(268,961)
Treasury stock	(7)	(7)
Total shareholders' equity	311,113	311,113
Accumulated other comprehensive income:		
Foreign currency translation adjustment	29,167	29,167
Total accumulated other comprehensive income	29,167	29,167
Share acquisition rights	603	603
Total net assets	340,884	340,884
Total capitalisation and indebtedness(1)	¥418,177	¥470,177

Notes:

(1) Total capitalisation and indebtedness is the sum of short-term indebtedness, total long-term indebtedness and total net assets.

(2) There has been no material adverse change in the capitalisation and indebtedness of the Group since 30 June 2026.

(3) The net proceeds from the issue of the are expected to be used as for the repayment of borrowings and to replenishing cash on hand applied to, or repaying borrowings incurred for, the repurchase of the Company's Ordinary Shares. The events are not reflect in the above table.

METAPLANET INC.

Overview

The Company is a fast-growing bitcoin treasury company based in Japan with a strong track record of rapid bitcoin accumulation. As of 30 June 2026, the Company's bitcoin holdings totalled 43,000 BTC. This ranks the Company the third globally and first in Asia among publicly listed companies' bitcoin holdings. In April 2024, the Company executed a strategic transformation of its business by adopting a bitcoin treasury strategy, establishing bitcoin as its core treasury reserve asset. Since adopting a bitcoin treasury strategy, the Company has rapidly grown its bitcoin reserves from an initial purchase of 97.85 bitcoin in April 2024 to 43,000 bitcoin as of 30 June 2026.

The Company's Bitcoin Treasury Business segment has been its principal line of business since it executed strategic transformation in April 2024. In its Bitcoin Treasury Business segment, the Company strategically accumulates and manages bitcoin in order to create long-term value for its shareholders. In addition, the Company engages in bitcoin derivatives transactions including the sale of cash-secured bitcoin put options, which the Company refers to as its bitcoin income generation business, in order to generate income and cash to support the Company's operations. In addition, in its hotel business segment, the Company manages one commercial real estate holding, Hotel Royal Oak Gotanda, as a legacy of its previous focus on hotel operations under the hotel business.

The Company believes that it has significant competitive advantages in expanding its bitcoin holdings due to unique aspects of the regulatory and market environment in Japan, including tax advantages for individuals investing in its shares compared to holding bitcoin directly, eligibility of its shares in tax-advantaged accounts, the non-existence of bitcoin ETPs in Japan and low-yield environment that creates opportunities for us to address investor demand for higher returns. The Company also believes that its unique bitcoin income generation business leveraging its management's derivatives expertise differentiate the Company from other bitcoin-focused companies.

The Company aims to continue to grow its bitcoin reserves by acquiring bitcoin with funds raised through innovative financing strategies. To the extent that the Company can continue to finance purchases of bitcoin through Ordinary Share issuances that result in accretion to bitcoin per Ordinary Share, the Company will aim to continue to pursue equity financing. In addition, the Company is also positioned to employ other financing options, such as Preferred Stock, which can provide flexibility at a stage when acquiring bitcoin through Ordinary Share issuances becomes less accretive to bitcoin per Ordinary Share.

For the year ended 31 December 2025 and the six months ended 30 June 2026, the Group recorded total net sales of ¥8,905 million and ¥4,944 million, operating profit of ¥6,287 million and ¥3,331 million, and Net profit/(loss) attributable to owners of the parent of ¥(95,046) million and ¥(182,774) million, compared to total net sales of ¥1,062 million and ¥2,116 million, operating profit of ¥350 million and ¥1,409 million, and profit attributable to owners of parent of ¥4,439 million and ¥6,059 million, for the same periods of the previous year.

The Company is incorporated under Japanese law with limited liability as a joint stock corporation (*kabushiki gaisha*). The Company's registered head office is located at Roppongi Hills Mori Tower 16F 6-10-1 Roppongi, Minato-ku, Tokyo 106-6116, Japan.

Selected Financial and Other Data

The following selected financial data has been derived from and should be read in conjunction with the Company's audited annual consolidated financial statements and related notes, as well as the unaudited interim consolidated financial statements and the notes thereto appearing elsewhere in this Offering Circular.

	As of and for the fiscal year ended 31 December,			As of and for the six-month period ended 30 June,	
	2023	2024	2025	2025	2026
			(in millions of yen)		
Selected statement of income data:					
Net sales	¥ 261	¥ 1,062	¥ 8,905	¥ 2,116	¥ 4,944
Cost of sales	49	66	84	53	33
Gross profit	211	996	8,820	2,062	4,911
Selling, general and administrative expenses	679	645	2,533	652	1,579
Operating profit (loss)	(468)	350	6,287	1,409	3,331
Non-operating income	75	5,650	595	10,037	650
Bitcoin valuation gain	—	5,457	—	10,035	—
Non-operating expenses	21	8	103,025	881	186,856
Bitcoin valuation loss	—	—	102,188	—	184,297
Ordinary profit (loss)	(414)	5,993	(96,141)	10,565	(182,874)
Extraordinary income	259	400	—	—	—
Extraordinary losses	527	—	—	—	—
Profit (loss) before income taxes	(682)	6,393	(96,141)	10,565	(182,874)
Total income taxes	1	1,953	(1,095)	4,506	(99)
Profit (loss)	¥ (683)	¥ 4,439	¥ (95,046)	¥ 6,059	¥(182,774)
Selected balance sheet data:					
Cash and deposits	¥ 553	¥ 294	¥ 2,552	¥ 1,717	¥ 1,087
Total current assets	599	2,685	18,168	28,507	2,369
Property, plant and equipment	974	975	992	968	1,013
Investments and other assets	91	26,473	481,614	208,114	409,907
Total assets	1,666	30,325	505,286	238,214	418,177
Short-term borrowings	—	—	43,836	—	67,486
Current portion of long-term borrowings	—	—	—	—	—
Current portion of bonds payable	—	11,250	—	30,000	8,000
Long-term borrowings	130	—	—	—	—
Total liabilities	514	13,359	46,694	37,213	77,292
Total net assets	1,152	16,965	458,592	201,001	340,884
Cash flow data:					
Net cash provided by (used in) operating activities	¥ (571)	¥ 623	¥ 6,618	¥ 1,411	¥ 349
Net cash provided by (used in) investing activities	2,333	(23,452)	(554,395)	(196,112)	(85,332)
Net cash provided by (used in) financing activities	(1,415)	22,570	544,221	196,125	83,550
Cash and cash equivalents at end of period	553	294	2,552	1,717	1,087

RECENT BUSINESS

The following discussion should be read together with, and is qualified in its entirety by reference to, the audited consolidated financial statements of the Company as of and for the years ended 31 December 2025 and 2024 and unaudited interim consolidated financial statements of the Company as of and for the six months ended 30 June 2026 and 2025, in each case included elsewhere in this Offering Circular. The following discussion should also be read in conjunction with "Presentation of Financial and Other Information".

Overview of Operating Results

Our Bitcoin Standard and Asset Base

In April 2024, the Company became the first publicly listed company in Japan to adopt the "Bitcoin Standard," designating Bitcoin as its primary reserve asset. The rationale is that Bitcoin has no issuer, a fixed supply of 21 million units, and enables settlement independent of intermediaries. The Company believes these characteristics make Bitcoin a suitable reserve asset to hedge against the sustained erosion of currency value. At the same time, Bitcoin's price volatility is substantial, and the Company recognises this as a premise of holding the position. The policy set out at the time of adoption remains unchanged: first, to increase Bitcoin holdings per Ordinary Share over the medium to long term; second, to fund such acquisitions not through the sale of Bitcoin but through capital raised in yen or other fiat currencies, whether equity or debt such as corporate bonds; and third, to build businesses that connect the resulting balance sheet to earnings.

As of 30 June 2026, the Company's Bitcoin holdings totaled 43,000 BTC. This ranks the Company third globally and first in Asia among publicly listed companies' Bitcoin holdings. The Company also holds approximately 87% of the total Bitcoin held by Japanese publicly listed companies (source: BitcoinTreasuries.net). Bitcoin holdings per 1,000 fully diluted Ordinary Shares outstanding rose from 0.0240486 BTC as of 31 December 2025 to 0.0263554 BTC as of 30 June 2026, representing an increase of 9.6%. This metric has increased in every quarter since the strategy's adoption, for a cumulative increase of approximately 42.5 times since inception. Cumulative funds raised since the strategy's adoption total approximately ¥580.0 billion through four types of instruments. The Company did not sell any Bitcoin during the current interim consolidated accounting period.

The Company measures its progress by Bitcoin holdings, Bitcoin holdings per Ordinary Share, and revenue from Bitcoin-related businesses. Bitcoin prices have historically fluctuated significantly in both directions, and the Company's strategy assumes that such volatility will continue. Accordingly, the Company does not treat quarter-to-quarter Bitcoin prices as a management indicator. Although the Company recorded the valuation loss described below, each of the indicators above improved during the current interim consolidated accounting period.

Regulatory Change in Japan and Domestic Business Opportunities

Two developments directly relevant to the Company's strategy are underway in Japan, and the two are becoming increasingly interconnected. The first is that Bitcoin is becoming a regulated financial asset. The second is that household savings are being redirected into investment on a scale unprecedented in recent years. The Company's business sits at the intersection of these two developments.

The first development is regulatory change. Amendments revising the regulatory framework for crypto asset transactions were enacted after the end of the current interim consolidated accounting period. The amendments to the FIEA and the PSA were passed by the Diet on 15 July 2026 and promulgated on 23 July 2026. The amendments bring crypto assets within the scope of the FIEA, extending to them the insider trading regulations and disclosure obligations generally applicable to financial instruments. The effective date, however, will in principle be set by cabinet order within one year of promulgation, and as of the date of this Offering Circular the amendments have not yet taken effect. On the tax side, from 1 January 2028, capital gains on crypto assets held by individuals are expected to become subject to separate self-assessed taxation at 20.315%, in place of progressive tax rates. In addition, changes to the tax treatment of long-term holdings by corporations apply from fiscal years beginning on or after 1 April 2024. Separately, commercial operation of yen-denominated stablecoins issued under the regulatory framework has already begun: JPYC has been in operation since October 2025, and the trust-type JPYSC since June 2026. Similar institutional development and regulatory clarification are also underway in other markets, including the GENIUS Act in the United States. The Company views developments in Japan as part of a broader international convergence rather than a domestic exception.

The Company believes this change carries greater significance for it than similar developments in other markets. Prior to this amendment, Bitcoin fell outside the regulatory framework defining the scope of assets that regulated Japanese financial institutions, such as securities companies, may hold and manage. In the Company's view, limited participation by domestic institutional investors to date reflects not a lack of interest but the absence of clear institutional status for the asset. As this status becomes clearer, and as tax treatment converges further with that of listed securities, the Company expects participation by institutional investors and operating companies in Japan to expand.

The Company intends to help foster this expanding participation, not merely to benefit from it. In the United States and other markets, a common pattern has emerged in the adoption of Bitcoin by operating companies: a single listed company adopts it first, then demonstrates the sustainability of its strategy by maintaining its holdings through a full market cycle, including periods of sharp price declines, after which broader participation by operating companies and institutional investors follows.

Drawing on these precedents, the Company believes a similar progression could occur in Japan, on a timeline shaped by its own market conditions. As part of this, the Company aims to serve as a reference point for Bitcoin adoption in Japan. The Company has worked to encourage broader participation by other operating companies and institutional investors as market conditions and investor sentiment evolve, and will continue to do so.

The second development is the shift from savings to investment. Government policy is directed at bringing this about. The expanded NISA programme, initiatives under the "asset management nation" policy, and the financial and asset management special zones are all intended to redirect deposits toward domestic capital markets and attract foreign asset managers into Japan. At the same time, the macroeconomic environment that for many years made holding cash a rational choice is itself changing. Inflation has returned, policy rates and government bond yields have turned positive, and the real yield on yen deposits is now negative. Cash and deposits are losing real value faster, as both policy and prices now work in the same direction.

The scale involved stands out. Japanese households hold approximately ¥1,126 trillion in cash and deposits, equivalent to 47.2% of total financial assets of ¥2,386 trillion (Bank of Japan, "Flow of Funds Statistics," preliminary figures for first quarter in 2026, as of 31 March 2026). The comparable ratio is approximately 11.5% in the United States and 31.8% in the eurozone (Bank of Japan, "Comparative Flow of Funds Statistics: Japan, US, and Europe," as of 31 March 2025). The Company estimates that the domestic asset pool potentially addressable by yield-bearing products — including individual-targeted government bonds, monthly-distribution investment trusts, MMFs, and corporate bonds held by households — is approximately ¥1,190 trillion. Excluding government bonds, however, the domestic bond market offers few categories into which these funds could flow. Household cash and deposits are approximately 114 times the size of the corporate bond market. More than 90% of domestic corporate bond issuance carries an A rating or above, issuance rated BBB is limited, and issuance rated BB or below is rarely seen (Ministry of Economy, Trade and Industry, materials from the "Study Group on the Ideal Corporate Bond Market for Advanced Corporate Finance," March 2026). In addition, fewer than one-third of TOPIX constituent companies have outstanding publicly offered corporate bonds.

Under this market structure, bank lending has principally served the credit needs of companies that fall below investment grade in the domestic public bond market. In Japan, indirect finance has been at the centre of corporate finance throughout the postwar period, and under the main bank system, a company's principal relationship bank has typically supplied most of the debt funding it needs, while monitoring the borrower's creditworthiness through an ongoing business relationship.

This structure still applies to many Japanese companies today, and a large number rely on bank borrowing rather than public bond issuance as their principal source of funding. In other words, while corporate credit demand is broad-based, households have limited opportunity to invest directly in that credit through corporate bonds. Deposits collected from households are converted into loans to companies through banks, and much of the income generated from this credit provision accrues not to depositors as interest but to banks as lending margin.

Meanwhile, domestic market interest rates have risen sharply. The 10-year government bond yield has risen from 1.50% a year earlier to over 3.00% in September 2026, while deposit rates have risen only modestly.

These two developments are converging in a single area. Institutional investors' access to Bitcoin is expanding as its institutional status becomes clearer, even as large-scale domestic savings shift toward investment with few yen-denominated bonds available to absorb them directly.

Against this backdrop, the Company holds Bitcoin as its principal financial asset while, through Metaplanet Securities Co., Ltd. ("Metaplanet Securities"), building the infrastructure to structure, distribute, and sell financial products. By offering financial products that connect these two developments, the Company aims to help form a new flow of funds.

Project Nova — From Bitcoin Treasury to a Bitcoin-Based Financial Platform

Holding Bitcoin at scale is not the entirety of the Company's business, but its foundation. In materials on Phase II published on 1 October 2025, the Company set out a strategy to build complementary business lines on top of its Bitcoin holdings. By using the earnings generated by these businesses as a source for preferred dividends, the Company intends to expand its capacity to raise capital through preferred equity, and thereby accumulate further Bitcoin.

The Company has also announced "Project Nova," a medium- to long-term initiative aimed at building a Bitcoin-centred financial platform in Japan, which it positioned at the time as a concept under consideration. Its first project was launched during the current interim consolidated accounting period and has since been completed.

As part of this initiative, the Company resolved on 12 June 2026 to acquire the shares of Siiibo Securities Co., Ltd., completed the acquisition for ¥2,100 million on July 13 of the same year, and subsequently changed the company's name to Metaplanet Securities. Metaplanet Securities was established in 2019, registered as a Type I Financial Instruments Business Operator in 2021, and operates an online platform for privately placed corporate bonds, having supported more than 100 bond issuances by over 40 issuers to date. The company has a digitally native business infrastructure and handles the full range of operations in-house, from issuer origination to investor account management.

Subject to the necessary registrations, approvals, and other internal and external procedures, the Company will consider using the platform not only for fundraising by the Group but also making it available to other issuers. At the same time, the Company plans to pursue the structuring and distribution of yield-bearing products and digital securities.

The Company is also considering, subject to compliance with applicable regulatory requirements, the potential use of stablecoins in part of the platform, including for settlement and other transaction-related functions. Cumulative issuance of digital securities in Japan reached 92 issuances totalling approximately ¥342.0 billion by 31 December 2025, most of which involved the tokenization of real estate (Japan STO Association). This indicates that digital securities as a product category have achieved a degree of domestic adoption, while the Company recognises there remains room for further development in their application to Bitcoin-related assets.

The Company is also considering entry into additional regulated business areas, including crypto asset exchange services, custody, lending, and asset management. The Company has also established Metaplanet Asset Management in the United States. Should the Company expand this asset management business into Japan in the future, registration under the FIEA would be required, although no specific timing has been determined at this stage.

The Company expects the earnings contribution from these businesses to build up gradually over the coming years. At Metaplanet Securities, the Company plans to continue strengthening distribution capabilities while progressively expanding its product lineup.

On 11 September 2026, the Company resolved to establish Metaplanet Asset Management Asia Limited, a wholly owned subsidiary in Hong Kong, with initial capital of US$1 million, to conduct trading execution, portfolio management and risk oversight during Asian trading hours, complementing Metaplanet Asset Management in the United States. As of the date of this Offering Circular, Metaplanet Asset Management Asia Limited has not yet been established; its establishment is expected to be completed by the end of 2026.

BitBonds — A New Financing Model for a Bitcoin-Backed Balance Sheet

With Metaplanet Securities joining the Group, the Company's Capital Allocation Policy has gained a financing tool that was previously unavailable to it: corporate bonds issued by the Company on the strength of its Bitcoin-centred balance sheet and distributed through Metaplanet Securities. In this area, the Company expects to take on, in stages, both the role of an issuer of its own debt and the role of operating a distribution platform that third-party issuers can also use.

In late July 2026, through Metaplanet Securities, the Company launched the private placement of its first bond issuance under the "BitBonds" concept, and has since completed that placement. The Company regards this not as a one-off financing but as a first step toward future bond issuances as part of a continuing funding strategy.

The Company's financing strategy is built around two instruments that serve distinct roles. Perpetual preferred capital has no scheduled maturity, which reduces refinancing risk relative to debt with a defined maturity and makes it well suited to funding the acquisition of assets the Company intends to hold long term. Corporate bonds serve a different role. Principal and interest payments on the bonds are direct, unconditional obligations of the Company with a defined maturity, ranking senior to Preferred Stock and the Ordinary Shares, and the Company's performance under them can be monitored continuously after issuance. The Company believes these characteristics allow its creditworthiness to be assessed under the same credit evaluation framework applied to ordinary operating companies. This is also why the Company began issuing bonds alongside, rather than as a substitute for, preferred capital.

Assessing the Company's creditworthiness depends significantly on the nature of the underlying assets. From a lender's perspective, the Company's balance sheet differs from that of a typical borrower in two important respects.

One is convertibility into cash. Bitcoin is traded widely not only in spot markets but also in futures, options, and other derivatives markets, and maintains a meaningful degree of market liquidity globally. Bitcoin can be marked to market continuously, and while subject to prevailing market conditions, the Company believes it can be converted into cash relatively quickly compared with less liquid asset classes.

By contrast, unlisted equity, real estate, or intangible assets may require a considerable period to convert into cash, even when they carry substantial value, and are also dependent on trading windows and the availability of buyers. Because of these characteristics, the Company believes it can plan its financing on a multi-year view spanning Bitcoin's market cycle, rather than being constrained solely by the timing of its most recent refinancing.

The second is verifiability. The Company discloses its Bitcoin holdings together with on-chain information, allowing part of those holdings to be independently verified by outside parties. The Company believes this information contributes to greater transparency in the assessment of its creditworthiness. That said, matters such as address ownership, the location of custodial control, and whether any liens have been placed on the holdings cannot be confirmed from on-chain information alone, and must instead be assessed based on the Company's disclosures and other information.

Because Bitcoin has a continuous, publicly observable market price, the Company can calculate asset coverage relative to its obligations, and its leverage against the market value of its holdings, continuously rather than only at fiscal period-end. For issuers whose principal assets depend on periodic appraisals, updating valuations at a comparable frequency is generally difficult. The Company considers this to be another distinguishing feature in assessing its creditworthiness.

The Company also believes that the domestic market conditions described in "Recent Business—Overview of Operating Results - Regulatory Change in Japan and Domestic Business Opportunities". above affect its cost of capital. In Japan, corporate finance has historically relied heavily on bank intermediation, while the corporate bond market has developed mainly around established, highly creditworthy issuers. The Company believes that taking advantage of relatively low yen interest rates to fund, in yen, the acquisition of assets it intends to hold long term can be one effective financing method. The Company also recognises that the economic rationale for this depends not only on prevailing market conditions but also on its medium- to long-term asset-liability composition.

Based on the foregoing, the Company envisions an ongoing financing strategy that combines senior debt with a defined maturity and perpetual preferred capital. The scale of this strategy will be determined by taking into account the Company's balance sheet, funding needs, operating cash flow, and other sources of liquidity. Holding Bitcoin as its primary reserve asset while raising funds denominated in fiat currency is one element of the asset-liability structure that forms part of the Company's capital strategy. In addition, the Company is considering making the Metaplanet Securities platform available to other issuers in the future, beyond using it for its own financing. The Company aims to develop capabilities built initially for its own fundraising into broader market infrastructure. The scale, timing, and terms of any future issuances will be determined based on the Company's funding needs and market conditions at the relevant time.

Recent Developments

Superplanet

On 18 August 2026, the Company resolved to acquire, through its U.S. subsidiary, a controlling interest in Super League Enterprise, Inc., a Nasdaq-listed company, which upon completion is to be renamed Superplanet, Inc. and is expected to become a consolidated subsidiary of the Company with the Company holding approximately 95.7% of its issued shares. Completion is currently expected in the fourth quarter of 2026, subject to customary conditions.

Asset management

On 11 September 2026, the Company resolved to establish Metaplanet Asset Management Asia Limited, a wholly owned subsidiary in Hong Kong, with initial capital of US$1 million, to conduct trading execution, portfolio management and risk oversight during Asian trading hours, complementing Metaplanet Asset Management in the United States. As of the date of this Offering Circular, Metaplanet Asset Management Asia Limited has not yet been established; its establishment is expected to be completed by the end of 2026.

10th Series Stock Acquisition Rights

On 18 August 2026 and 11 September 2026, the Company, in response to shareholder feedback, resolved to modify the terms of the 10th Series Stock Acquisition Rights held by directors and employees, reducing the number of Ordinary Shares deliverable per right from 696 to 410, reducing the maximum number of Ordinary Shares issuable thereunder from 319,464,000 to 188,190,000 (and the unexercised balance from 236,640,000 to 105,366,000), and providing for the unvested portion to become exercisable in three equal tranches from August 2029, 2030 and 2031, respectively. In August 2026, two holders exercised 119,000 rights under the previous terms for an aggregate of 82,824,000 Ordinary Shares, of which 64,032,000 Ordinary Shares were issued to the Company's Chief Executive Officer. As a result of these modifications, the number of Effective Diluted Ordinary Shares Outstanding decreased to 1,500,108,824 as of 30 September 2026. See "Business—Our Bitcoin Treasury Business—BTC Yield and BTC Gain" and "Management and Employees—Stock Acquisition Rights".

Reduction of stated capital

On 11 September 2026, the Board of Directors resolved to propose to an extraordinary general meeting of shareholders to be held on 18 December 2026 a reduction of the Company's stated capital from approximately ¥27,804 million to ¥1, with the amount of the reduction transferred to other capital surplus and approximately ¥1,805 million applied to cover accumulated losses. The reduction, if approved, is expected to take effect on 30 December 2026. It is an accounting reclassification within net assets and will not affect the number of issued shares, total net assets or the Company's bitcoin holdings; its purpose is to enhance flexibility in future decisions on dividends and repurchases of Ordinary Shares.

Bitcoin-collateralised credit facility and Class B Preferred Stock

As of 30 September 2026, borrowings under the Company's Bitcoin-collateralised credit facility (maximum facility amount US$800 million) amounted to US$649.5 million, equivalent to approximately 17.7% of the market value of the Company's bitcoin holdings, and 12,340 bitcoin were pledged as collateral thereunder. The Company intends to apply approximately ¥23.6 billion of the net proceeds of the Bonds to the partial repayment of such borrowings. See "Use of Proceeds". The listing of the Class B Preferred Stock on the Tokyo Stock Exchange remains subject to the exchange's examination; see "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—We have issued dividend-paying Preferred Stock that ranks senior to the Ordinary Shares stock with respect to dividends and liquidation rights. Issuance of further Preferred Stock could adversely affect the value of the Ordinary Shares, and dividend payment on and cash redemption of existing Preferred Stock could result in cash outflows".

Consolidated results for the six months ended 30 June 2026 compared to the six months ended 30 June 2025

Results

Total net sales

Total net sales for the six months ended 30 June 2026 increased by ¥2,828 million, or 133.7%, to ¥4,944 million, compared to ¥2,116 million for the six months ended 30 June 2025, primarily reflecting increases in total net sales from Bitcoin related business.

Cost of sales

Cost of sales for the six months ended 30 June 2026 decreased by ¥19 million, or 37.1%, to ¥33 million, compared to ¥53 million for the six months ended 30 June 2025, primarily due to decrease in cost of sales in bitcoin-related operations.

Gross profit

Gross profit for the six months ended 30 June 2026 increased by ¥2,848 million, or 138.1%, to ¥4,911 million, compared to ¥2,062 million for the six months ended 30 June 2025.

Selling, general and administrative expenses

Selling, general and administrative expenses for the six months ended 30 June 2026 increased by ¥926 million, or 141.9%, to ¥1,579 million, compared to ¥652 million for the six months ended 30 June 2025.

Operating profit

Operating profit for the six months ended 30 June 2026 increased by ¥1,921 million, or 136.3%, to ¥3,331 million, compared to ¥1,409 million for the six months ended 30 June 2025.

Non-operating income

Non-operating income for the six months ended 30 June 2026 decreased by ¥9,387 million, or 93.5%, to ¥650 million, compared to ¥10,037 million for the six months ended 30 June 2025.

Non-operating expenses

Non-operating expenses for the six months ended 30 June 2026 increased by ¥185,974 million to ¥186,856 million, compared to ¥881 million for the six months ended 30 June 2025.

Profit (loss) before income taxes

The Group recorded a loss before income taxes of ¥182,874 million for the six months ended 30 June 2026, compared to a profit before income taxes of ¥10,565 million for the six months ended 30 June 2025.

Income taxes

Income taxes for the six months ended 30 June 2026 decreased by ¥4,606 million to a benefit of ¥99 million, compared to ¥4,506 million for the six months ended 30 June 2025.

Profit (loss)

The Group recorded a loss of ¥182,774 million for the six months ended 30 June 2026, compared to a profit of ¥6,059 million for the six months ended 30 June 2025.

Profit (loss) attributable to owners of parent

The Group recorded a loss attributable to owners of parent of ¥182,774 million for the six months ended 30 June 2026, compared to a profit attributable to owners of parent of ¥6,059 million for the six months ended 30 June 2025.

Operating Result by Reportable Segment

Bitcoin Related Business

The Bitcoin Related Business is a cash flow-generating business that supports the Company's capital strategy. The business uses a portion of the Bitcoin and cash held by the Group to generate revenue through options and other derivative transactions that monetise Bitcoin's price volatility. Depending on how positions are structured, these transactions can also help moderate sharp swings in the price of Bitcoin.

The business is intended to generate the operating cash flow used to fund dividend and interest payments, thereby expanding the scale of preferred capital the Company is able to utilise and supporting further Bitcoin accumulation. Rather than seeking to profit from market direction itself, the Company runs this business to generate steady income while managing risk.

Segment net sales of the Bitcoin-related business for the interim consolidated accounting period for the six months ended 30 June 2026 were ¥4,742 million (¥1,904 million in the same period of the previous year). This consisted primarily of ¥4,583 million in option premiums received on Bitcoin derivatives and ¥143 million in valuation gains of Bitcoin derivatives. Second-quarter (April to June) net sales were ¥1,759 million, below the ¥2,983 million recorded in the first quarter (January to March). Segment profit was ¥4,279 million (¥1,641 million in the same period of the previous year).

Because the business uses Bitcoin and cash as collateral for its transactions, its scale fluctuates with the quantity of Bitcoin held by the Group and the amount of funds available. For the six months ended 30 June 2026, the pace of increase in Bitcoin holdings fell short of initial expectations, which constrained the expansion of this business to some degree.

Hotel Business

The hotel business performed steadily, with net sales of ¥201 million for six months ended 30 June 2026 (¥212 million in the same period of the previous year) and segment profit of ¥71 million for six months ended 30 June 2026 (¥82 million in the same period of the previous year).

Consolidated results for the year ended 31 December 2025 compared to the year ended 31 December 2024

Results

Overview of Results of Operations

The global economy is currently undergoing a structural transformation as it transitions from a traditional supply-side framework centred on capital and labour to a new economic foundation built upon information technology. Concurrently, the post-war monetary regime is approaching a critical inflexion point, driven by escalating geopolitical risks, trade policy revisions, and concerns over accumulated debt.

Against this backdrop, capital outflows from assets traditionally regarded as safe havens, such as long-term government bonds, have accelerated, and gold has been revalued to record highs against major currencies worldwide.

In this environment, the strategic significance of Bitcoin—an asset characterised by scarcity, ease of custody and transfer, and independence from credit intermediation—has risen rapidly.

The Company is firmly convinced that Bitcoin will play a central role in the restructuring of the financial system, and accordingly transformed itself into a Bitcoin Treasury company beginning in 2024.

The Company's strategy is to accumulate as much Bitcoin as possible, prudently yet expeditiously, on behalf of our shareholders.

We believe this represents the most rational approach to enhancing our medium- to long-term corporate value.

Since adopting the "Bitcoin Standard" framework in April 2024 (the second company globally to do so, following Strategy, Inc., listed on the U.S. Nasdaq), the Company's strategic hypothesis—that holding Bitcoin as a reserve asset on a long-term basis, independent of fiat currencies, enhances corporate value—has been steadily validated.

According to public sources such as bitcointreasuries.net, more than 150 listed companies now hold Bitcoin as a reserve asset, further demonstrating that the Company has been at the forefront of this global trend.

The Company positions the following as key indicators for monitoring business progress and capital efficiency: total BTC holdings, BTC per Ordinary Share, BTC Yield (the growth rate of BTC per Ordinary Share), and mNAV (the multiple of enterprise value to the market value of net BTC assets). These metrics are continuously monitored.

From October 2025 to December 2025, Bitcoin prices softened, and the market valuation of the Ordinary Shares entered a correction phase, resulting in a decline in mNAV. As a result, the approach of raising capital solely through the issuance of the Ordinary Shares was no longer optimal from the perspective of increasing BTC per Ordinary Share.

In response to these changes in the market environment, the Company swiftly diversified its funding sources away from sole reliance on common equity, in accordance with the Capital Allocation Policy announced on 28 October 2025 (and further amended from time to time).

Specifically, the Company entered into a Bitcoin-collateralised credit facility agreement and executed borrowings thereunder, deploying a leverage strategy that enables continued agile BTC accumulation while avoiding equity dilution.

Furthermore, on 29 December 2025, the Company issued its inaugural Class B Preferred Stock (MERCURY). The Class B Preferred Stock carries a dividend of ¥12.25 per share at the record dates of 31 March, 30 June, 30 September and 31 December (except for the quarterly dividend period ending 31 December 2025, the amount of such dividend shall be ¥0.40 per share). Holders of the Class B Preferred Stock shall receive dividends in priority to holders of Ordinary Shares. Holders of Class B Preferred Stock may request the Company to acquire all or part of their Class B Preferred Stock in exchange for Ordinary Shares. The number of Ordinary Shares to be delivered shall be calculated by dividing the sum of (i) 1,000 yen multiplied by the number of Class B Preferred Stock subject to the put option and (ii) the accumulated but unpaid dividends of Class B Preferred Stock, by conversion price. Moreover, holders of Class B Preferred Stock may request the Company to redeem all (but not part) of their Class B Preferred Stock per share at a redemption amount that is equal to the sum of (i) 1,000 yen, (ii) the accumulated but unpaid dividends of Class B Preferred Stock, and (iii) the amount of the dividends of Class B Preferred Stock calculated on a pro rata daily basis from the first day of the relevant quarter to the date on which the Class B Preferred Stock is redeemed if the Class B Preferred Stock are not listed on the Tokyo Stock Exchange by the 20th trading day following 29 December 2026. Furthermore, the Company may resolve to acquire all (but not part) of the Class B Preferred Stock if their closing price on the Tokyo Stock Exchange exceeds ¥1,300 for 20 consecutive trading days or if the amount obtained by multiplying the number of all outstanding Class B Preferred Stock (excluding Class B Preferred Stock) falls below ¥6.0 billion. The Class B Preferred Stock represents the first such issuance in Japan, embodying an ALM (asset-liability management) framework that matches perpetual capital with Bitcoin—a perpetual asset. Through this issuance, the Company has established a capital-raising vehicle beyond common equity, building a sustainable growth platform that is less susceptible to market conditions.

These initiatives form the core of the Company's "Digital Credit" strategy. Even in periods of market price weakness, the appropriate combination of debt and preferred capital enables the Company to maintain a robust financial foundation and sustained BTC accumulation capacity.

Going forward, the Company will continue to carefully assess mNAV levels and market conditions, selecting and executing the optimal capital instrument—whether common equity, Preferred Stock, or debt—to maximise BTC Yield at any given time. This multi-layered capital structure constitutes the Company's unique competitive advantage in transforming Bitcoin's volatility into medium- to long-term growth opportunities.

Looking ahead to 2026, the Company will further strengthen its sophisticated capital management and allocation capabilities built on Bitcoin, with the aim of achieving sustained growth in corporate value. The Company collectively refers to this new financial domain as "Digital Credit."

Regarding the listing of Preferred Stock, the Company is required to undergo a listing examination following preliminary consultation with the stock exchange. While preliminary consultations have commenced, there is a possibility that listing may not be approved depending on the outcome of the examination. The Company will promptly disclose any material facts as they arise.

Total net sales

Total net sales for the year ended 31 December 2025 increased by ¥7,842 million, or 738.3%, to ¥8,905 million, compared to ¥1,062 million for the year ended 31 December 2024.

Cost of sales

Cost of sales for the year ended 31 December 2025 increased by ¥18 million, or 27.6%, to ¥84 million, compared to ¥66 million for the year ended 31 December 2024, primarily in line with an increase in total net sales.

Gross profit

Gross profit for the year ended 31 December 2025 increased by ¥7,824 million, or 785.5%, to ¥8,820 million, compared to ¥996 million for the year ended 31 December 2024.

Selling, general and administrative expenses

Selling, general and administrative expenses for the year ended 31 December 2025 increased by ¥1,887 million, or 292.2%, to ¥2,533 million, compared to ¥645 million for the year ended 31 December 2024.

Operating profit

Operating profit for the year ended 31 December 2025 increased by ¥5,937 million, or 1,694.5%, to ¥6,287 million, compared to ¥350 million for the year ended 31 December 2024.

Non-operating income

Non-operating income for the year ended 31 December 2025 decreased by ¥5,055million or 89.5%, to ¥595 million, compared to ¥5,650 million for the year ended 31 December 2024.

Non-operating expenses

Non-operating expenses for the year ended 31 December 2025 increased by ¥103,017 million to ¥103,025 million, compared to ¥8 million for the year ended 31 December 2024.

Profit (loss) before income taxes

The Group recorded a loss before income taxes of ¥96,141 million for the year ended 31 December 2025, compared to profit before income taxes of ¥6,393 million for the year ended 31 December 2024, a deterioration of ¥102,535 million.

Income taxes

Income taxes for the year ended 31 December 2025 decreased by ¥3,049 million, to a net tax benefit of ¥1,095 million, compared to a tax expense of ¥1,953 million for the year ended 31 December 2024.

Profit (loss)

The Group recorded a net loss of ¥95,046 million for the year ended 31 December 2025, compared to net profit of ¥4,439 million for the year ended 31 December 2024, a deterioration of ¥99,486 million.

Profit (loss) attributable to owners of parent

The loss attributable to owners of the parent for the year ended 31 December 2025 was ¥95,046 million, compared to profit attributable to owners of the parent of ¥4,439 million for the year ended 31 December 2024, a deterioration of ¥99,486 million.

Operating Results by Reportable Segment

Bitcoin Related Business

As of 31 December 2025, the Company recorded ¥102,188 million in Bitcoin valuation losses as non-operating expenses, reflecting the decline in Bitcoin prices at that point. These valuation losses represent accounting mark-to-market adjustments reflecting temporary price movements at the end of each quarter, and do not have a direct impact on the Company's cash flows or business operations.

Meanwhile, the Company's BTC Treasury operations have achieved steady growth throughout FY2025, unaffected by such short-term price fluctuations. BTC holdings reached 35,102 BTC as of the end of December 2025, a substantial increase from 1,762 BTC as of the end of December 2024.

The Group prepares the financial statements of its overseas subsidiaries, including its U.S. subsidiaries, in U.S. dollars. Bitcoin acquisition costs are likewise recognised in U.S. dollars at each overseas subsidiary, with fair value measured at the end of each reporting period. Bitcoin valuation gains and losses at overseas subsidiaries are first determined in U.S. dollars, and are then translated into Japanese yen using the period-average exchange rate for consolidation purposes under Japanese GAAP. Consequently, Bitcoin valuation gains and losses as reported in yen reflect not only changes in Bitcoin prices but also the indirect impact of foreign exchange rate movements.

In addition, the Company continues to transfer funds from Japanese yen to U.S. dollars (including through capital injections) in the course of its operations and Bitcoin acquisitions. Given the recent depreciation of the yen against the U.S. dollar, exchange differences arising on these U.S. dollar-denominated assets and liabilities are recorded in other comprehensive income as foreign currency translation adjustments.

As a result, the consolidated statement of income reflects Bitcoin valuation losses attributable to the decline in Bitcoin prices of ¥102,188 million, while the consolidated statement of comprehensive income reflects foreign currency translation adjustments due to yen depreciation of ¥19,303 million. These items arise under the same foreign exchange environment and, in economic substance, partially offset one another. Taking these factors together, the effective decrease in BTC NAV recorded as a fixed asset on the Company's balance sheet during the period was approximately ¥82 billion.

Furthermore, BTC Yield (the growth rate of BTC per Ordinary Share on a fully diluted basis) reached 568% for the full year 2025, and the Company believes that its capital strategy and BTC acquisition strategy have delivered results exceeding initial plans.

While short-term accounting valuation gains and losses may arise, the Company's medium- to long-term BTC accumulation and capital strategy continue to progress steadily.

Segment net sales of the Bitcoin-related business for the year ended 31 December 2025 were ¥8,468 million (¥622 million for the year ended 31 December 2024). Segment profit was ¥7,191 million (¥622 million for the year ended 31 December 2024).

Hotel Business

The Hotel Business continued to operate steadily during the year ended 31 December 2025, supported by stable operations across the Group's hotel properties. As a result, segment net sales increased compared with the previous year, while segment profitability improved significantly, with the business returning to profit from a loss in the prior year. The Company continues to focus on maintaining stable hotel operations and improving operating efficiency.

Segment net sales of the Hotel Business was ¥436 million for year ended 31 December 2025 (¥370 million for the year ended 31 December 2024) and segment profit of ¥169 million for the year ended 31 December 2025 (a loss of ¥91 million for the year ended 31 December 2024).

Financial Condition

Consolidated Balance Sheet as of 30 June 2026 compared to the Consolidated Balance Sheet as of 31 December 2025

Total assets as of 30 June 2026 decreased by ¥87,109 million, or 17.2%, to ¥418,177 million, compared to ¥505,286 million as of 31 December 2025.This was primarily due to decreases of ¥15,799 million in total current assets and ¥71,744 million in total non-current assets. Total current assets decreased mainly due to decrease of ¥14,642 million in USDC (USD Stablecoin). Total non-current assets decreased mainly due to decreases of ¥57 million in intangible assets and ¥71,992 million in Bitcoin, partially offset by an increase of ¥20 million in property, plant and equipment.

Total liabilities as of 30 June 2026 increased by ¥30,598 million, or 65.5%, to ¥77,292 million, compared to ¥46,694 million as of 31 December 2025.This was primarily due to an increase of ¥31,036 million in total current liabilities. Total current liabilities increased mainly due to an increase of ¥23,649 million in short-term borrowings and ¥8,000 million in current portion of bonds payable, partially offset by decreases of ¥57 million in income taxes payable and ¥555 million in other current liabilities.

Total net assets as of 30 June 2026 decreased by ¥117,708 million, or 25.7%, to ¥340,884 million, compared to ¥458,592 million as of 31 December 2025. This was mainly attributable to the recording of an interim net loss attributable to owners of the parent of ¥182,774 million, partially offset by an increase of ¥27,481 million in share capital resulting from the issuance of new shares of ¥26,519 million and the exercise of Stock Acquisition Rights of ¥961 million; an increase of ¥27,182 million in capital surplus resulting from increases of ¥26,519 million from the issuance of new Ordinary Shares and ¥961 million from the exercise of Stock Acquisition Rights, partially offset by dividends of ¥298 million on Class B Preferred Stock; and an increase of ¥9,863 million in foreign currency translation adjustment.

Consolidated Balance Sheet as of 31 December 2025 compared to Consolidated Balance Sheet as of 31 December 2024

Total assets as of 31 December 2025 increased by ¥474,961 million, or 1,566.2%, to ¥505,286 million, compared to ¥30,325 million as of 31 December 2024. This was primarily due to an increase of ¥15,483 million

in total current assets, ¥17 million in total property, plant and equipment, ¥1,435 million in intangible assets and ¥455,141 million in total investments and other assets. Total current assets increased mainly due to an increase of ¥14,892 million in USDC (USD Stablecoin), partially offset by a decrease of ¥1,951 million in deposits paid.

Total liabilities as of 31 December 2025 increased by ¥33,334 million, or 249.5%, to ¥46,694 million, compared to ¥13,359 million as of 31 December 2024. This was primarily due to increases of ¥34,447 million in total current liabilities, partially offset by decrease of ¥1,113 million in total non-current liabilities. Total current liabilities increased primarily due to a decrease in current portion of bonds payable of ¥11,250 million, offset by increases in short-term borrowings of ¥43,836 million, income taxes payable of ¥396 million, and other current liabilities of ¥1,463 million.

Total net assets as of 31 December 2025 increased by ¥441,626 million, or 2,603.0%, to ¥458,592 million, compared to ¥16,965 million as of 31 December 2024. This was primarily attributable to the recording of net loss attributable to owners of the parent of ¥95,046 million, offset by increases in capital surplus of ¥517,243 million and foreign currency translation adjustments of ¥19,303 million.

Liquidity and Capital Resources

Cash Flows in the year ended 31 December 2025 compared to the Cash Flows in the year ended 31 December 2024

Net cash provided by operating activities in the year ended 31 December 2025 amounted to ¥6,618 million, compared to ¥623 million in the year ended 31 December 2024. The principal factors were profit (loss) before income taxes of ¥(96,141) million, depreciation of ¥61 million, Bitcoin valuation losses (gains) of ¥102,188 million, and other items of ¥632 million.

Net cash used in investing activities in the year ended 31 December 2025 amounted to ¥554,395 million, compared to ¥23,452 million in the year ended 31 December 2024. The principal factors were purchase of Bitcoin of ¥(541,607) million, purchase of property, plant and equipment of ¥(34) million, purchase of intangible assets of ¥(698) million, increase in USD Coin of ¥(14,535) million, and decrease in deposits paid of ¥2,486 million.

Net cash provided by financing activities in the year ended 31 December 2025 amounted to ¥544,221 million, compared to net cash provided by financing activities of ¥22,570 million in the year ended 31 December 2024. The principal factors were proceeds from short-term borrowings of ¥41,806 million, proceeds from issuance of bonds of ¥96,379 million, redemption of bonds of ¥(108,161) million, proceeds from issuance of shares of ¥513,430 million, proceeds from issuance of share acquisition rights of ¥310 million, proceeds from disposal of treasury stock of ¥498 million, and purchase of treasury stock of ¥(18) million.

As a result, cash and cash equivalents as of 31 December 2025 amounted to ¥2,552 million, representing an increase of ¥2,258 million, or 767.6%, compared to cash and cash equivalents of ¥294 million as of 31 December 2024.

Funding

We seek to utilise innovative financial strategies that combine various types of debt and equity issuances. We have raised capital through the issuance of Ordinary Shares (including upon exercise of moving strike warrants), corporate bonds, borrowings under our Bitcoin-collateralised credit facility and, since December 2025, Class B Preferred Stock, and, upon completion of the offering of the Bonds, the Bonds. In late July 2026, through Metaplanet Securities, the Company launched and completed the private placement of its first bond issuance under the "BitBonds" concept. We regard this as a first step toward future bond issuances as part of a continuing funding strategy. Going forward, we plan to explore financing options such as the issuance of additional Preferred Stock. Under our Capital Allocation Policy announced on 28 October 2025, we select among Ordinary Shares, Preferred Stock, debt and repurchases of Ordinary Shares by reference to, among other things, prevailing mNAV, liquidity requirements and the expected effect on bitcoin per Ordinary Share. When the Ordinary Shares trade below 1.0x mNAV, we may prioritise repurchases of Ordinary Shares and the repayment of borrowings over the issuance of Ordinary Shares. See "Use of Proceeds".

As of 31 December 2025 and 30 June 2026, the Group's short-term borrowings amounted to ¥43,836 million and ¥67,486 million, respectively, and the Group's total non-current liabilities amounted ¥852 million and ¥414 million, respectively.

BUSINESS

The Company is a fast-growing bitcoin treasury company based in Japan with a strong track record of rapid bitcoin accumulation. As of 30 June 2026, the Company's bitcoin holdings totalled 43,000 BTC. This ranks the Company the third globally and first in Asia among publicly listed companies' bitcoin holdings. In April 2024, the Company executed a strategic transformation of its business by adopting a bitcoin treasury strategy, establishing bitcoin as its core treasury reserve asset. Since adopting a bitcoin treasury strategy, the Company has rapidly grown its bitcoin reserves from an initial purchase of 97.85 bitcoin in April 2024 to 43,000 bitcoin as of 30 June 2026.

The Company's Bitcoin Treasury Business segment has been its principal line of business since it executed strategic transformation in April 2024. In its Bitcoin Treasury Business segment, the Company strategically accumulates and manages bitcoin in order to create long-term value for its shareholders. In addition, the Company engages in bitcoin derivatives transactions including the sale of cash-secured bitcoin put options, which the Company refers to as its bitcoin income generation business, in order to generate income and cash to support the Company's operations. In addition, in its hotel business segment, the Company manages one commercial real estate holding, Hotel Royal Oak Gotanda, as a legacy of its previous focus on hotel operations under the hotel business.

The Company believes that it has significant competitive advantages in expanding its bitcoin holdings due to unique aspects of the regulatory and market environment in Japan, including tax advantages for individuals investing in its shares compared to holding bitcoin directly, eligibility of its shares in tax-advantaged accounts, the non-existence of bitcoin ETPs in Japan and low-yield environment that creates opportunities for us to address investor demand for higher returns. The Company also believes that its unique bitcoin income generation business leveraging its management's derivatives expertise differentiate the Company from other bitcoin-focused companies.

The Company aims to continue to grow its bitcoin reserves by acquiring bitcoin with funds raised through innovative financing strategies. To the extent that the Company can continue to finance purchases of bitcoin through Ordinary Share issuances that result in accretion to bitcoin per Ordinary Share, the Company will aim to continue to pursue equity financing. In addition, the Company is also positioned to employ other financing options, such as Preferred Stock, which can provide flexibility at a stage when acquiring bitcoin through Ordinary Share issuances becomes less accretive to bitcoin per Ordinary Share.

For the year ended 31 December 2025 and the six months ended 30 June 2026, the Group recorded total net sales of ¥8,905 million and ¥4,944 million, operating profit of ¥6,287 million and ¥3,331 million, and Net profit/(loss) attributable to owners of the parent of ¥(95,046) million and ¥(182,774) million, compared to total net sales of ¥1,062 million and ¥2,116 million, operating profit of ¥350 million and ¥1,409 million, and profit attributable to owners of parent of ¥4,439 million and ¥6,059 million, for the same periods of the previous year.

The Company is incorporated under Japanese law with limited liability as a joint stock corporation (*kabushiki gaisha*). The Company's registered head office is located at Roppongi Hills Mori Tower 16F 6-10-1 Roppongi, Minato-ku, Tokyo 106-6116, Japan.

The Ordinary Shares are listed on the Standard Market of the Tokyo Stock Exchange under the securities code "3350".

Our Mission

Our mission is to pursue the following six core initiatives:

1. to acquire and hold bitcoin securely as a long-term reserve asset, driving lasting value for our shareholders;

2. to continue to increase our bitcoin per Ordinary Share at a rapid pace, with such pace measured as BTC yield (see "—Our Bitcoin Treasury Business—BTC Yield and BTC Gain") as a key performance indicator, aiming to provide accretive value for shareholders even as we expand our issued Ordinary Shares;

3. to treat all investors with transparency, fairness and respect, ensuring trust and alignment in everything we do;

4. to structure our company to deliver returns that outperform bitcoin over the long term, through disciplined management and intelligent leverage;

5. to grow bitcoin holdings continually and strategically, adapting to market dynamics and seizing opportunities as they arise; and

6. to educate and advocate for bitcoin adoption in Japan, fostering greater awareness and engagement across individuals and businesses.

In our pursuit of these initiatives, we draw upon decades of expertise, with roots deeply embedded in Japan and a team of seasoned professionals with extensive experience in finance, trading and real estate.

Strategic Rationale for Adoption of Bitcoin Treasury Business

Global fiat currencies face structural challenges stemming from unprecedented monetary expansion, rising government debt burdens, and persistent inflationary pressures. Against this backdrop, Japan represents an especially acute case: the country has consistently had among the highest gross government debt-to-GDP ratio in the developed world. Furthermore, while the Bank of Japan ("BoJ") began implementing a negative interest rate policy in 2016, despite a series of hikes in 2024 and 2025, has only raised its policy rate from negative 0.1% to 0.75% in December 2025 and further increased to the current 1.25% in 2026. In part as a result of these policies, the Japanese yen has weakened significantly, depreciating by over 30% against the U.S. dollar between 2015 and 2025, based on the average annual exchange rate published by the BoJ.

In response to both the global weaknesses of fiat currencies and Japan's specific macroeconomic challenges, in April 2024 we made a strategic decision to pivot our treasury strategy to bitcoin. We focused on a number of complementary strategies designed to be accretive on a per-Ordinary Share basis in bitcoin terms. This decision was driven both by the need to mitigate yen currency risks associated with Japan's fiscal policies and by the opportunity to capitalise on the broader monetisation process of bitcoin, which we see as becoming steadily entrenched across corporate and sovereign balance sheets worldwide.

As we believe the yen and other fiat currencies may continue to weaken, bitcoin offers a non-sovereign store of value that has, and may continue, to appreciate against traditional currencies. While various forms of bitcoin exposure exist globally, including direct spot exposure and ETFs/ETPs available in some markets, we have implemented a bitcoin reserve strategy as a public operating company. This gives us optionality unavailable to many global investors, including the potential for accretive financing in the capital markets to acquire additional bitcoin exposure should the opportunity arise in public capital markets using debt, equity, or other instruments. Leveraging what we view as an attractive opportunity in the Japanese capital markets, we intend to acquire bitcoin primarily through the issuance of equity in Japanese yen when the opportunity arises, and we seek to expand our capital raising activities going forward, including through further issuances of Preferred Stock paying dividends in Japanese yen.

We view bitcoin as fundamentally distinct from all forms of political currency, traditional stores of value, and other crypto assets. Bitcoin is an absolutely scarce digital synthetic monetary commodity, with no central issuer. The bitcoin protocol limits the total number of bitcoins that can ever be generated to 21 million. We believe that bitcoin's monetary policy is effectively set in stone through roughly 2140 (when the last bitcoin is expected to be mined), setting it apart from both monetary metals and competing crypto projects operated at the discretion of centralised developer teams.

History

We were originally established in 1999 and engaged in music-related business. In 2004, the Ordinary Shares were listed on JASDAQ (which subsequently transitioned into a listing on the Tokyo Stock Exchange). We entered into the hotel and real estate business in 2013 and subsequently changed our name to Red Planet Japan, Inc. We expanded our hotel business to include hotels located in various markets in Asia, including Japan and Southeast Asia. During the COVID-19 pandemic, our hotel business experienced financial difficulties due to the rapid decline in tourism that severely affected the hospitality industry globally. As a result of the difficult business environment, we divested a large portion of our hotel-related assets starting in 2022, retaining only one hotel property located in Gotanda, Tokyo. As we transitioned away from our hotel business, we engaged in certain Web3 and Metaverse related businesses that have since been suspended.

In 2023, we changed our name to Metaplanet Inc., and in April 2024 we implemented a strategic shift to a bitcoin treasury strategy, establishing bitcoin as our core reserve asset. We began accumulating our bitcoin

reserves since this strategic shift. We filed for bankruptcy of Red Planet Hotels Japan, Inc., a hotel operating subsidiary in Japan, in 2024. In 2025, we established two wholly owned subsidiaries in the U.S. to organise and engage in bitcoin accumulation and related treasury operations, for which our Board of Directors approved potential capital contributions of up to US$5 billion.

In December 2025, we issued our inaugural Class B Preferred Stock (MERCURY). In March 2026, following approval at our annual general meeting of shareholders, we transitioned to a company with a nominating committee, etc. (*shimei iinkai tou secchi kaisha*) under the Companies Act, separating supervision from execution. In July 2026, we acquired Metaplanet Securities and launched our first BitBonds issuance, and in August 2026 we resolved to acquire, through our U.S. subsidiary, a controlling interest in Super League Enterprise, Inc. (to be renamed Superplanet, Inc.). In September 2026, we resolved to establish Metaplanet Asset Management Asia Limited in Hong Kong. See "Recent Business—Overview of Operating Results—Recent Developments".

Our Strengths

Largest Bitcoin Holder Publicly Listed in Asia with Track Record of Rapid Growth

Since adopting our bitcoin treasury strategy in April 2024 with an initial purchase of 97.85 bitcoin, we have achieved a strong track record of rapid growth in our bitcoin holdings, which were 44,000 bitcoin as of 30 September 2026. Bitcoin holdings per 1,000 Effective Diluted Ordinary Shares Outstanding (see "—Our Bitcoin Treasury Business—BTC Yield and BTC Gain") rose from 0.0240486 BTC as of 31 December 2025 to 0.0293312 BTC as of 30 September 2026, representing an increase of 22.0%, reflecting in part the modifications to the 10th Series Stock Acquisition Rights in August and September 2026. This metric has increased in every quarter since the strategy's adoption, for a cumulative increase of approximately 47.3 times since inception. According to publicly available information, we believe that the Company ranks the second globally and first in Asia among publicly listed companies' bitcoin holdings as of 30 September 2026.

We believe that the bitcoin market is currently experiencing a "gold rush" as an increasing number of corporations, including other bitcoin treasury companies, seek to acquire bitcoin. Under these conditions, we believe we have a strong position as one of the first movers globally with a strong track record and established scale, creating the potential for us to continue to scale faster in terms of the absolute size of our bitcoin holdings than newly emerging competitors. Because the total supply of bitcoin is limited, to the extent our competitors and other market participants also seek to buy and hold bitcoin over the long term, we believe our early lead, demonstrated platform of fundraising from the capital markets and commitment to continue to grow our bitcoin holdings create potential for us to remain one of the largest publicly listed holders going forward.

In addition, as we believe we are seen as one of the market leaders among bitcoin treasury companies, we believe we may be unique in Japan in possessing the scale and prominence to raise funds through less traditional financing arrangements that may further drive acquisitions of bitcoin that are accretive to our bitcoin per Ordinary Share, including Preferred Stock with dividend rights.

As a result, as of 30 June 2026, the number of our registered shareholders of the Ordinary Shares has exceeded 243,700, which has increased by 12.5% since 31 December 2025. This figure likely underestimates the true number of shareholders, as a large percentage of the Ordinary Shares are now held through foreign securities firms like National Financial Services, Charles Schwab and Interactive Brokers, where multiple shareholders are combined under a single name on our shareholder register, demonstrating the strong support we have gained from overseas investors.

Positioned to Capture Investor Demand by Providing Unique Value to Japanese Investors

As the largest bitcoin treasury company in Japan in terms of bitcoin holdings, we are positioned to provide unique value to Japanese investors seeking to gain bitcoin exposure due to a variety of "arbitrage"-like advantages of holding the Ordinary Shares, rather than spot bitcoin, based on current regulations in Japan. We accordingly believe that our incorporation and stock exchange listing in Japan support robust investor demand for the Ordinary Shares, including among overseas investors, and create attractive financing opportunities for us. These key advantages include:

- *Preferential tax regime*. For individuals in Japan, it is expected from 1 January 2028, capital gains on crypto assets held by individuals are expected to become subject to separate self-assessed taxation at 20.315%, in place of progressive tax rates. However, now for individuals in Japan realised gains and losses on spot bitcoin are taxed as "miscellaneous income," which is aggregated

with earned income and taxed at the individual's marginal rate, which can be potentially over 55%. In addition, gains and losses on spot bitcoin cannot offset capital gains or losses, and losses cannot be carried forward to future tax years. In contrast, capital gains tax on Japanese listed shares is approximately 20.3%, gains and losses can offset those of other capital investments, and losses can be carried forward to future tax years.

- *Eligibility for tax-advantaged accounts*. The Nippon Individual Savings Account ("NISA") programme is a form of tax-advantaged savings available to Japanese individual investors. As of 31 December 2025, there were approximately 26.9 million NISA accounts, and the amount of purchases through NISA accounts was more than ¥18 trillion in 2025, according to the Financial Services Agency of Japan. Japanese individual investors can invest in the Ordinary Shares through NISA accounts but cannot currently invest in spot bitcoin or spot bitcoin ETPs (as discussed below).

- *No availability of spot bitcoin ETPs*. Because spot bitcoin ETPs are generally available through ordinary brokerage accounts, they can broaden bitcoin exposure to investors who are unable or unwilling to purchase spot bitcoin through digital assets exchanges. However, spot bitcoin ETPs are not currently permitted to be domiciled in Japan, and foreign-domiciled bitcoin ETPs are generally unavailable through brokerage accounts of Japanese individual investors. Although the amendments to the FIEA and the PSA enacted in July 2026 (see "Recent Business—Overview of Operating Results—Regulatory Change in Japan and Domestic Business Opportunities") may facilitate the future introduction of bitcoin ETPs in Japan, no such products were available as of the date of this Offering Circular.

- *Depth of household savings and limited availability of yield products. Although domestic interest rates have risen materially since 2025, we believe that Japanese interest rates remain relatively low compared with those of other major economies, and that the depth of household savings and the limited availability of higher-yielding investment products in Japan provide opportunities* for us to raise funds by accessing demand for fixed-income products with relatively higher yields, such as through issuances of Preferred Stock. See "—Our Strategies—Employ Leverage and Non-Common-Equity Funding for Accretive Bitcoin Acquisitions." In addition, we believe we have been able to acquire bitcoin using yen-based debt and other funding at low cost due in part to Japan's relatively low interest rate environment, and lower interest rates than those generally available to individual investors for spot bitcoin purchases.

For the above reasons, among other generally applicable factors such as our access to best-in-class custody arrangements due to the negotiating strength derived from our large scale, Japanese individual investors seeking exposure to bitcoin may prefer to invest in the Ordinary Shares instead of spot bitcoin or other methods of gaining bitcoin exposure currently available. See "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—The availability of spot ETPs for bitcoin and other digital assets may adversely affect the market price of the Ordinary Shares," and "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—We face risks relating to the custody of our bitcoin, including the loss or destruction of the private keys associated with our bitcoin and cyberattacks or other data loss relating to our bitcoin."

Unique Bitcoin Income Generation Strategy

We require a certain amount of cash flow for our ongoing operations, and we have issued dividend-paying Preferred Stock to finance future bitcoin acquisitions and optimise our BTC yield. Because we in principle do not intend to sell our bitcoin holdings absent extraordinary circumstances, starting in the fourth quarter of 2024, we have implemented a synergistic method to generate revenue from bitcoin derivatives transactions.

Our bitcoin-based revenue generation strategy principally involves selling cash-secured put options on bitcoin, with strike prices set near prevailing spot prices at the time of the option sale. As we otherwise seek to use all of our available cash for bitcoin purchases, we view these put option sales as a way to generate revenue while positioning ourselves to acquire bitcoin at levels we view as attractive if bitcoin's market price declines. As we see it, even if bitcoin's market price decreases and the option is exercised, we were able to purchase bitcoin at the strike price, which we would have otherwise done on the contract date with the cash used to secure the option. Moreover, we receive option premiums whether or not the options are exercised. Based on our management's expertise with derivatives markets, we believe this is an attractive method to generate revenue and cash that many other bitcoin-related business may find difficult to replicate.

In the six months ended 30 June 2026, we recorded segment net sales of the Bitcoin-related business of ¥4,742 million. This consisted primarily of ¥4,583 million in option premiums received on Bitcoin derivatives and ¥143 million in valuation gains of Bitcoin derivatives, while our selling, general and administrative expenses for such period were only ¥1,579 million. As we believe we can continue to scale revenue from this business exceeding our currently contemplated operational cash needs, we aim for it to be a key support for our funding strategies going forward, which include the payment of fixed dividends under Preferred Stock.

Execution by Experienced Management

Our senior management has extensive experience in the financial industry, which we believe has supported our growth to date, including our nascent bitcoin income generation business discussed above, and will continue to distinguish us from many of our competitors. In particular, Simon Gerovich, our Director and Representative Executive Officer, President & CEO, formulated and led our strategic shift to a bitcoin treasury strategy, and uses his prior experience as an equity derivatives trader at Goldman Sachs to guide the success of our income generation strategies. Dylan LeClair, our Head of Bitcoin Strategy, brings extensive experience as a thought leader in cryptocurrency, and previously played a key role in acquisition strategies at UTXO Management, a bitcoin focused hedge fund. The other members of our management team also bring a diverse range of experience in finance and other industries.

Our Strategies

Continue to Accumulate Bitcoin through Expanded Use of Yen Financing Methods

As discussed in "—Our Strengths—Largest Bitcoin Holder Publicly Listed in Asia with Track Record of Rapid Growth" above, we believe maintaining and enhancing our position as one of the largest public bitcoin treasury companies will continue to drive shareholder value going forward. We intend to capitalise on the strengths discussed above to continue to rapidly acquire bitcoin. Specifically, our current aim is to acquire 210,000 bitcoin by the end of 2027, or 1% of bitcoin's generation limit, while continuing to increase our bitcoin per Ordinary Share. We view this figure as a minimum we aim to attain by the end of 2027, and to the extent financing is available to us on attractive terms, we will seek to acquire bitcoin to the extent possible even in excess of our goal. Our pace of bitcoin acquisition is, however, subject to our Capital Allocation Policy: during periods in which the Ordinary Shares trade below 1.0x mNAV, as has been the case in recent months, we may prioritise repurchases of Ordinary Shares and the repayment of borrowings over additional bitcoin acquisitions. We acquired 1,000 bitcoin during the three months ended 30 September 2026.

We aim to raise the substantial funds necessary to reach our goal through expanded use of yen-denominated financing methods. We intend to continue to issue Ordinary Shares, including in connection with moving strike warrants, to tap Japan's robust equity markets. However, expanding our financing methods used to date, we also aim to make significant use of fixed income markets through Preferred Stock. This could allow us to reach other large sources of potential demand for our securities, as Japanese households hold approximately ¥1,126 trillion in cash and deposits, equivalent to 47.2% of total financial assets of ¥2,386 trillion as of 31 March 2026 according to the BoJ.

Employ Leverage and Non-Common-Equity Funding for Accretive Bitcoin Acquisitions

Our mNAV has declined, and the Ordinary Shares have recently traded at levels below 1.0x mNAV, such that financing bitcoin purchases through Ordinary Share issuances has become relatively less accretive in terms of bitcoin per Ordinary Share. We have therefore begun to intelligently employ financial leverage—including borrowings under our Bitcoin-collateralised credit facility—and other non-common-equity funding sources to diversify our funding and increase our BTC yield. Fixed-income instruments could potentially allow us to capture demand from Japanese investors with limited options for generating yield at a lower cost of funding than our overseas competitors. Japan's government bond yields are lower (and generally significantly so) compared to those of major economies such as the United States, Germany and the United Kingdom across the entire yield curve, which also has a strong influence on the interest rates of corporate debt and debt-like financings denominated in yen.

We have taken steps to enable the issuance of two classes of dividend-paying Preferred Stock with relatively debt-like terms, including introducing shareholder proposals to authorise the two classes of Preferred Stock and the filing of a registration statement in Japan. Subject to consideration by parties such as the TSE, we believe the contemplated issuance and listing of these classes of Preferred Stock could enable us to make substantial additional acquisitions of bitcoin, while having a relatively larger impact on our bitcoin per Ordinary

Share compared to Ordinary Share issuances. Our Articles of Incorporation limit the yen-denominated dividends payable on the Class A Preferred Stock to the levels, while the Class B Preferred Stock issued in December 2025 carries a dividend of ¥12.25 per share at the record dates of 31 March, 30 June, 30 September and 31 December. To manage risk, we intend to limit the issuance of such Preferred Stock to no more than 25% of our bitcoin NAV at the time of issuance. As discussed in "—Our Strengths—Unique Bitcoin Income Generation Strategy," we believe our bitcoin income generation business could be capable of generating the requisite cash flow to support such dividends. We are seeking the public listing of the Class B Preferred Stock, and we may also seek to list the Class A Preferred Stock on the TSE in the future. However, holders of Class B Preferred Stock may request the Company to redeem all (but not part) of their Class B Preferred Stock at a prescribed redemption amount if the Class B Preferred Stock are not listed on the Tokyo Stock Exchange by the 20th trading day following 29 December 2026.

Given our prominence as the largest bitcoin treasury company in Japan and Asia, we believe we are well-positioned to pioneer these and other expanded methods of financing going forward, with the goal of transforming Japan's fixed income financing market. In addition, we could consider other forms of debt financing such as convertible bonds depending on our assessment of available financing options and investor demand.

Promoting Further Revised Capital Allocation Policy and Net Interest Income Strategy

We established our Capital Allocation Policy (the "Policy") in October 2025 to promote our core strategy of actively expanding our Bitcoin holdings through capital raised via issuance of Ordinary Shares and Preferred Stock, along with the use of ordinary bonds and a dynamic credit facility. On 5 October 2026, we announced further revisions to the Policy, particularly involving the addition of "Policy on Asset Allocation", based on the following four core principles, to the existing "Policy on Capital Raising".

1. *Basic Allocation with Bitcoin as the Core Asset* – We will continue to position Bitcoin as our most important treasury reserve asset, and as a general principle will hold approximately 85% to 90% of total assets in Bitcoin. We will also continue to pursue the maximisation of BTC Yield.

2. *Establishment of a Strategic Investment Allocation (Approximately 10% to 15% of Total Assets)* – We will allocate approximately 10% to 15% of our total assets to (i) M&A that contributes to building a Bitcoin-based financial platform, (ii) investments in income-generating assets under the Net Interest Income Strategy (as discussed below), and (iii) investments in asset management business that we intend to develop.

3. *Approach to Asset-Liability Management (ALM) for the Strategic Investment Allocation* – Funds allocated to the strategic investment allocation will generally be raised through financing that is non-dilutive to holders of Ordinary Share, such as corporate bonds (BitBonds), borrowings, Bitcoin-collateralised credit facilities and perpetual Preferred Stock; we position the investment of these funds in income generating assets as the "Net Interest Income Strategy" (as discussed below).

4. Enhancement of Credit Quality Through Balance Sheet Strategy – We will seek to enhance our credit quality by (i) demonstrating that its Bitcoin holdings can in fact be sold and converted into cash as required and (ii) demonstrating the capacity to generate recurring yield (income and cash flow) from assets other than Bitcoin, including the investment assets held under the strategic investment allocation.

Under the Net Interest Income Strategy, we will raise capital through our liability sources, namely Bitcoin-collateralised credit facilities, perpetual Preferred Stock and corporate bonds, and invest the proceeds in income-generating assets whose yield exceeds our cost of capital on those sources. The resulting net interest margin is intended to provide stable, recurring income. We will invest only where the expected yield, net of credit risk, exceeds our all-in cost of capital by an appropriate margin. We will also manage the maturities, cash flows and currency of the assets against those of the related liabilities, and will treat net interest margin as the key performance indicator for the strategy. Income generated by the Net Interest Income Strategy will be applied to servicing the related liabilities, including Preferred Stock dividends and bond interest, and to further strengthening our financing capacity, ultimately supporting additional Bitcoin acquisition and growth in Bitcoin holdings per Ordinary Share.

Through the disciplined execution of the further revised Policy, we will pursue enhancement of credit quality through stronger cash flow generation in addition to the existing aims of maximisation of long-term corporate value, maximisation of BTC Yield (the rate of increase in BTC holdings per Ordinary Share) and enhancement of mNAV.

The strategies described above, including our bitcoin acquisition plans, constitute forward-looking statements and are based on various assumptions and beliefs. Many of these assumptions and beliefs relate to matters that are outside of our control, including factors affecting the business and economic environment. These and other unanticipated events and circumstances could affect our ability to achieve the plans set forth above. As a result, we cannot and do not make any representation or assurance as to the achievability of these plans or whether our underlying assumptions are appropriate. You should be aware that actual results may vary, potentially materially, from the above forward-looking statements. See "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings" and "Forward-Looking Statements."

Overview of the Bitcoin Industry and Market

Bitcoin is a digital asset that is issued by and transmitted through an open-source protocol, known as the bitcoin protocol, collectively maintained by a peer-to-peer network of decentralised user nodes. This network hosts a public transaction ledger, known as the bitcoin blockchain, on which bitcoin holdings and all validated transactions that have ever taken place on the bitcoin network are recorded. Balances of bitcoin are stored in individual "wallet" functions, which associate network public addresses with one or more "private keys" that control the transfer of bitcoin. The bitcoin blockchain can be updated without any single entity owning or operating the network.

Creation of New Bitcoin and Limits on Supply

The bitcoin protocol limits the total number of bitcoins that can be generated over time to 21 million. As of 2 October 2026, approximately 20.1 million bitcoins have been generated. New bitcoins are created and allocated by the bitcoin protocol through a "mining" process that rewards users that validate transactions in the bitcoin blockchain. Validated transactions are added in "blocks" approximately every 10 minutes. The mining process serves to validate transactions and secure the bitcoin network. Mining is a competitive and costly operation that requires a large amount of computational power to solve complex mathematical algorithms. This expenditure of computing power is known as "proof of work."

To incentivize miners to incur the costs of mining bitcoin, the bitcoin protocol rewards miners that successfully validate a block of transactions with newly generated bitcoin. The current reward for miners that successfully validate a block of transactions is 3.125 bitcoin per mined block. The mining reward is reduced by half, which is referred to as a bitcoin halving, after every 210,000 blocks are mined. This has historically occurred approximately every four years. The most recent bitcoin halving occurred in April 2024, and the next bitcoin halving is expected to occur sometime in 2028.

Modifications to the Bitcoin Protocol

Bitcoin is an open-source network that has no central authority, so no one person can unilaterally make changes to the software that runs the network. However, there is a core group of developers that maintains the code for the bitcoin protocol, and they can propose changes to the source code and release periodic updates and other changes. Unlike most software that has a central entity that can push updates to users, bitcoin is a peer-to-peer network in which individual network participants, called nodes, decide whether to upgrade the software and accept the new changes. As a practical matter, a modification becomes part of the bitcoin protocol only if the proposed changes are accepted by participants collectively having more than 50% of the processing power, known as hash rate, on the network. If a certain percentage of the nodes reject the changes, then a "fork" takes place, and participants can choose the version of the software they want to run.

Forms of Attack Against the Bitcoin Network and Wallets

Blockchain technology has many built-in security features that make it difficult for hackers and other malicious actors to corrupt the protocol or blockchain. However, as with any computer network, the bitcoin network may be subject to certain attacks. Some forms of attack include unauthorised access to wallets that hold bitcoin and direct attacks, like "51% attacks" or "denial-of-service attacks" on the bitcoin network.

Bitcoin is controllable only by the possessor of both the unique public key and private key(s) relating to the local or online digital wallet in which the bitcoin is held. Private keys used to access bitcoin balances are not

widely distributed and are typically held on hardware (which can be physically controlled by the holder or by a third party such as a custodian) or via software programmes on third-party servers. One form of obtaining unauthorised access to a wallet occurs following a phishing attack where the attacker deceives the victim and manipulates them into sharing their private keys for their digital wallet or other sensitive information. Other similar attacks may also result in the loss of private keys and the inability to access, and effective loss of, the corresponding bitcoin.

A "51% attack" may occur when a group of miners attain more than 50% of the bitcoin network's mining power, thereby enabling them to control the bitcoin network and protocol and manipulate the blockchain. A "denial-of-service attack" occurs when legitimate users are unable to access information systems, devices, or other network resources due to the actions of a malicious actor flooding the network with traffic until the network is unable to respond or crashes. The bitcoin network has been, and can be in the future, subject to denial-of-service attacks, which can result in temporary delays in block creation and in the transfer of bitcoin.

For further discussion, see "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—If we or our third-party service providers experience a security breach or cyberattack and unauthorised parties obtain access to our bitcoin, or if the private keys associated with our bitcoin are lost or destroyed, or other similar circumstances or events occur, we may lose some or all of our bitcoin and our financial condition and results of operations could be materially adversely affected" and "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—We face risks relating to the custody of our bitcoin, including the loss or destruction of the private keys associated with our bitcoin and cyberattacks or other data loss relating to our bitcoin."

Bitcoin Industry Participants

The primary bitcoin industry participants are miners, investors and traders, digital asset exchanges and service providers, including custodians, brokers, payment processors, wallet providers and financial institutions.

Miners. Miners range from bitcoin enthusiasts to professional mining operations that design and build dedicated mining machines and data centres, including mining pools, which are groups of miners that act cohesively and combine their processing power to mine bitcoin blocks. See "—Creation of New Bitcoin and Limits on Supply" above.

Investors and Traders. Bitcoin investors and traders include individuals and institutional investors who, directly or indirectly, purchase, hold, and sell bitcoin or bitcoin-based derivatives. On 10 January 2024, the Securities and Exchange Commission ("SEC") issued an order approving several applications for the listing and trading of shares of spot bitcoin exchange-traded products ("ETPs") on U.S. national securities exchanges. While the SEC had previously approved exchange-traded funds where the underlying assets were bitcoin futures contracts, this order represented the first time the SEC approved the listing and trading of ETPs that acquire, hold and sell bitcoin directly. ETPs can be bought and sold on a stock exchange like traditional stocks, and provide investors with another means of gaining economic exposure to bitcoin through traditional brokerage accounts.

Digital Asset Exchanges. Digital asset exchanges provide trading venues for purchases and sales of bitcoin in exchange for fiat or other digital assets. Bitcoin can be exchanged for fiat currencies, such as the U.S. dollar, at rates of exchange determined by market forces on bitcoin trading platforms, which are not regulated in the same manner as traditional securities exchanges. We utilise different digital asset exchanges depending on the type and location of the transaction we are carrying out. However, we are not materially dependent on any single trading platform and are actively diversifying across jurisdictions and service providers to mitigate operational risk. In addition to these platforms, over-the-counter markets and derivatives markets for bitcoin also exist. The value of bitcoin within the market is determined, in part, by the supply of and demand for bitcoin in the global bitcoin market, market expectations for the adoption of bitcoin as a store of value, the number of merchants that accept bitcoin as a form of payment, and the volume of peer-to-peer transactions, among other factors. For a discussion of risks associated with digital asset exchanges, see "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—Due to the unregulated nature and lack of transparency surrounding the operations of many bitcoin trading venues, bitcoin trading venues may experience greater fraud, security failures or regulatory or operational problems than trading venues for more established asset classes, which may result in a loss of confidence in bitcoin trading venues and adversely affect the value of our bitcoin."

Service providers. Service providers offer a multitude of services to other participants in the bitcoin industry, including custodial and trade execution services, commercial and retail payment processing, loans secured by bitcoin collateral, and financial advisory services. If adoption of the bitcoin network continues to materially increase, we anticipate that service providers may expand the currently available range of services and that additional parties will enter the service sector for the bitcoin network.

Other Digital Assets

As of the date of this Offering Circular, bitcoin was the largest digital asset by market capitalisation. However, numerous alternative digital assets exist, and many entities, including consortia and financial institutions, are actively researching and investing resources in blockchain platforms and digital assets that utilise consensus mechanisms other than proof-of-work mining, which is employed by the bitcoin network. For example, in late 2022, the Ethereum network transitioned to a "proof-of-stake" mechanism for validating transactions that requires significantly less computing power than proof-of-work mining. Other alternative digital assets that compete with bitcoin in certain ways include "stablecoins," which are designed to maintain a constant price because of their issuers' promise to hold high-quality liquid assets (such as U.S. dollar deposits and short-term U.S. treasury securities) equal to the total value of stablecoins in circulation. Stablecoins have grown rapidly as an alternative to bitcoin and other digital assets as a medium of exchange and store of value, particularly on digital asset trading platforms. As of the date of this Offering Circular, two of the eight largest digital assets by market capitalisation were U.S. dollar-backed stablecoins.

Additionally, central banks in some countries have started to introduce digital forms of legal tender. For example, China's central bank digital currency ("CBDC") project was made available to consumers in January 2022, and governments including the United States and the European Union have discussed the potential creation of new CBDCs. For a discussion of risks relating to the emergence of other digital assets, see "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—Bitcoin is a highly volatile asset, and fluctuations in the price of bitcoin have in the past influenced and are likely to continue to influence the market price of the Ordinary Shares and our financial results," "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—The availability of spot ETPs for bitcoin and other digital assets may adversely affect the market price of the Ordinary Shares" and "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—The emergence or growth of other digital assets, including those with significant private or public sector backing, could have a negative impact on the price of bitcoin and adversely affect our business."

Potential Advantages and Disadvantages of Holding Bitcoin

We believe that bitcoin is an attractive asset because it can serve as a store of value, supported by a robust and public open-source architecture, that is untethered to sovereign monetary policy. We also believe that, due to its limited supply, bitcoin offers the potential to serve as a hedge against inflation in the long-term and, if its adoption increases, the opportunity for appreciation in value.

Bitcoin exists entirely in electronic form, as virtually irreversible public transaction ledger entries on the blockchain, and transactions in bitcoin are recorded and authenticated not by a central repository, but by a decentralised peer-to-peer network. This decentralisation mitigates the risks of certain threats common to centralised computer networks, such as denial-of-service attacks, and reduces the dependency of the bitcoin network on any single system. The decentralisation of user nodes and miners also mitigates the risk of a 51% attack, which would be very costly and difficult to execute with respect to bitcoin because the bitcoin network is open source and widely distributed, and transactions on the blockchain require significant computing power to be validated. However, while the bitcoin network as a whole is decentralised, the private keys used to access bitcoin balances are not widely distributed and are susceptible to phishing and other attacks designed to obtain sensitive information or gain access to password-protected systems. Loss of such private keys can result in an inability to access, and effective loss of, the corresponding bitcoin. Consequently, bitcoin holdings are susceptible to all of the risks inherent in holding any electronic data, such as power failure, data corruption, security breach, communication failure and user error, among others. These risks, in turn, make bitcoin substantially more susceptible to theft, destruction, or loss of value from hackers, corruption, viruses and other technology-specific factors as compared to conventional fiat currency or other conventional financial assets. See "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—If we or our third-party service providers experience a security breach or cyberattack and unauthorised parties obtain access to our bitcoin, or if the private keys associated with our bitcoin are lost or destroyed, or other similar circumstances or events occur, we may lose some or all of our bitcoin and our financial condition and results of operations could be materially adversely affected" and "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—We face risks relating to the custody of our bitcoin, including the loss or destruction of the private keys associated with our bitcoin and cyberattacks or other data loss relating to our bitcoin."

In addition, the bitcoin network relies on open-source developers to maintain and improve the bitcoin protocol. Accordingly, bitcoin may be subject to protocol design changes, governance disputes such as "forked" protocols, competing protocols, and other open source-specific risks that do not affect conventional proprietary software.

Business Segments

The Group operates its business through two segments, namely (i) the Bitcoin Treasury business, which is centred around the accumulation and management of bitcoin; and (ii) the Hotel business, which involves Hotel Royal Oak Gotanda, the only property we retained after our strategic shift to a bitcoin treasury business model. The results of Metaplanet Securities, which we acquired in July 2026, are included in our existing reportable segments, and we do not currently expect to present a separate securities segment for the fiscal year ending 31 December 2026.

The following table sets forth a breakdown of the Group's operating revenue from segment income by business for the periods indicated:

	For the year ended 31 December			For the six months ended 30 June (unaudited)	
	2023	2024	2025[1]	2025	2026
	Segment Income	Segment Income	(Millions of Yen) Segment Income	Segment Income	Segment Income
BTC derivative realised gains/losses	—	—	¥ 477	—	—
BTC derivative valuation gains/losses	—	—	—	—	¥ 143
BTC derivative option premiums	—	¥ 691	¥7,976	¥1,900	¥4,583
Other BTC-related revenue	—	—	¥ 14	¥ 3	¥ 15
Hotel revenue	261	¥ 370	¥ 436	¥ 212	¥ 201
Total	**¥261**	**¥1,062**	**¥8,905**	**¥2,116**	**¥4,944**

Note:

(1) From the year ended 31 December 2025, the revenue item previously presented as "Revenue" has been changed to "Bitcoin Derivative Realised Gains/Losses", "Bitcoin Derivative Option Premiums Received", "Other Bitcoin-Related Revenue" and "Hotel Revenue".

Our Bitcoin Treasury Business

Bitcoin Reserve Assets

Our bitcoin treasury business is centred around the accumulation and management of bitcoin. Our strategy in this regard is based on our belief in bitcoin's fundamental value as a long-term asset. We do not have a target price for our purchases, and plan to maintain and grow our stock of bitcoin over an indefinite time horizon. We do, however, set periodic total bitcoin holdings targets. Under our 2025-2026 Bitcoin Plan, released in January 2025, we originally aimed to hold 10,000 bitcoin by the end of 2025 and 21,000 bitcoin by the end of 2026. However, given our success in raising funds to help achieve these benchmarks, we announced an updated 2025-2027 Bitcoin Plan in June 2025, under which we now plan to accumulate 210,000 bitcoin – or 1% of the bitcoin that can be generated – by the end of 2027. As of 30 June 2026, we held 43,000 bitcoin valued at approximately ¥409 billion.

Our bitcoin acquisition plans described above constitute forward-looking statements and are based on various assumptions and beliefs. Many of these assumptions and beliefs relate to matters that are outside of our control, including factors affecting the business and economic environment. These and other unanticipated events and circumstances could affect our ability to achieve the plans set forth above. As a result, we cannot and do not make any representation or assurance as to the achievability of these plans or whether our underlying assumptions are appropriate. You should be aware that actual results may vary, potentially materially, from the above forward-looking statements. See "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings" and "Forward-Looking Statements."

We maintain our bitcoin reserves in offline or "cold" storage with institutional-grade custodians. To date, our bitcoin reserves have remained segregated, uncollateralised and unencumbered, and are subject to our transparent proof-of-reserves reporting. We do not include bitcoin held over the short term in connection with our bitcoin income generation business as part of our bitcoin reserves. See "—Bitcoin Income Generation."

Financing Operations

In order to finance our bitcoin purchases, we have primarily leveraged the capital markets in Japan. We seek to utilise innovative financial strategies that combine various types of debt and equity issuances. We have

raised capital through the issuance of Ordinary Shares (including upon exercise of moving strike warrants), corporate bonds, borrowings under our Bitcoin-collateralised credit facility and, since December 2025, Class B Preferred Stock, and, upon completion of the offering of the Bonds, the Bonds. In late July 2026, through Metaplanet Securities, the Company launched and completed the private placement of its first bond issuance under the "BitBonds" concept. We regard this as a first step toward future bond issuances as part of a continuing funding strategy. Going forward, we plan to explore financing options such as the issuance of additional Preferred Stock. Under our Capital Allocation Policy announced on 28 October 2025 (and further amended from time to time), we select among common equity, Preferred Stock, debt and repurchases of Ordinary Shares by reference to, among other things, prevailing mNAV, liquidity requirements and the expected effect on bitcoin per Ordinary Share; when the Ordinary Shares trade below 1.0x mNAV, we may prioritise repurchases of Ordinary Shares and the repayment of borrowings over the issuance of Ordinary Shares. See "Use of Proceeds".

Bitcoin Income Generation

In our bitcoin income generation business, we enter into bitcoin derivatives transactions with the aim of generating revenue and cash to support our business operations, structured around our role as a natural, continuous buyer of bitcoin. We commenced this business in the fourth quarter of 2024 and have primarily focused on selling cash-secured bitcoin put options. These transactions allow us to generate revenue and cash from option premiums when we sell the options. Under these options, we commit to buy bitcoin at predetermined strike prices that are generally set near the current market price of bitcoin at the time we sell the option, while positioning ourselves to acquire bitcoin at attractive levels when the market price of bitcoin declines.

Any bitcoin formally disclosed as purchased by us, including through such assigned put options, is transferred to offline or "cold" storage, which is held segregated from the bitcoin and cash used in this business and is not pledged against option positions (a portion of our reserves is, however, pledged as collateral under our Bitcoin-collateralised credit facility, as described under "—Bitcoin Reserve Assets"), and is subject to transparent proof-of-reserves reporting. On a much less frequent basis, and only when market conditions are favourable, we may utilise bitcoin acquired through our bitcoin income generation business to sell covered calls. Under such call options, we commit to sell bitcoin at predetermined strike prices that are generally set near the current market price at the time we sell the option. Such transactions are opportunistic, not structural: they provide incremental premium income and, if exercised, deliver cash proceeds that may be redeployed into new put option sales or direct spot purchases. Importantly, bitcoin subject to such covered call positions is not included in the holdings we disclose based on our proof of reserve.

We engage in these derivatives transactions for the purposes of generating revenue and not for hedging purposes, and remains structurally aligned with our core objective: expanding our long-term bitcoin reserves. In the future, we may explore other types of bitcoin derivatives transactions, including bitcoin put options that are secured through debt financing rather than cash on hand.

BTC Yield and BTC Gain

The key performance indicators through which we assess the performance of our bitcoin treasury strategy are BTC yield and BTC gain, which are calculated as follows:

BTC yield

BTC yield is the percentage change during a particular period of our bitcoin per fully diluted issued Ordinary Share. This is calculated as bitcoin holdings divided by the number of fully diluted issued Ordinary Shares. For this purpose, "fully diluted issued Ordinary Shares" (presented in the tables below as "Effective Diluted Ordinary Shares Outstanding") includes:

- total Ordinary Shares issued;
- Ordinary Shares issuable under outstanding 10th Series Stock Acquisition Rights (which are held by certain directors and employees);
- Ordinary Shares issuable under our 18th Series Stock Acquisition Rights (which are held by certain directors, corporate auditors and employees) and our 19th Series Stock Acquisition Rights (which are held by members of our board of strategic advisors); and
- Ordinary Shares issuable upon conversion of our outstanding Class B Preferred Stock (MERCURY), assuming full conversion regardless of conversion conditions, conversion price, market conditions or contractual thresholds.

For the purposes of calculating "fully diluted issued Ordinary Shares," we exclude Ordinary Shares issuable upon exercise of (i) unexercised moving strike warrants and (ii) unexercised stock acquisition rights with a fixed exercise price issued to investors in our private placement (PIPE) transactions, including the 25th and 26th Series Stock Acquisition Rights. Both types of rights were issued as financing instruments, not as incentive compensation, and we receive cash when they are exercised. We expect to apply that cash primarily to accretive bitcoin acquisitions or other uses consistent with our Capital Allocation Policy. Whether and when these rights are exercised depends on the market price of the Ordinary Shares relative to the applicable exercise price (and, for moving strike warrants, the minimum exercise price and any suspension of exercise). The number that will ultimately be exercised, and their potential impact on bitcoin per Ordinary Share, are therefore uncertain. Ordinary Shares issued upon exercise of such rights are included in the calculation from the date of issuance. As of 30 September 2026, 304,730,000 Ordinary Shares were issuable under unexercised moving strike warrants and 123,312,000 Ordinary Shares were issuable under unexercised fixed-price PIPE stock acquisition rights.

We use this metric to assess our strategy of acquiring bitcoin in a manner we believe to be accretive to shareholders. We believe this metric is useful for investors to evaluate the impact of issuing additional Ordinary Shares to fund bitcoin acquisitions.

BTC gain

BTC gain is the number of bitcoin we held at the beginning of a period multiplied by the BTC yield over the same period. This metric quantifies the hypothetical increase in total bitcoin holdings, assuming no new Ordinary Shares were issued.

BTC yen gain

BTC yen gain is the yen value of the BTC gain calculated based on the market price of bitcoin as of any given date. This metric indicates the yen impact of such period's BTC gain based on the bitcoin market price as of a given date. In the table below, we use a recent market price, which we believe better shows the impact of such period's BTC yield on our bitcoin NAV as of such market price date. BTC yen gain does not represent valuation gains or losses on our bitcoin holdings and, so long as our BTC yield for a period is positive, BTC yen gain would be positive even for periods in which we incurred valuation losses on our bitcoin holdings.

The following table shows BTC yield, BTC gain and BTC yen gain for each of the periods shown below.

	As of or for the three months ended				
	30 September	31 December	31 March	30 June	30 September
	2025			2026	
Total bitcoin holdings	30,823	35,102	40,177	43,000	44,000
Issued Ordinary Shares [1]	1,140,974,340	1,142,274,340	1,274,171,340	1,281,283,624	1,364,282,624
MERCURY Convertible preferred stock [1]	0	23,610,000	23,610,000	23,610,000	23,610,000
Effective Diluted Ordinary Shares Outstanding [2]	1,434,392,925	1,459,627,925	1,624,499,175	1,631,543,380	1,500,108,824
Bitcoin per Effective Diluted Ordinary Shares Outstanding [3]	0.0214885	0.0240486	0.0247319	0.0263554	0.0293312
BTC yield % Quarter to Date (QTD)	33.0%	11.9%	2.8%	6.6%	11.3%
BTC gain (QTD)	4,412	3,672	997	2,637	4,855
BTC ¥ gain (millions) (QTD) [4]	¥ 58,018	¥ 48,292	¥ 13,117	¥ 34,683	¥ 63,849
BTC/JPY Reference [5]	¥ 13,150,812	¥ 13,150,812	¥ 13,150,812	¥ 13,150,812	¥ 13,150,812

Notes:

(1) All Ordinary Shares potentially issuable from outstanding convertible preferred equity are assumed to be fully converted for purposes of the Effective Diluted Ordinary Shares Outstanding calculation, regardless of conversion conditions, conversion price, market conditions, or contractual thresholds.

(2) Effective Diluted Ordinary Shares Outstanding comprises (i) the total number of Ordinary Shares outstanding, (ii) potential Ordinary Shares from assumed conversion of outstanding convertible instruments where proceeds have already been delivered to the Company, such as convertible bonds and convertible Preferred Stock, and (iii) potential Ordinary Shares from exercise of outstanding stock

options, in each case as of the indicated date. Stock Acquisition Rights issued as part of the 25th, 26th and 27th Series stock and warrant transactions, as well as moving strike warrants, are excluded until such time as the rights are exercised and exercise proceeds are delivered to the Company.

(3) Bitcoin per Fully Diluted Ordinary Shares Outstanding is calculated by dividing the total Bitcoin holdings by the number of Fully Diluted Ordinary Shares Outstanding as of each reporting date. The result is then multiplied by 1,000 to express the amount of Bitcoin per 1,000 Ordinary Shares.

(4) BTC ¥ Gain (Quarter-to-Date) is calculated by multiplying the BTC gain by the BTC/JPY Reference defined in footnote (5). By applying a consistent reference price across all periods comparability is ensured and shareholders can better understand the current yen-denominated value of BTC gain for the relevant period.

(5) BTC/JPY Reference Price (¥13,150,812) is derived by converting the Coinbase BTC/USD reference price as of 4:00 p.m. U.S. Eastern Time on September 30, 2026 (US$83,576.82) into Japanese yen using the MUFG USD/JPY TTM rate (¥157.35) on the same date. The same reference price is applied consistently across all periods.

The following table shows BTC yield for the year ended 31 December 2025 and for the nine months ended 30 September 2026 (year to date). The BTC yield for the nine months ended 30 September 2026 reflects, in part, the reduction in the number of Ordinary Shares issuable under the 10th Series Stock Acquisition Rights resulting from the modifications to their terms resolved on 18 August 2026 and 11 September 2026. Excluding the effect of such modifications, BTC yield for such period would have been approximately 11.1%.

	As of or for the year ended 31 December 2025	As of or for the nine months ended 30 September 2026
Total bitcoin holdings	35,102	44,000
Issued Ordinary Shares	1,142,274,340	1,364,282,624
Fully diluted issued Ordinary Shares (excluding Ordinary Shares issuable under unexercised moving strike warrants and fixed-price PIPE stock acquisition rights)	1,459,627,925	1,500,108,824
Bitcoin per 1,000 fully diluted issued Ordinary Shares (excluding Ordinary Shares issuable under unexercised moving strike warrants and fixed-price PIPE stock acquisition rights)	0.0240486	0.0293312
BTC yield %	568%	22%

BTC yield, BTC gain, and BTC yen gain are subject to a number of limitations, including their exclusion of debt and other liabilities that take priority over Ordinary Shares. These metrics also assume that all debt will be refinanced or, in the case of any future convertible debt, converted into Ordinary Shares under its terms. BTC gain and BTC yen gain do not take into account debt obligations, Preferred Stock or other senior claims on company assets, which may influence the actual accretive impact of capital allocation decisions.

In addition, none of these metrics are measures of operational performance, financial performance or liquidity, and should not be interpreted as traditional financial metrics such as return on investment, cash flow or profit. These metrics are specifically designed to evaluate whether the use of equity capital to acquire bitcoin benefits holders of the Ordinary Shares in terms of bitcoin accumulation. These metrics do not consider the source of funds used for bitcoin purchases. As a result, BTC yield, BTC gain, and BTC yen gain may overstate or understate the impact of equity capital on bitcoin acquisitions, since not all bitcoin purchases are funded through equity issuances, and not all equity issuances result in bitcoin acquisitions. Additionally, the issuance, conversion or redemption of any convertible securities may impact these metrics in ways not captured by their calculations.

As a result of the foregoing limitations, investors should not place undue reliance on these measures. These metrics are intended solely as supplemental metrics for those who understand their purpose and limitations, not as replacements for our financial statements or other traditional financial metrics.

Custody of Our Bitcoin

We hold our bitcoin reserves in custody accounts at Japan- and U.S.-based, institutional-grade custodians that have demonstrated records of regulatory compliance and information security. We enter into U.S.-based custodian arrangements through our U.S. subsidiary. As a result, the primary counterparty risk we are exposed to with respect to our bitcoin is performance obligations under the various custody arrangements into which we have entered. We custody our bitcoin across multiple custodians to diversify our potential risk exposure to any one custodian. Our custodial services contracts do not restrict our ability to reallocate our bitcoin among our custodians. In light of the significant amount of bitcoin we hold, we continually seek to engage additional digital asset custodians to further diversify the custody of our bitcoin. Bitcoin pledged under our Bitcoin-collateralised credit facility is held in a segregated collateral account with the lender's designated custodian and is released to us upon repayment of the relevant borrowings

We carefully select the custodians that custody our bitcoin after undertaking a due diligence process. As part of our custodian selection process, we evaluate and select custodians that can demonstrate that they operate with strict security protocols, including multifactor authentication procedures designed to safekeep our bitcoin. In addition, our custodial services agreements generally specify that the private keys that control our bitcoin will be held in offline or "cold" storage, which is designed to mitigate risks that a system may be susceptible to when connected to the internet, including the risks associated with unauthorised network access and cyberattacks. We also negotiate liability provisions in our custodial contracts, pursuant to which our custodians are held liable for their failure to safekeep our bitcoin. In addition to our custodial arrangements, we also utilise affiliates of our bitcoin custodians to execute bitcoin acquisition and disposition transactions on our behalf. We leverage the due diligence we conduct in connection with our custodial arrangements when conducting due diligence of these trade execution service providers.

We also conduct due diligence reviews during the custodial relationship to monitor the safekeeping of our bitcoin. As part of our process, we obtain and review our custodians' Services Organisation Controls reports. We are also contractually entitled to review our custodians' relevant internal controls through a variety of methods. We have in the past conducted supplemental due diligence when we believe it is warranted by market circumstances or otherwise, and going forward intend to conduct such due diligence in principle on a quarterly basis.

We negotiate specific contractual terms and conditions with our custodians that we believe will help establish, under existing law, that our property interest in the bitcoin held by our custodians is not subject to the claims of the custodian's creditors in the event the custodian enters bankruptcy, receivership or similar insolvency proceedings. All of our custodians are subject to regulatory regimes intended to protect customers in the event that a custodian enters bankruptcy, receivership or similar insolvency proceedings. Based on existing law and the terms and conditions of our contractual arrangements with our custodians, we believe that the bitcoin held on our behalf by our custodians would not be considered part of a custodian's bankruptcy estate were one or more of our custodians to enter bankruptcy, receivership or similar insolvency proceedings. For a discussion of risks relating to the custody of our bitcoin, see "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—Our bitcoin strategy exposes us to various risks, including risks associated with bitcoin generally" and "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—Our bitcoin strategy exposes us to risk of non-performance by counterparties."

Our Hotel Business

We operate one hotel property, Hotel Royal Oak Gotanda, which is the only property we retained after our strategic shift to a bitcoin treasury business model. Located near central Tokyo, this hotel is favourably located with direct access to Ebisu, Shibuya, Harajuku and Shinjuku via Gotanda Station on the JR Yamanote Line.

Other Businesses

Among other businesses, we publish Bitcoin Magazine Japan, for which we currently maintain an exclusive licence. Through this publication, which brings one of the world's leading and oldest bitcoin media brands to Japan, we seek to spread knowledge and tools for understanding and adopting bitcoin and thus further contribute to the development of the domestic bitcoin ecosystem.

In August 2025, we have also launched our official online merchandise store, "PlanetGear." The store features a curated lineup of apparel, accessories and limited-edition items that reflect the worldview of Metaplanet and Bitcoin Magazine Japan.

Since July 2026, our wholly owned subsidiary Metaplanet Securities Inc. (formerly Siiibo Securities Co., Ltd.), a Type I Financial Instruments Business Operator registered in 2021, has operated an online platform for privately placed corporate bonds, handling the full range of operations in-house from issuer origination to investor account management. Through Metaplanet Securities we launched our first "BitBonds" issuance in July 2026, and we intend to use the platform for the structuring and distribution of yield-bearing products and digital securities and, subject to the necessary registrations and approvals, to make it available to other issuers. See "Recent Business—Overview of Operating Results—Project Nova—From Bitcoin Treasury to Bitcoin-Based Financial Platform" and "—BitBonds".

Competition

As of the date of this Offering Circular, we believe we were the largest publicly listed bitcoin treasury company in Japan in terms of bitcoin holdings and one of the largest publicly listed holders of bitcoin globally,

according to publicly available information. Although there are a number of emerging companies in Japan pursuing, or that have announced an intention to pursue, bitcoin treasury or bitcoin-related businesses, we believe that our scale and recognition as a global leader as a bitcoin treasury company differentiates us from these emerging companies. We accordingly believe that we primarily compete with other leading global bitcoin treasury companies such as Strategy Inc.

Our bitcoin strategy generally involves from time to time, subject to market conditions, (i) issuing debt or equity securities or engaging in other capital raising transactions with the objective of using the proceeds to purchase bitcoin and (ii) acquiring bitcoin with our liquid assets that exceed working capital requirements. As a result, when we engage in such capital raising transactions, we compete for capital with, among others, ETPs, bitcoin miners, digital assets exchanges, other digital assets service providers, other companies that hold bitcoin or other digital assets as treasury reserve assets, such as Strategy Inc, private funds that invest in bitcoin and other digital assets, and similar vehicles based around the world. An increase in the competition for sources of capital could adversely affect the availability and cost of financing for our bitcoin purchases, and thereby could adversely affect the market price of the Ordinary Shares.

In our hotel business, we currently compete with other business hotel operators within the Gotanda area and across Tokyo.

Regulations

The laws and regulations applicable to bitcoin and digital assets are evolving and subject to interpretation and change.

Governments around the world have reacted differently to digital assets; certain governments have deemed them illegal, and others have allowed their use and trade without restriction, while in some jurisdictions, such as the U.S., digital assets are subject to overlapping, uncertain and evolving regulatory requirements.

Regulation of Bitcoin in Japan

In Japan, regulations for CAESPs were introduced with the revised PSA, which came into effect in 2017. The regulatory framework for CAESPs primarily focuses on user protection, anti-money laundering and counter-terrorist financing ("AML/CTF"). Subsequently, due to incidents involving the leakage of crypto assets in Japan caused by hacks targeting CAESPs, as well as revisions to the Financial Action Task Force ("FATF") standards in respect of crypto assets, the FSA has been taking steps to strengthen the regulatory framework surrounding CAESPs. On the other hand, there are ongoing discussions about shifting the regulation of crypto assets from the PSA to the FIEA, which, as noted in "Risk Factors—Risks Related to Our Bitcoin Strategy and Holdings—Our bitcoin strategy exposes us to various risks, including risks associated with bitcoin generally," provides a more comprehensive financial regulatory framework. The following section provides an overview of the current regulations concerning crypto assets.

Under the PSA, a "crypto asset" is defined as:

(i) proprietary value that may be used to pay an unspecified person the price of any goods, etc. purchased or borrowed or any services provided and that may be sold to or purchased from an unspecified person (limited to that recorded on electronic devices or other objects by electronic means and excluding Japanese and other foreign currencies, currency denominated assets (For example, prepaid electronic money cards denominated in Japanese yen or foreign currencies.), and electronic payment instruments (as called stable coin); the same applies in the following item) and that is transferrable through an electronic data processing system; or

(ii) proprietary value that may be exchanged reciprocally for proprietary value specified in the preceding item with an unspecified person and that is transferrable through an electronic data processing system.

In simple terms, a "crypto asset" is a digital asset, not denominated in any fiat currency, that is usable as a means of payment to an unspecified person. In light of this definition, bitcoin is classified as the crypto asset under the PSA.

Under the PSA, "Crypto Asset Exchange Services" (or CAES) refers to any of the following acts carried out as a business:

(i) sale or purchase of crypto assets, or the exchange of a crypto asset for another crypto asset;

(ii) intermediating, brokering or acting as an agent in respect of the activities listed in item (i);

(iii) management of customers' money in connection with the activities listed in items (i) and (ii); or

(iv) management of customers' crypto assets for the benefit of another person.

Entities engaging in CAES must register as a CAESP under the PSA. Anyone who carries out CAES without registration will be subject to penalties. In addition, under the PSA, the CAESP must comply with various regulations. Among these regulations, a primary example is the requirement for segregation and entrustment of users' assets. CAESPs that manage users' fiat currency and crypto assets must segregate such property from its own property. For purposes of fiat currency management, such currency must be held in trust with a trust bank or trust company for protection against the CAESP's bankruptcy. In the area of Crypto Asset management, stringent rules, as set forth below, have been put in place to protect customers from leakages of crypto assets and from the bankruptcy of a CAESP:

(a) A CAESP must manage users' crypto assets and its own crypto assets in separate wallets.

(b) A CAESP must manage at least 95% of users' crypto assets in wallets that are not connected to the internet (so-called "cold wallets").

(c) A CAESP that manages less than 5% of its users' crypto assets in a wallet other than a cold wallet (so-called "hot wallets") must manage the same type and amount of its own crypto assets ("Redemption Guarantee Crypto Assets") in its cold wallets.

(d) Users are entitled to statutory preference rights to repayment over the users' segregated crypto assets and Redemption Guarantee Crypto Assets as stipulated in the PSA.

In addition to the above, CAESPs are required to have their segregation of fiat currency and crypto assets audited annually by a certified public accountant or auditing firm.

In July 2026, the amendments to the FIEA and the PSA were promulgated, under which services currently regulated under the PSA as CAES will be regulated as "crypto asset exchange business" (*ango shisan torihikigyo*) under the FIEA. The effective date of the amendments to the FIEA and PSA will be set by cabinet order within one year after promulgation, and such amendments have not yet taken effect as of the date of this Offering Circular. Following the effective date of the amendments, existing CAESPs that intend to continue providing such services will be required to register as crypto asset exchange business operators under the FIEA during the prescribed transitional period. Under the amended FIEA, regulations applicable to crypto asset exchange business operators will be strengthened beyond those previously imposed under the PSA. Further, the details of such regulations remain to be determined, as the relevant cabinet orders have not yet been established as of the date of this Offering Circular.

Separate from the regulations applicable to CAES, conducting over-the-counter derivative transactions related to crypto assets or acting as an intermediary, broker, or agent for such transactions as a business, is regulated as a Type I Financial Instruments Business (the "Type I FIB") under the FIEA.

Entities engaging in the Type I FIB must register as a Type I Financial Instruments Business Operator (the "Type I FIBO") under the FIEA. Anyone who carries out Type I FIB without registration will be subject to penalties. The FIEA imposes on the Type I FIBOs various regulations for the purpose of customer protection and prevention of unfair trading, etc. For example, a Type I FIBO can only offer OTC derivative transactions involving crypto assets with leverage of up to 2x to customers.

Regulations concerning AML/CTF in Japan are primarily found in the Act on Prevention of Transfer of Criminal Proceeds of Japan (Act No. 22 of 2007, as amended) (the "APTCP") and the FSA's AML/CTF Guidelines (the "AML/CTF Guidelines"). The APTCP imposes certain obligations on specified business operators, including CAESPs and Type I FIBOs. These obligations include: (i) the duty to perform Know Your Customer ("KYC") procedures; (ii) the obligation to report suspicious transactions; (iii) the obligation to create and maintain transaction records; and (iv) the measures to keep information obtained through KYC procedures up to date, and other measures necessary to properly implement the measures referred to in (i)–(iii). Furthermore, revisions to the APTCP, implemented in 2023, introduced the Travel Rule for transfers involving crypto assets, based on FATF standards.

The AML/CTF Guidelines apply to FSA-regulated entities, including CAESPs and Type I FIBOs, and require compliance with AML/CTF measures. These guidelines effectively add further obligations on FSA-regulated entities in addition to the statutory obligations imposed by the APTCP. The AML/CTF Guidelines adopt a risk-based approach which requires each regulated entity to identify and assess its own risks related to AML/CTF, and to implement appropriate measures tailored to effectively mitigate these risks.

Other Regulations in Japan

Hotel Business Act

Our Hotel Business is subject to the Hotel Business Act of Japan (Act No. 138 of 1948, as amended) (the "Hotel Business Act"), which generally requires any person who intends to operate a hotel and inn business to obtain permission from the competent governor for each hotel and inn they intend to operate. WEN Tokyo Inc., one of our consolidated subsidiaries, currently has such permission for the Hotel Royal Oak Gotanda. The Hotel Business Act requires hotel and inn facilities to comply with the prescribed sanitary standards and requirements. The competent governor may issue an order to the operator to improve the hotel and inn facilities if the operator fails to comply with such standards or other requirements. The Hotel Business Act does not allow hotel and inn operators to refuse the accommodation of guests, except for certain prescribed cases, and the Hotel Business Act requires hotel and inn operators to maintain hotel and inn registers and, if requested, to submit them to the competent governor. The competent governor may revoke the permission of or suspend the hotel and inn business for a certain period if the hotel and inn operator violates the provisions of the Hotel Business Act or any orders issued thereunder.

Act on the Protection of Personal Information

We hold personal information of our customers in the course of our business and are subject to the Act on the Protection of Personal Information of Japan (Act No. 57 of 2003, as amended) (the "APPI") and related guidelines, which cover all business operators utilising or maintaining databases containing personal information. Pursuant to the APPI, any such business operator is required to (i) specify the purpose of the use of the personal information prior to handling such information, (ii) except as expressly permitted under the APPI, refrain from using such personal information beyond the purpose specified without obtaining the prior consent of the person to whom such information relates, (iii) except as expressly permitted under the APPI, refrain from disclosing such personal information to a third-party without obtaining the prior consent of the person to whom such information relates, (iv) take necessary and appropriate measures to securely manage and prevent leakage, damage and loss of such personal information, and (v) process the personal information in accordance with certain standards when producing anonymously processed information (*tokumei kako joho*) and pseudonymised information (*kamei kako joho*), and take measures to securely manage information deleted in the process and the processing method.

Facilities

Our headquarters is located in Minato-ku, Tokyo. We also have one commercial real estate holding, Hotel Royal Oak Gotanda, located in Shinagawa-ku, Tokyo.

The following table shows our major facilities and their book values (in millions) and areas as of 31 December 2025.

Facility Name	Location	Segment	Type of Facility	Buildings and Structures	Land	Other	Total
Metaplanet Inc.							
Headquarters	Minato-ku, Tokyo, Japan	Whole company	Office facility	—	—	¥ 4	¥ 4
WEN Tokyo Inc.							
Hotel Royal Oak Gotanda	Shinagawa-ku, Tokyo, Japan	Hotel business	Hotel facility	¥91	¥866	¥30	¥988

Intellectual Property

We own or licence intellectual property rights connected to the goods sold in our PlanetGear online merchandise store. Such rights include those to logos, trademarks and other designs and products associated with Metaplanet and Bitcoin Magazine Japan. To protect these intellectual property rights, we rely on a combination of applicable trademark, copyright and other intellectual property laws. We consider the protection of our intellectual property key to our brand integrity and marketing strategy within the bitcoin and digital assets space.

Employees

As of 30 September 2026, we had 57 full-time employees on a consolidated basis, including 13 employees of Metaplanet Securities. The following table shows a breakdown of our employees in each business segment as of 30 September 2026.

Business Segment	Number of full-time employees
Bitcoin-related Business	8
Hotel Business	12
Corporate/shared functions	24
Metaplanet Securities	13
Total	57

Legal Proceedings

We may from time to time be involved in legal proceedings, claims or investigations in the ordinary course of our business. Although the results of these proceedings, claims and investigations cannot be predicted with certainty, we do not believe that the final outcome of these matters is reasonably likely to have a material adverse effect on our business, financial condition or results of operations. Regardless of final outcomes, however, any such proceedings, claim and investigations may nonetheless impose a significant burden on our management and employees, and may come with costly defence fees or unfavourable preliminary or interim rulings against us.

MANAGEMENT AND EMPLOYEES

Directors and Corporate Auditors

Under the Companies Act, a joint stock corporation in Japan may adopt a corporate governance structure comprising a board of directors and three statutory committees ("the committee system"), in lieu of the structure comprising a board of directors and audit & supervisory board or the structure comprising a board of directors and an audit & supervisory committee. The Company transitioned to a company with the committee system in March 2026. The committee system separates the roles of management supervision, which is the responsibility of the Board of Directors, from business operations, which is the responsibility of the executive officers. The Company has adopted the committee system to facilitate more flexible and efficient decision-making as well as to improve transparency in the Company's management process.

Pursuant to the committee system, the Company's Board of Directors establishes the Company's basic management policy and has decision-making authority over certain prescribed matters. The Company's Articles of Incorporation provide for no more than 10 directors. As at the date of this Offering Circular, the Company has 10 directors, including nine who qualify as outside directors under the Companies Act. The Company's directors may not serve concurrently as managers or as any other type of employee of the company outside of their director role. The Company's directors are elected at a general meeting of shareholders. The normal term of office of directors expires at the close of the ordinary general meeting of shareholders held with respect to the fiscal year ending within one year after their appointment.

In addition, the Company's Board of Directors must appoint executive officers (shikko yaku) and representative executive officers (daihyo shikko yaku), who are responsible for conducting all business operations of the Company within the scope of authority delegated to them by the Company's Board of Directors. The normal term of office of the Company's executive officers expires at the conclusion of the first meeting of the Board of Directors convened after the ordinary general meeting of shareholders relating to the last business year ending within one year following their appointment.

As required by the committee system, the Company has established three statutory committees: a Nominating Committee, an Audit Committee and a Compensation Committee, each comprised entirely of directors, the majority of which must qualify as outside directors. The roles of the Nominating Committee, the Audit Committee and the Compensation Committee are as follows:

- the Nominating Committee, which consists of three directors, including two outside directors, determines the contents of proposals for submission to general meetings of shareholders concerning the appointment and dismissal of directors;

- the Audit Committee, which consists of three outside directors, monitors the execution of duties by directors and executive officers and prepares audit reports, determines the contents of proposals for submission to general meetings of shareholders concerning the appointment and dismissal of independent auditors and other related matters and approves the compensation for independent auditors as determined by the directors. Members of the Audit Committee may not serve concurrently as the Company's or any of the Company's subsidiaries' executive officers or executive directors, or accounting advisors, managers or any other type of employees of any of the Company's subsidiaries; and

- the Compensation Committee, which consists of three outside directors, formulates compensation policies for directors and executive officers of the Company, and determines detailed compensation for each individual director and executive officer.

The Company is required to appoint and has appointed an independent auditor, who has the statutory duties of examining the financial statements to be submitted to the shareholders by a Representative Executive Officer and preparing its audit report thereon. Currently, the Company's independent auditor is Yamabuki Audit Corporation.

Directors, Executive Officers and Advisors

The names and titles of the Directors as of the date of this Offering Circular are as follows:

Name	Title
Simon Gerovich	Chief Executive Officer and Chair of the Board of Directors, Member of the Nomination and Governance Committee*
Drew Edwards	Lead Independent Director, Chair of the Nomination and Governance Committee
Tyler Evans	Director
Richard Kincaid	Director
Hiroaki Kuwajima	Member of the Compensation Committee
Jun Narimatsu	Chair of the Audit Committee
Junko Swain	Chair of Compensation Committee and Member of the Audit Committee
Fred Towfigh	Member of the Compensation Committee
Benjamin Tsai	Member of the Audit Committee
Christopher Wells	Member of the Nomination and Governance Committee

* Nominating Committee under the Companies Act is referred to as the "Nomination and Governance Committee" in the Company.

The names and titles of the Executive Officers as of the date of this Offering Circular are as follows:

Name	Title
Simon Gerovich	Chief Executive Officer and Chair of the Board of Directors, Member of the Nomination and Governance Committee
Yoshimi Abe	Chief Operating Officer
Yoshihisa Ikurumi	Director of Administration
Shinpei Okuno	Chief Financial Officer

The names and titles of the Advisors as of the date of this Offering Circular are as follows:

Name	Title
Eric Trump	Strategic Board Advisor
David Bailey	Strategic Board Advisor

Simon Gerovich served as Representative Director & President of the Company from March 2022 and, since the Company's transition to a company with the committee system on 25 March 2026, has served as Director and Representative Executive Officer, President & CEO. Mr. Gerovich has been an active investor in the digital asset ecosystem since 2014. He started his career at Goldman Sachs in Tokyo as an equity derivatives trader. He was a co-founder and Chairman of Red Planet Hotels, a regional hotel company focused on Asia's value hotel sector. As CEO of the Company, Mr. Gerovich is responsible for spearheading the Company's new Bitcoin investment strategy, guiding its overall direction, raising capital, and managing investor relations. He graduated from Harvard University with an AB in Applied Mathematics. Mr. Gerovich is an active member of YPO, the premier global organisation of chief executives.

Drew Edwards has served as Outside Director of the Company since February 2023. Mr. Edwards is the Head of GMO's Usonian Japan Equity team and a partner of the firm. Prior to joining GMO in 2020, he served as Portfolio Manager, Chief Investment Officer (CIO), and Chief Executive Officer (CEO) at Usonian Investments LLC. He has been a member of the Usonian team since 2008. Prior to founding Usonian, he was Managing Director and Portfolio Manager at Advisory Research, Inc. Previously, Mr. Edwards had also been an investment professional at Taiyo Pacific Partners, an activist fund backed by CalPERS and W. L. Ross that focuses on Japanese equities, an investment banker at Lehman Brothers, and a finance executive in the healthcare industry. He earned his BA in International Business from Sophia University (Tokyo) and his MBA and JD from Northwestern University.

Tyler Evans has served as Outside Director of the Company since June 2024. Mr. Evans is recognised for his significant contributions and leadership in the Bitcoin and asset management sectors. As a co-founder of BTC Inc., the publisher of Bitcoin Magazine and host of the Bitcoin Conference series, Mr. Evans has been

pivotal in shaping the Bitcoin ecosystem. His expertise is further demonstrated through his role as co-founder and managing partner at UTXO Management, overseeing the Bitcoin Ecosystem Fund and 210k Capital, which focus on early-stage venture capital and on-chain liquidity provisioning.

Richard Kincaid has served as Outside Director of the Company since March 2025. Mr. Kincaid is an accomplished financial executive with 25 years of experience in capital markets, asset management, biotech, and venture capital. As Chief Financial Officer and Board Member of HEALIOS K.K., a TSE-listed leader in regenerative medicine, he drove a strategic turnaround by securing capital from top global institutional investors and acquiring a U.S. technology platform. He also serves as a Partner and Board Member at Saisei Ventures LLC, a prominent Japan-focused venture capital firm. Previously, as Partner and President of Nezu Asia Capital Management, (Singapore) Pte., Ltd., Mr. Kincaid managed a multi-billion dollar AUM hedge fund platform. He began his career in the Equities Division at Goldman Sachs in Tokyo. Fluent in Japanese, he holds a BA, magna cum laude, from Harvard University and was a Fulbright Fellow with a research focus on foreign direct investment in Japan.

Hiroaki Kuwajima has served as Outside Director of the Company since March 2024. Mr. Kuwajima is a leading expert on Japanese political economy, corporate strategy, and innovation in Asia. He is a Haas Executive Fellow at the Haas School of Business, UC Berkeley, and serves as Managing Director of K&Associates, a boutique strategy consulting firm based in the U.S. and Japan. With extensive consulting experience in the automotive, consumer goods, and retail industries, Mr. Kuwajima provides valuable insights into US-Japan relations. Mr. Kuwajima holds an MBA from Harvard Business School, an MPA from Harvard Kennedy School, and a BA in Economics from the University of Tokyo. He also serves as a board member of the Japan Society of Northern California.

Jun Narimatsu is the Representative Director and President of Neuer Garten Inc., a management consulting firm specialising in executive team development and governance advisory. He serves as an Independent Director and Audit & Supervisory Committee Member at multiple listed and growth-stage companies, and is actively involved in numerous startups as an angel investor. A Certified Public Accountant, Mr. Narimatsu began his career in audit at Deloitte Touche Tohmatsu before being seconded to the Listing Division of the Tokyo Stock Exchange, where he worked on listing administration and timely disclosure frameworks. At Cookpad Inc., he served as Director and CFO, leading the execution of capital strategy — including investments from major banks and leading securities firms — and building internal controls, culminating in the company's listing on TSE Mothers in 2009 and its transfer to the TSE First Section in 2011. In 2013, he founded a consumer digital services company as Representative Director, overseeing service development, media operations, and business development, before divesting the business in 2023. He holds a BA in Economics from Waseda University.

Junko Swain is a seasoned global finance executive with over 25 years of leadership experience across Silicon Valley and multi-billion-dollar technology companies, and she currently serves as Senior Vice President and Chief Accounting Officer at Workiva (NYSE: WK). Throughout her career, she has played instrumental roles in navigating two successful IPOs, leading large-scale mergers and acquisitions, and driving international expansion. Ms. Swain has guided organisations through public company readiness, strengthened governance and internal control frameworks, and built scalable finance infrastructures to support high-growth environments. She also served as an independent board director and Audit Committee Chair for a pre-IPO technology company with over US$250 million in annual revenue, and brings experience leading both Audit Committee and Compensation Committee meetings at a publicly listed company, overseeing financial reporting, risk management, compliance, and executive compensation matters.

Fred Towfigh is a private investor, advisor, and board member with a focus on financial services, financial technology, and digital assets. Since retiring from executive roles in 2020, he has advised and served on the boards of companies across these sectors. Previously, Mr. Towfigh was an Operating Partner at SoftBank Investment Advisers, based in Tokyo. Prior to joining SoftBank, he spent 22 years at Goldman Sachs, where he was a Partner and served as President of Goldman Sachs (Singapore) Pte. During his tenure at Goldman Sachs, Mr. Towfigh held senior leadership roles across Hong Kong, Tokyo, and Singapore, leading the Asia Pacific Prime Brokerage, Futures, Electronic Trading, and Synthetic Products businesses before assuming responsibility for the firm's Equities and FICC franchises in Southeast Asia. He also chaired the Southeast Asia Leadership Group and served on several regional boards. Mr. Towfigh holds a Bachelor of Arts from the University of California, Irvine and an MBA from Georgetown University.

Benjamin Tsai has served as Outside Director of the Company since June 2024. Mr. Tsai brings extensive experience and leadership in the financial and digital asset sectors. Co-Founder and President, he has

demonstrated innovative leadership in digital asset management. His career includes significant roles such as Managing Director at Merrill Lynch Japan Securities Co., Ltd. (currently BofA Securities Japan Co., Ltd.) and CEO of Commodity Desk at Merrill Lynch Singapore Securities (currently BofA Securities (Singapore)), showcasing his expertise in structured products and commodities. Additionally, his roles at AllianceBernstein and LA Blockchain Lab highlight his broad knowledge in alternative investments and blockchain technology.

Christopher Wells is the Founder and Principal of Acadae Services LLC, a consulting firm advising global investment managers and financial institutions on market entry, regulatory strategy and compliance in Japan. He has more than four decades of experience in Japan's financial services sector, with a focus on the establishment, registration and regulatory compliance of investment funds and related financial institutions, including banks, securities firms and asset managers. Mr. Wells began his career in Japan in 1983 and in 1986 became the first foreign lawyer registered with a Japanese law firm as a Gaikoku Jimu Bengoshi at Anderson, Mori & Rabinowitz (currently Anderson Mori & Tomotsune). He later served as Administrative Partner and Executive Partner of the Tokyo office of White & Case LLP and subsequently led the Tokyo Investment Management Practise at Morgan, Lewis & Bockius LLP. Mr. Wells retired from legal practise in 2022 and now focuses on strategic advisory work through Acadae Services. He received his BA from the University of Rochester and his JD and MBA from the University of California, Los Angeles, and also completed a Certificate in Corporate Governance from Columbia Business School.

Yoshimi Abe is the Company's Chief Operating Officer. With over 22 years of experience in the Equities Division at Goldman Sachs, Ms. Abe has developed deep expertise in Japanese equities and played a pivotal role in building relationships with high-profile issuers, global investors, and industry experts. Following a distinguished career at Goldman Sachs, Ms. Abe transitioned to the role of COO at the Company, where she oversees daily operations, drives strategic initiatives, and ensures the alignment of business processes with the company's long-term goals.

Yoshihisa Ikurumi is the Company's Director of Administration. A native of Kyoto, Japan, Mr. Ikurumi has built his international career in the United States and Japan. He began his career as a marketing specialist for Bank One (currently JP Morgan Chase) and has since blended his marketing skills with financial expertise to become an experienced CFO. Before joining the Company, Mr. Ikurumi served as CFO for Red Planet Hotels and previously worked at Morgan Stanley, GE Capital, and Hewlett Packard. He holds a BS in Marketing from Arizona State University and an MBA from the Massachusetts Institute of Technology.

Shinpei Okuno is the Company's Chief Financial Officer. Mr. Okuno brings nearly 20 years of experience from the Investment Banking Division of Mitsubishi UFJ Morgan Stanley, where he led equity financing, capital policy, and IR strategy for Japanese companies. At the Company, he draws on this expertise to design and execute capital raising strategies that maximise shareholder value. He also leads IR efforts focused on deepening engagement with the Bitcoin community by communicating the company's vision, strategy, and progress as a Bitcoin treasury company.

Eric Trump is a member of the Company's Strategic Board of Advisors. He is Executive Vice President of the Trump Organisation, where he oversees global operations, development, and strategic growth across a portfolio that includes luxury hotels, golf courses, real estate, and consumer brands. Under his leadership, Trump Golf has grown from three to nineteen world-class properties, with award-winning locations in the U.S., Scotland, Ireland, the UAE, and Indonesia. He has led major redevelopment projects such as Trump National Doral in Miami and Trump Turnberry in Scotland. Mr. Trump is also an active advocate for digital assets and decentralised technologies, and has become a prominent voice in the global Bitcoin community. He brings a strong perspective at the intersection of finance, technology, and global brand strategy.

David Bailey is the CEO and Chairman of Nakamoto Holding Inc., a Bitcoin company he took public through a reverse merger with KindlyMD. Nakamoto Holding Inc. raised one of the largest PIPE financings in digital asset history. A Bitcoin advocate since 2012, David founded BTC Inc. – home to Bitcoin Magazine, The Bitcoin Conference, and Bitcoin for Corporations, and cofounded UTXO Management, an institutional hedge fund focused on Bitcoin and digital assets. In 2024, Mr. Bailey led a political engagement campaign that brought Bitcoin to the forefront of the U.S. presidential election advising President Donald Trump's team on Bitcoin policy. Mr. Bailey also serves on the board of Moon Inc (formerly HK Asia Holdings Limited).

Agreements with Our Directors and Executive Officers

Our Articles of Incorporation provide that we may enter into agreements with our directors, excluding those who are executive directors *(gyomu shikko torishimariyaku)*, executive officers, managers and certain other

employees, to limit their respective liabilities to us arising from their failure to execute their duties in good faith and without gross negligence, subject to applicable laws and regulations. We have entered into such agreements with our outside directors, which limit the maximum amount of their respective liabilities to us to the minimum amount stipulated by applicable laws and regulations, so long as those directors act in good faith and without gross negligence in performing their duties.

We have entered into indemnity agreements with our directors and executive officers under which we undertake to indemnify them for the expenses and the losses to the extent permitted by laws and regulations. However, with the exception of prepaid expenses, such is not applicable if the Board of Directors or other relevant body determines that, under applicable laws and regulations, a director or executive officer is not entitled to receive indemnification in whole or in part. Furthermore, with regard to prepaid expenses, should the Board of Directors or other relevant bodies determine that, under applicable laws and regulations, a director or executive officer is not entitled to compensation for all or part of such expenses, the director or executive officer in question shall reimburse us for the prepaid expenses.

We have also into a liability insurance policy with an insurance company, where we bear the full cost of the premiums, insuring our directors and executive officers against any loss that may arise as a result of their incurring liability in connection with the performance of their duties or as a result of claims brought against them in respect of such liability.

Executive Compensation

The aggregate compensation we paid to our directors (excluding outside directors) and outside directors during the year ended 31 December 2025 was ¥57 million and ¥10 million, respectively.

Before our transition to a company with the committee system, the maximum compensation payable to our directors and corporate auditors has been set at ¥200,000 thousand per year and ¥50,000 thousand per year, respectively, based on our Articles of Incorporation and our resolutions of the general meetings of shareholders.

Following our transition to a company with the committee system in March 2026, the Compensation Committee, which consists of three outside directors, formulates compensation policies for directors and executive officers of the Company, and determines detailed compensation for each individual director and executive officer.

Related Party Transactions

Except for the transactions described in the notes to our consolidated financial statements contained elsewhere in this Offering Circular, there have been no material transactions between us and any of our directors or any companies over which any of them have any significant influence.

Strategic Board of Advisors

We have formed a strategic board of advisors, currently comprising Eric Trump and David Bailey, to further enhance our efforts to drive bitcoin adoption and strengthen our position as a global leader in the bitcoin economy.

Stock Acquisition Rights

In order to secure attractive personnel and incentivise our personnel as we expand our business, we aim to provide appropriate management and employee incentives such as stock acquisition rights. We have granted stock acquisition rights to purchase the Ordinary Shares to certain of our directors, executive officers and employees and members of our strategic board of advisors. We currently have the following series of stock acquisition rights outstanding: our 10th Series Stock Acquisition Rights, which are held by certain directors and employees; our 18th Series Stock Acquisition Rights, which are held by certain directors, corporate auditors and employees; our 19th Series Stock Acquisition Rights, which are held by members of our strategic board; our 23rd Series Stock Acquisition Rights and our 24th Series Stock Acquisition Rights, which were issued by way of third-party allotment to EVO FUND on 8 December 2025; our 25th Series Stock Acquisition Rights and our 26th Series Stock Acquisition Rights, each of which was issued by way of third-party allotment to overseas institutional investors together with a concurrent issuance of new Ordinary Shares; and our 27th Series Stock Acquisition Rights, which were issued by way of third-party allotment to EVO FUND on 1 April 2026 with an Exercise Price Adjustment Clause, mNAV Clause, Floor Exercise Price Adjustment Clause and Exercise Suspension Clause.

Our 10th Series Stock Acquisition Rights represent a substantial portion of the total Ordinary Shares issuable under these outstanding stock acquisition rights. As of 30 June 2026, there were 319,624,556 Ordinary Shares potentially issuable under such series, representing approximately 24.9% of the total issued Ordinary Shares as of such date. Following the modifications to the terms of the 10th Series Stock Acquisition Rights resolved on 18 August 2026 and 11 September 2026 (which, among other things, reduced the number of Ordinary Shares deliverable per right from 696 to 410 and provide for the unvested portion to become exercisable in three equal tranches from August 2029, 2030 and 2031, respectively) and the exercise in August 2026 of 119,000 rights for 82,824,000 Ordinary Shares (of which 64,032,000 Ordinary Shares were issued to our Chief Executive Officer), 105,366,000 Ordinary Shares remained potentially issuable under such series as of 30 September 2026, representing approximately 7.7% of the issued Ordinary Shares as of such date. As described in more detail in the table below, this series of stock acquisition rights contains "anti-dilution" provisions that (as separately agreed with each holder) effectively increase the number of Ordinary Shares that would be issuable under such acquisition rights to equal 25% of total issued Ordinary Shares at the time of such adjustment (subject to certain adjustments for fractional Ordinary Shares). Accordingly, the number of Ordinary Shares issuable under this series of stock acquisition rights has increased substantially in connection with our prior Ordinary Share issuances. On 18 August 2026, however, we resolved, with the consent of all current holders, to eliminate this anti-dilution provision and to fix the aggregate number of potential Ordinary Shares underlying these stock acquisition rights at 319,464,000 Ordinary Shares, so that any future issuance of Ordinary Shares will no longer increase the number of Ordinary Shares issuable under this series. On 31 August 2026, Mr. Simon Gerovich has exercised stock acquisition rights to acquire 64,032,000 Ordinary Shares pursuant to the 10th Series Stock Acquisition Rights, which carry a five-year sale restriction until 17 August 2031. On 11 September 2026, we resolved to make a further amendment, changing the number of underlying Ordinary Shares per stock acquisition rights from 696 Ordinary Shares to 410 Ordinary Shares. Consequently, the total number of potential Ordinary Shares underlying the stock acquisition rights will decrease by 131,274,000 Ordinary Shares from 319,464,000 Ordinary Shares to 188,190,000 Ordinary Shares. Furthermore, the number of remaining potential Ordinary Shares, excluding those already exercised, will decrease from 236,640,000 Ordinary Shares to 105,366,000 Ordinary Shares.

There are no changes to the stock acquisition rights which became exercisable on 8 February 2026. Any outstanding stock acquisition rights are exercisable in phases as follows: one third of this series become exercisable beginning 18 August 2029; an additional one third beginning 18 August 2030; and the remainder beginning 18 August 2031, in each case until 7 February 2033.

As of 11 September 2026, two holders of the stock acquisition rights have exercised a total of 119,000 share options, based on the pre-amendment ratio of 696 shares per option, and have received a total of 82,824,000 shares. The 82,824,000 shares already delivered exceed the number of shares calculated on the basis of 410 shares per unit applicable after the amendment by 34,034,000 shares. Therefore, we will deduct the said 82,824,000 shares from the number of shares that each holder of these stock acquisition rights may acquire through future exercise. The stock acquisition rights that have already been exercised were validly exercised in accordance with the terms of issue in force at the time of exercise, with the full exercise price having been paid, and the delivery of shares has been completed. Shares already delivered will not be returned or cancelled; adjustments will be made solely by reducing the number of shares that the two holders of stock acquisition rights can acquire through future exercises. As a result, the total number of shares that each holder of stock acquisition rights can acquire will be the number of share options held by each multiplied by 410 shares, thereby we believe this will ensure fairness amongst the holders of stock acquisition rights.

The following table summarises our outstanding stock acquisition rights as of the date of this Offering Circular:

Series and resolution date	Number of Ordinary Shares issuable upon exercise	Exercise price per Ordinary Share	Exercise period
10th Series Stock Acquisition Rights (28 December 2022)	105,366,000[1]	¥10	8 February 2026 to 7 February 2033
18th Series Stock Acquisition Rights (11 April 2025)	4,350,200	¥105	1 April 2026 to 31 March 2036
19th Series Stock Acquisition Rights (9 May 2025)[2]	2,500,000	¥105	1 April 2026 to 31 March 2036

Notes:

(1) Under our 10th Series Stock Acquisition Rights, 460,000 stock acquisition rights (which could each be potentially exercised for 100 Ordinary Shares) were issued to the holders of such series.

On 11 September 2026, we resolved to change the number of underlying Shares per stock acquisition rights from 696 Ordinary Shares to 410 Ordinary Shares. Consequently, the total number of potential Ordinary Shares underlying the stock acquisition rights will decrease by 131,274,000 shares from 319,464,000 Ordinary Shares to 188,190,000 Ordinary Shares. Furthermore, the number of remaining potential Ordinary Shares, excluding those already exercised, will decrease from 236,640,000 Ordinary Shares to 105,366,000 Ordinary Shares.

(2) 33,000 units (or 33,000,000 Ordinary Shares) were granted to Eric Trump and 3,000 units (or 3,000,000 Ordinary Shares) were granted to David Bailey. The issue price was ¥255 per stock acquisition right. The exercise price is ¥105 per Ordinary Share. Partial exercise of a single stock acquisition right is not permitted. The holders of these stock acquisition rights may exercise up to one-third of their total number of rights from 1 April 2026 to 31 March 2027; up to two-thirds of their total number of rights from 1 April 2027 to 31 March 2028; and all of their rights from 1 April 2028 until the end of the exercise period. However, the Board of Directors may waive these restrictions by resolution. Approval by our board is also necessary for the transfer of these stock acquisition rights.

The number of Ordinary Shares issuable upon exercise and exercise price per Ordinary Share for these rights are subject to further adjustment based on stock splits or certain other events. Also, the holders of the above stock acquisition rights must continue to be in the position of strategic board of advisors, director, corporate auditor or employee, as the case may be, in order to exercise their stock acquisition rights. The stock acquisition rights are not inheritable and any security rights may not be imposed on the stock acquisition rights.

SUBSIDIARIES AND AFFILIATES

As of 30 September 2026, we had 8 consolidated subsidiaries. The following table presents information on our consolidated subsidiaries as of 30 September 2026:

Name	Location	Principal Business	Percentage of voting rights owned, directly or indirectly, by the Company *(%)*
Consolidated Subsidiaries			
Metaplanet Holdings Inc.	Miami, Florida, U.S.A.	Holding company and strategic oversight functions	100.0
Metaplanet Treasury Corporation	Miami, Florida, U.S.A.	Bitcoin accumulation and related treasury operations	100.0
Metaplanet Income Corp.	Miami, Florida, U.S.A.	Bitcoin-related business	100.0
Metaplanet Capital Limited	Virgin Islands, UK	Bitcoin-related business	100.0
Bitcoin Japan Inc.	Tokyo, Japan	Bitcoin-related business	100.0
Metaplanet Ventures K.K.	Tokyo, Japan	Bitcoin-related business	100.0
Metaplanet Securities Co., Ltd.	Tokyo, Japan	Financial instruments business (Type I Financial Instruments Business Operator)	100.0
WEN Tokyo Inc.	Tokyo, Japan	Hotel operation business	100.0

On 18 August 2026, we and Super League, a Nasdaq-listed company, entered into a definitive agreement pursuant to which our wholly owned U.S. subsidiary, Metaplanet Holdings, Inc., agreed to contribute 2,100 bitcoin, valued at approximately US$132.1 million, together with US$2.5 million in cash, to Super League in exchange for 44,859,400 shares of Super League common stock, together with shares of preferred stock and warrants. Upon closing of the proposed transaction, Super League will be renamed "Superplanet, Inc." and will become our consolidated subsidiary, with us holding approximately 95.7% of Superplanet's issued and outstanding common stock (approximately 93.6% assuming the exercise of Super League's outstanding pre-funded warrants), creating a Bitcoin treasury platform spanning the Nasdaq Capital Market and the Tokyo Stock Exchange. Superplanet is expected to become a consolidated subsidiary of the Company upon completion of the transaction, currently expected in the fourth quarter of 2026.

In addition, on 11 September 2026, the Board of Directors resolved to establish Metaplanet Asset Management Asia Limited, a wholly owned subsidiary to be incorporated in Hong Kong with initial capital of US$1 million. Metaplanet Asset Management Asia Limited is intended to serve as the Group's trading execution and asset management hub in Asia, conducting trading execution, position monitoring and market surveillance during Asian trading hours with respect to bitcoin, bitcoin-related equities and preferred securities issued by bitcoin treasury companies, in coordination with Metaplanet Asset Management Inc. in the United States. As of the date of this Offering Circular, Metaplanet Asset Management Asia Limited has not yet been established; its establishment is expected to be completed by the end of 2026, and it is therefore not included in the table above.

JAPANESE FOREIGN EXCHANGE REGULATIONS

General

The Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended) and its related cabinet orders and ministerial ordinances (the "Foreign Exchange Regulations"), govern certain aspects, in particular, relating to the acquisition and holding of the Ordinary Shares by "exchange non-residents" and by "foreign investors" (as these terms are defined below). However, in general, the Foreign Exchange Regulations currently in effect do not affect transactions between exchange non-residents for the purchase or sale of Ordinary Shares outside Japan using currencies other than yen.

"Exchange residents" are defined in the Foreign Exchange Regulations as:

(i) individuals who reside within Japan; or

(ii) corporations whose principal offices are located within Japan.

"Exchange non-residents" are defined in the Foreign Exchange Regulations as:

(i) individuals who do not reside in Japan; or

(ii) corporations whose principal offices are located outside Japan.

Generally, branches and other offices of non-resident corporations that are located within Japan are regarded as exchange residents. Conversely, branches and other offices of Japanese corporations located outside Japan are regarded as exchange non-residents.

"Foreign investors" are defined in the Foreign Exchange Regulations as:

(i) individuals who are exchange non-residents;

(ii) corporations or other entities that are organised under the laws of foreign countries or whose principal offices are located outside Japan (for this purpose, branches of such corporations or other entities located within Japan are included in this (ii)) (excluding partnerships falling within (iv));

(iii) corporations of which 50% or more of the total voting rights are held, directly or indirectly, by individuals and/or entities falling within (i) and/or (ii) above;

(iv) partnerships engaging in investment activities formed under the Civil Code of Japan (Act No. 89 of 1896, as amended), investment limited partnerships formed under the Limited Partnership Act for Investment of Japan (Act No. 90 of 1998, as amended), or any similar partnerships under the laws of foreign countries, where either (a) 50 % or more of the total contributions to such entities are made by exchange non-residents or certain other foreign investors prescribed under the Foreign Exchange Regulations or (b) a majority of the managing partners or general partners of such partnerships are exchange non-residents or certain other foreign investors prescribed under the Foreign Exchange Regulations; or

(v) corporations or other entities of which a majority of either (a) directors or other officers (including those who have the same degree or more control over such corporations or such other entities as directors or other officers) or (b) directors or other officers (including those who have the same degree or more control over such corporations or such other entities as directors or other officers) having the power of representation are individuals who are exchange non-residents.

Acquisition of Shares

In general, the acquisition by an exchange non-resident of shares of a Japanese corporation from an exchange resident requires *post facto* reporting by the exchange resident to the Minister of Finance through the Bank of Japan. No such reporting requirement is imposed, however, if:

(i) the aggregate purchase price of the relevant shares is ¥100 million or less;

(ii) the acquisition is effected through any bank, financial instruments business operator or other entity prescribed by the Foreign Exchange Regulations acting as an agent or intermediary; or

(iii) the acquisition constitutes an Inward Direct Investment described below.

Inward Direct Investment in Shares of Listed Corporations

If a foreign investor acquires shares or voting rights of a Japanese corporation that is listed on a Japanese stock exchange, such as the Ordinary Shares, or that is traded on an over-the-counter market in Japan and, as a result of the acquisition, the foreign investor, in combination with any of its existing holdings of the shares or voting rights, and any shares or voting rights managed by such foreign investor under discretionary investment management agreements (including those held or managed by certain related entities of such foreign investor), directly or indirectly holds 1 % or more of (i) the total issued shares or (ii) the total voting rights of the relevant corporation, then such acquisition constitutes an "inward direct investment" (the "Inward Direct Investment").

Prior Notification

In general, any foreign investor intending to make an Inward Direct Investment by acquisition of shares or voting rights of a corporation is not subject to the prior notification requirement, unless any of businesses in which such corporation engages falls within any of the business sectors designated by the Foreign Exchange Regulations (*Shitei-Gyoshu*) (the "Designated Business Sectors"). The Company's businesses currently do not fall within any of the Designated Business Sectors. Even if such corporation is not engaging in any of the Designated Business Sectors, however, the foreign investor must file a prior notification of the acquisition with the Minister of Finance and any other competent Ministers (the "Ministers") in limited circumstances, such as where the foreign investor is in a country that is not listed on the exemption schedule under the Foreign Exchange Regulations. If such prior notification is filed, the proposed acquisition may not be consummated until 30 days have passed from the date of filing, although this period will be shortened unless such Ministers deem it necessary to review the proposed acquisition, if the proposed acquisition is determined not to raise concerns from a national security or certain other factors' perspective. On the other hand, if the Ministers deem it necessary to continue to review the proposed acquisition they may extend such period up to five months.The Ministers may also recommend any modification or abandonment of the proposed acquisition and, if such recommendation is not accepted, they may order the modification or abandonment of such acquisition.

Acquisitions of shares by foreign investors by way of stock split are not subject to the prior notification requirements.

Post Investment Reports

Under the Foreign Exchange Regulations, foreign investors conducting Inward Direct Investments may be required to submit post investment reports to the Ministers within 45 days from the transaction settlement date, even if such Inward Direct Investments are not subject to the prior notification requirements. For instance, with respect to the acquisition of shares or voting rights of corporations that are not engaging in Designated Business Sectors, a post investment report will generally be required when the ratio of the total number of shares or voting rights held directly or indirectly by foreign investors in combination with any of its existing holdings of the shares or voting rights and shares or voting rights managed by such foreign investor under discretionary investment management agreements (including those held or managed by certain related entities of such foreign investor) after the acquisition to the number of (i) the total issued shares or (ii) the total voting rights of the relevant corporation reaches 10 % or more.

Acquisitions of shares by foreign investors by way of stock split are not subject to the post investment report requirements.

Dividends and Proceeds from Sales of Ordinary Shares

Under the Foreign Exchange Regulations, dividends paid on and the proceeds from sales in Japan of the Ordinary Shares held by exchange non-residents may generally be converted into any foreign currency and repatriated abroad. However, under the Foreign Exchange Regulations, certain procedures may be required for the transfer of funds out of Japan or such transfer of funds may be prohibited, depending on the location of the recipient, the purpose of such fund transfer and other factors.

DESCRIPTION OF THE ORDINARY SHARES, PREFERRED STOCK AND CERTAIN REGULATIONS

Set out below is certain information concerning the Ordinary Shares, including brief summaries of certain provisions of the Company's Articles of Incorporation and Share Handling Regulations and of the Companies Act relating to joint stock corporations (*kabushiki kaisha*), and certain related legislation, all as currently in effect. This section also sets out a summary of the Company's Class A Preferred Stock and Class B Preferred Stock.

Ordinary Shares

General

All issued Ordinary Shares are fully paid and non-assessable, and are in registered form.

The Ordinary Shares are subject to the Japanese book-entry transfer system for listed shares of Japanese companies under the Book-Entry Act. Under this system, shares of all Japanese companies listed on any Japanese stock exchange are dematerialised, and shareholders of listed shares must have accounts at account management institutions to hold their shares unless such shareholders have an account at JASDEC, the only institution that is designated by the relevant authorities as a clearing house which is permitted to engage in the clearing operations of shares of Japanese listed companies under the Book-Entry Act. "Account management institutions" are financial instruments business operators (i.e., securities firms), banks, trust companies and certain other financial institutions which meet the requirements prescribed by the Book-Entry Act, and only those financial institutions that meet further stringent requirements under the rules of JASDEC (the "JASDEC rules") can open accounts directly at JASDEC. For the purpose of the description under "Ordinary Shares", the Company assumes that the relevant person has no account at JASDEC.

Under the Book-Entry Act, any transfer of shares is effected through book entry, and the title to the shares passes to the transferee at the time when the transferred number of the shares is recorded in the transferee's account at an account management institution. The holder of an account at an account management institution is presumed to be the legal owner of the shares held in such account.

Under the Companies Act and the Book-Entry Act, in order to assert against the Company shareholders' rights to which shareholders as of a given record date are entitled (such as the rights to vote at a general meeting of shareholders or receive dividends), a shareholder must have its name and address registered in the Company's register of shareholders, except in limited circumstances. Under the Japanese book-entry transfer system, such registration is generally made upon the Company's receipt of necessary information from JASDEC through an "all shareholders notice" (sou-kabunushi tsuchi). Shareholders are required to file their names and addresses with the Company, generally through the account management institution and JASDEC. On the other hand, in order to assert shareholders' rights to which shareholders are entitled regardless of record dates, such as minority shareholders' rights, including the right to propose a matter to be considered at a general meeting of shareholders but excluding shareholders' rights to request the Company to purchase Ordinary Shares constituting less than one unit or sell a number of Ordinary Shares necessary to make the Ordinary Shares less than one unit held by the requesting shareholder one unit of shares, upon a shareholder's request, JASDEC shall issue to the Company a notice of certain information (kobetsukabunushi tsuchi), which information includes the name and address of such shareholder. Under the Book-Entry Act, a shareholder must exercise its shareholder's right within four weeks after issue of the notice above.

Non-resident shareholders are also required to appoint a standing proxy in Japan or provide a mailing address in Japan and to file their standing proxy or a mailing address with the Company, generally through the account management institution and JASDEC. Japanese securities firms and commercial banks customarily act as standing proxies and provide related services for standard fees. Notices from the Company to non-resident shareholders are delivered to such standing proxies or mailing addresses.

The Company's transfer agent is Sumitomo Mitsui Trust Bank, Limited, located at 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan.

Distribution of Surplus

General

Under the Companies Act, distribution of cash or other assets by a joint stock corporation to its shareholders, including dividends, takes the form of distribution of Surplus (as defined in "Restriction on Distribution of Surplus"). The Company may make distributions of surplus to its shareholders any number of times per fiscal year, subject to certain limitations described in "Restriction on Distribution of Surplus".

Distributions of surplus are required in principle to be authorised by a resolution of a general meeting of shareholders, but may also be made pursuant to a resolution of the Board of Directors but only if all the requirements described in (a) through (d) below are met:

(a) the Company's Articles of Incorporation provide that the Board of Directors has the authority to decide to make distributions of Surplus;

(b) the Company has (i) an independent auditor and (ii) an audit & supervisory board, or an audit & supervisory committee, or nominating committee, etc., under the Companies Act, as the case may be;

(c) the normal term of office of each Director of the Company terminates on or prior to the date of conclusion of the ordinary general meeting of shareholders relating to the last fiscal year ending within the period of one year from the election of such Director; and

(d) the Company's non-consolidated annual financial statements and certain documents for the latest fiscal year present fairly its assets and profit or loss, as required by ordinances of the Ministry of Justice of Japan ("Ministry of Justice").

As of the date of this Offering Circular, the Company satisfies the requirements described in (a) through (d) above.

Distributions of surplus may be made in cash or in kind in proportion to the number of Ordinary Shares held by each shareholder. A resolution of a general meeting of shareholders or the Board of Directors authorising a distribution of Surplus must specify the kind and aggregate book value of the assets to be distributed, the manner of allocation of such assets to shareholders, and the effective date of the distribution. If a distribution of Surplus is to be made in kind, the Company may, pursuant to a resolution of the Board of Directors, grant a right to its shareholders to require the Company to make such distribution in cash instead of in kind. If no such right is granted to shareholders, the relevant distribution of Surplus must be approved by a special resolution of a general meeting of shareholders. See "Voting Rights" with respect to a "special resolution".

Under the Company's Articles of Incorporation, the record dates for year-end and interim dividends are 31 December and 30 June in each year, respectively. In Japan, the "ex-dividend date" (the date from which purchasers of shares through Japanese stock exchanges will not be entitled to the dividends to be paid to registered shareholders as of any record date) and the record date for dividends precede the date of determination of the amount of the dividends to be paid. The price of the Ordinary Shares generally goes ex-dividend on the business day immediately prior to the record date. The Company is not obliged to pay any dividends unclaimed for a period of three years after the date on which they first became payable.

Restriction on Distribution of Surplus

In addition to the restrictions described below, as long as any series of the Company's Preferred Stock is in issue, payments of dividends on the Ordinary Shares are subject to the prior payment of dividends on Company's Class A Preferred Stock and Class B Preferred Stock. See "Preferred Stock—Preferred Dividends".

When the Company makes a distribution of Surplus, it must, until the sum of its additional paid-in capital and legal reserve reaches one-quarter of its stated capital, set aside in its additional paid-in capital and/or legal reserve an amount equal to one-tenth of the amount of Surplus so distributed in accordance with an ordinance of the Ministry of Justice.

The amount of Surplus at any given time must be calculated in accordance with the following formula: A + B + C + D - (E + F + G)

In the above formula:

"A" = the total amount of other capital surplus and other retained earnings, as each such amount appears on the Company's non-consolidated balance sheet as of the end of the last fiscal year,

"B" = (if the Company has disposed of its treasury stock after the end of the last fiscal year) the amount of the consideration for such treasury stock received by the Company less the book value thereof,

"C" = (if the Company has reduced its stated capital after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to additional paid-in capital or legal reserve (if any),

"D" = (if the Company has reduced its additional paid-in capital or legal reserve after the end of the last fiscal year) the amount of such reduction less the portion thereof that has been transferred to stated capital (if any),

"E" = (if the Company has cancelled its treasury stock after the end of the last fiscal year) the book value of such treasury stock,

"F" = (if the Company has distributed Surplus to its shareholders after the end of the last fiscal year) the total book value of the Surplus so distributed, and

"G" = certain other amounts set forth in ordinances of the Ministry of Justice, including (if the Company has reduced Surplus and increased its stated capital, additional paid-in capital or legal reserve after the end of the last fiscal year) the amount of such reduction and (if the Company has distributed Surplus to its shareholders after the end of the last fiscal year) the amount set aside in its additional paid-in capital or legal reserve (if any) as required by ordinances of the Ministry of Justice.

The aggregate book value of Surplus distributed by the Company may not exceed a prescribed distributable amount (the "Distributable Amount"), as calculated on the effective date of such distribution. The Distributable Amount at any given time shall be equal to the amount of Surplus less the aggregate of the followings:

(a) the book value of the Company's treasury stock;

(b) the amount of consideration for the Company's treasury stock disposed of by it after the end of the last fiscal year; and

(c) certain other amounts set forth in ordinances of the Ministry of Justice, including (if the sum of one half of goodwill and the deferred assets exceeds the total of stated capital, additional paid-in capital and legal reserve, each such amount being that appearing on the Company's non-consolidated balance sheet as of the end of the last fiscal year) all or certain part of such exceeding amount as calculated in accordance with ordinances of the Ministry of Justice.

If the Company has become at its option a company with respect to which consolidated balance sheets should also be taken into consideration in the calculation of the Distributable Amount (*renketsu haito kisei tekiyo kaisha*), it will be required to further deduct from the amount of Surplus the excess amount, if any, of (x) the total amount of shareholders' equity appearing on its non-consolidated balance sheet as of the end of the last fiscal year and certain other amounts set forth by an ordinance of the Ministry of Justice over (y) the total amount of shareholders' equity and certain other amounts set forth by an ordinance of the Ministry of Justice appearing on its consolidated balance sheet as of the end of the last fiscal year.

If the Company has prepared interim financial statements as described below, and if such interim financial statements have been approved by the Board of Directors or (if so required by the Companies Act) by a general meeting of shareholders, then the Distributable Amount must be adjusted to take into account the amount of profit or loss, and the amount of consideration for the Company's treasury stock disposed of by it, during the period in respect of which such interim financial statements have been prepared. The Company may prepare non-consolidated interim financial statements consisting of a balance sheet as of any date subsequent to the end of the last fiscal year and an income statement for the period from the first day of the current fiscal year to the date of such balance sheet. Interim financial statements prepared by the Company must be audited by the Audit Committee and by the independent auditor, as required by the Companies Act and ordinances of the Ministry of Justice.

Capital and Reserves

When the Company issues new Ordinary Shares, the entire amount of money or other assets paid or contributed by subscribers for such Ordinary Shares is required to be accounted for as stated capital, although the Company may account for an amount not exceeding one-half of the amount of such subscription money or other assets as additional paid-in capital by a resolution of the Board of Directors or a determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors. The Company may reduce its additional paid-in capital or legal reserve generally by a resolution of a general meeting of shareholders and, if so decided by the same resolution, may account for the whole or any part of the amount of such reduction as stated capital. On the other hand, the Company may reduce its stated capital generally by a special resolution of a general meeting of shareholders and, if so decided by the same resolution, may account for the whole or any part of the amount of such reduction as additional paid-in capital. In addition, the Company may reduce its Surplus and increase either (i) stated capital or (ii) additional paid-in capital and/or legal reserve by the same amount, in either case, by a resolution of a general meeting of shareholders.

Stock Splits

The Company may at any time split the issued Ordinary Shares into a greater number of Ordinary Shares by a resolution of the Board of Directors or a determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors. When a stock split is to be made, so long as the only class of the Company's outstanding stock is its common stock, it may increase the number of authorised shares to the extent that the ratio of such increase in authorised shares does not exceed the ratio of such stock split by amending its Articles of Incorporation, which amendment may be made without approval by shareholders.

Before a stock split, the Company must give public notice of the stock split, specifying the record date therefor, not less than two weeks prior to such record date.

Under the JASDEC rules relating to the Japanese book-entry transfer system, the Company must also inform JASDEC of certain matters regarding a stock split promptly after a resolution of the Board of Directors or a determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors of such stock split. On the effective date of the stock split, the numbers of Ordinary Shares recorded in all accounts held by holders of Ordinary Shares at account management institutions or JASDEC will be increased in accordance with the applicable ratio.

Consolidation of Ordinary Shares

The Company may at any time consolidate the issued Ordinary Shares into a smaller number of Ordinary Shares by a special resolution of the general meeting of shareholders. When a consolidation is to be made, the Company must give public notice at least two weeks (or, in certain circumstances where any fractions of Ordinary Shares are left as a result of consolidation, 20 days) prior to the effective date of the consolidation. The Company must disclose the reason for the consolidation at the general meeting of shareholders.

Under the Japanese book-entry transfer system, on the effective date of the consolidation, the numbers of Ordinary Shares recorded in all accounts held by holders of Ordinary Shares at account management institutions or JASDEC will be decreased in accordance with the applicable ratio.

Unit Share System

The Company's Articles of Incorporation provide that 100 shares of Ordinary Shares constitute one "unit". The Board of Directors is permitted to reduce the number of Ordinary Shares that will constitute a unit or abolish the unit share system entirely by amending the Company's Articles of Incorporation without approval by shareholders, while a special resolution of a general meeting of shareholders is required to increase the number of Ordinary Shares that will constitute a unit. The number of Ordinary Shares constituting a unit may not exceed the lesser of 1,000 and one-two hundredth of the total number of issued Ordinary Shares.

Under the unit share system, a shareholder has one vote for each unit of Ordinary Shares held by it, except as stated in "Voting Rights". Ordinary Shares constituting less than one unit will carry no voting rights and be excluded for the purposes of calculating the quorum for voting purposes. Moreover, holders of Ordinary Shares constituting less than one unit will have no other shareholder rights except for certain rights specified in the Companies Act, an ordinance of the Ministry of Justice or the Company's Articles of Incorporation, including the right to receive distribution of Surplus.

Under the Japanese book-entry transfer system, Ordinary Shares constituting less than one unit are transferable. Under the rules of the Japanese stock exchanges, however, Ordinary Shares constituting less than one unit do not comprise a trading unit and, accordingly, may not be sold on the Japanese stock exchanges, unless a different trading unit is designated by the relevant Japanese stock exchange.

Holders of Ordinary Shares constituting less than one unit may at any time request the Company to purchase Ordinary Shares held by them. Pursuant to the Company's Articles of Incorporation and Share Handling Regulations, any such holders may also request the Company to sell to such holder Ordinary Shares constituting less than one unit which, when added to the Ordinary Shares held by such holder, shall constitute a full one unit. Under the Japanese book-entry transfer system, such requests must be made to the Company through the relevant account management institutions and JASDEC. Such purchase or sale of Ordinary Shares will be effected at the last trading price of the Ordinary Shares on the relevant stock exchange on the day such request is made (or, if there is no trading in the Ordinary Shares on the stock exchange or if the stock exchange is not open on such day, the price at which the Ordinary Shares are first traded on such stock exchange thereafter). The request of such purchase or sale may not be withdrawn without the Company's consent.

General Meetings of Shareholders

The ordinary general meeting of shareholders of the Company is held in March each year pursuant to the Company's Articles of Incorporation. In addition, the Company may hold an extraordinary general meeting of shareholders whenever necessary. The time, purpose and certain other matters relating to the general meeting of shareholders, including the information contained in the reference materials, must be uploaded onto a website at least three weeks prior to the date set for the meeting, and notice of the URL of the website to be used and certain other matters relating to such meeting must be given to each shareholder having voting rights (or, in the case of a non-resident shareholder, to its standing proxy or mailing address in Japan) at least two weeks prior to the date set for such meeting. Such notice may be given to shareholders by electronic means, subject to the consent of the relevant shareholders. The record date for an ordinary general meeting of shareholders is 31 December of each year.

Any shareholder holding at least 300 voting rights or 1% of the total number of voting rights for six months or longer may propose a matter to be considered at a general meeting of shareholders by submitting a request to a director at least eight weeks prior to the date of such meeting (provided that, the Company is able to limit the number of proposals with respect to the matters proposed by each shareholder to 10). If the Company's Articles of Incorporation so provide, any of the minimum percentages, time periods and number of voting rights necessary for exercising the minority shareholder rights described above may be decreased or shortened. The Company's Articles of Incorporation currently do not include any such provisions.

Voting Rights

A holder of Ordinary Shares constituting one or more units is, in principle, entitled to one voting right for each unit of Ordinary Shares. However, in general, neither the Company nor any corporate or certain other entity, one-quarter or more of the total voting rights of which are directly or indirectly held by the Company, has voting rights in respect of Ordinary Shares held by the Company or such entity.

Except as otherwise provided by law or in the Company's Articles of Incorporation, a resolution can be adopted at a general meeting of shareholders by the holder of a majority of the total number of voting rights represented at the meeting. The Company's Articles of Incorporation provide that the quorum for election of its Directors is one-third of the total number of voting rights. The Company's shareholders are not entitled to cumulative voting in the election of its Directors. The shareholders may exercise their voting rights in writing or through proxies, provided that the proxies are, in principle, also shareholders who have voting rights.

The Companies Act provides that certain important matters shall be approved by a "special resolution" of a general meeting of shareholders. Under the Company's Articles of Incorporation, the quorum for a special resolution is one-third of the total number of voting rights and the approval of at least two-thirds of the voting rights represented at the meeting is required for adopting a special resolution. Such important matters include:

(i) repurchase of Ordinary Shares by the Company from a specific shareholder other than any of the Company's subsidiaries;

(ii) consolidation of Ordinary Shares;

(iii) issuance or transfer of new Ordinary Shares or existing Ordinary Shares held by the Company as treasury stock to persons other than the shareholders at a "specially favourable" price;

(iv) issuance of stock acquisition rights (including those incorporated in bonds with stock acquisition rights) to persons other than the shareholders under "specially favourable" conditions;

(v) exemption from a portion of liability of the Company's Directors, executive officers or independent auditors;

(vi) distribution of Surplus in kind with respect to which shareholders are not granted the right to require the Company to make distribution in cash instead of in kind;

(vii) reduction of stated capital;

(viii) any amendment to the Company's Articles of Incorporation (except for such amendments that may be made without the approval of shareholders under the Companies Act, such as (i) an increase of the number of authorised shares by the same ratio as that of a stock split, (ii) a reduction of the number of Ordinary Shares per unit of Ordinary Shares and (iii) termination of the unit share system);

(ix) transfer of the whole or a substantial part of the Company's business;

(x) transfer of the whole or a part of the Company's equity interests in any of the Company's subsidiaries which meets certain requirements;

(xi) taking over of the whole of the business of another company;

(xii) dissolution or merger or consolidation;

(xiii) corporate split;

(xiv) establishment of a parent and wholly owned subsidiary relationship by way of a share transfer (*kabushiki-iten*) or a share exchange (*kabushiki-kokan*); and

(xv) a partial share exchange (*kabushiki-kofu*) for the purpose of making another corporation a subsidiary.

However, under the Companies Act, no shareholder approval, whether by an ordinary resolution or a special resolution at a general meeting of shareholders, is required for any matter described in (vii) through (xv) above, and such matter may be decided by the Board of Directors or an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors, if it satisfies certain criteria prescribed by the Companies Act as are necessary to determine that its impact is immaterial.

Liquidation Rights

In the event of the Company's liquidation, the assets remaining after payment of all debts, liquidation expenses and taxes will be distributed among holders of Ordinary Shares in proportion to the respective numbers of Ordinary Shares held by them. However, in the event of the Company's voluntary or involuntary liquidation, registered holders of Company's Class A Preferred Stock and Class B Preferred Stock will be entitled, in preference over holders of Ordinary Shares, to receive a distribution out of the Company's residual assets upon the Company's liquidation.

Issue of Additional Ordinary Shares and Pre-emptive Rights

Holders of Ordinary Shares have no pre-emptive rights. Authorised but unissued Ordinary Shares may be issued, or existing Ordinary Shares held by the Company as treasury stock may be sold, at such times and upon such terms as the Board of Directors or an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors determines, subject to the limitations as to the issuance of new Ordinary Shares or sale of existing Ordinary Shares held by the Company as treasury stock at a "specially favourable" price mentioned in "Voting Rights". The Board of Directors or an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors may, however, determine that shareholders be given subscription rights regarding a particular issuance of new Ordinary Shares or sale of existing shares held by the Company as treasury stock, in which case such rights must be given on uniform terms to all holders of Ordinary Shares as of a record date of which not less than two weeks' prior public notice must be given. Each of the shareholders to whom such rights are given must also be given at least two weeks' prior notice of the date on which such rights expire.

In the case of an issuance of Ordinary Shares or a sale of existing Ordinary Shares held by the Company as treasury stock or an issuance of stock acquisition rights (*shinkabu yoyakuken*) whereby any subscriber (including its subsidiaries and other companies set forth in ordinances of the Ministry of Justice) will hold more than 50% of the voting rights of all shareholders, and if shareholders who hold one-tenth or more of the voting rights of all shareholders object to such issuance or sale, an approval by a resolution of a general meeting of shareholders is generally required before the payment date pursuant to the Companies Act. In addition, in the case of an issuance of Ordinary Shares or a sale of existing Ordinary Shares held by the Company as treasury stock or an issuance of stock acquisition rights by a listed company such as the Company by way of an allotment to a third party which would dilute the outstanding voting shares by 25% or more or cause change of the controlling shareholder, in addition to a determination of the Board of Directors or an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors, an approval by a resolution of a general meeting of shareholders or otherwise, or an affirmative opinion by a person independent of the Company's management is generally required pursuant to the rules of the relevant Japanese stock exchange.

Stock Acquisition Rights

The Company has issued stock acquisition rights, and may issue additional stock acquisition rights in the future. Holders of stock acquisition rights are entitled to acquire Ordinary Shares from the Company, upon payment of the applicable exercise price, and subject to other terms and conditions thereof. The Company may also issue bonds with stock acquisition rights (*shinkabu yoyakuken-tsuki shasai*). The issuance of stock acquisition rights and bonds with stock acquisition rights may be authorised by the Board of Directors or an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors unless it is made under "specially favourable" conditions, as described in "Voting Rights" or, in certain circumstances, may be required to obtain an approval of the shareholders or an affirmative opinion by an independent person as described above.

Record Date

As mentioned above, 31 December is the record date for the payment of year-end dividends and the determination of shareholders entitled to vote at the ordinary general meeting of shareholders. 30 June is the record date for the payment of interim dividends.

In addition, by a resolution of the Board of Directors or a determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors and after giving at least two weeks' prior public notice, the Company may at any time set a record date in order to determine the shareholders who are entitled to certain rights pertaining to Ordinary Shares.

Under the JASDEC rules relating to the Japanese book-entry transfer system, the Company is required to give notice of each record date to JASDEC promptly after the resolution of the Board of Directors or the determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors determining such record date. JASDEC is required to promptly give the Company notice of the names and addresses of holders of Ordinary Shares, the numbers of Ordinary Shares held by them and other relevant information as of such record date.

Acquisition by the Company of the Ordinary Shares

The Company may acquire Ordinary Shares (i) from a specific shareholder other than any of the Company's subsidiaries (pursuant to a special resolution of a general meeting of shareholders), (ii) from any of the Company's subsidiaries (pursuant to a resolution of Board of Directors or a determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors), or (iii) by way of purchase on any Japanese stock exchange on which the Ordinary Shares are listed or by way of tender offer (in either case pursuant to an ordinary resolution of a general meeting of shareholders or a resolution of the Board of Directors).

In the case of (i) above, any other shareholder may make a request to the Company that such other shareholder be included as a seller in the proposed purchase, provided that no such right will be available if the purchase price or any other consideration to be received by the relevant specific shareholder will not exceed the higher of (x) the last trading price of the Ordinary Shares on the relevant stock exchange on the day immediately preceding the date on which the resolution mentioned in (i) above was adopted (or, if there is no trading in the Ordinary Shares on the stock exchange or if the stock exchange is not open on such day, the price at which the

Ordinary Shares are first traded on such stock exchange thereafter) and (y) if the Ordinary Shares are subject to a tender offer on the day immediately preceding the date on which the resolution mentioned in (i) above was adopted, the price of the Ordinary Shares under the agreement with respect to such tender offer on such day.

The total amount of the purchase price of Ordinary Shares may not exceed the Distributable Amount, as described in "—Distribution of Surplus—Restriction on Distribution of Surplus".

The Company may hold the Ordinary Shares acquired in compliance with the provisions of the Companies Act, and may generally dispose of or cancel such Ordinary Shares by a resolution of the Board of Directors or a determination of an executive officer to whom the authority to make such determination has been delegated by a resolution of the Board of Directors.

Request by Controlling Shareholder to Sell All Ordinary Shares

A shareholder holding, directly or indirectly, 90% (or such other percentage above 90% as may be provided in the Company's Articles of Incorporation) or more of the Company's voting rights has the right to request, subject to approval by the Board of Directors, that the other shareholders and (if the controlling shareholder so determines) all holders of stock acquisition rights of the Company (in each case, other than the Company and, if the controlling shareholder so determines, the controlling shareholder's wholly owned subsidiaries) sell to the controlling shareholder all Ordinary Shares and all stock acquisition rights, as the case may be, held by them (*kabushiki tou uriwatashi seikyu*). If the approval is granted by a resolution of the Board of Directors, the Company will be required to give public notice thereof to all holders and registered pledgees of Ordinary Shares (and stock acquisition rights, as the case may be) not later than 20 days prior to the effective date of such sales, as proposed by the controlling shareholder.

Disposal of Ordinary Shares by the Company

The Company is not required to send notices to a shareholder if delivery of notices to such shareholder fails to arrive for five consecutive years or more at its address registered in the Company's register of shareholders or otherwise notified to the Company.

In the above case, if the relevant shareholder to whom delivery of notices has failed also fails to receive distributions of Surplus on Ordinary Shares continuously for five years or more at its address registered in the Company register of shareholders or otherwise notified to the Company, then the Company may in general dispose of such Ordinary Shares at their then market price and hold or deposit the proceeds of such disposition on behalf of the relevant shareholder.

Reporting of Substantial Shareholdings

The FIEA and its related regulations require any person who has become, beneficially and solely or jointly, a holder of more than 5% of the total issued shares of capital stock of a company that is listed on any Japanese stock exchange to file a report with the Director-General of the competent Regional Finance Bureau of the Ministry of Finance within five business days. With certain exceptions, a similar report must also be filed in respect of any subsequent change of 1% or more in the holding or of any change in material matters set forth in any previously filed reports. For this purpose, shares issuable to such person upon conversion of convertible securities or exercise of warrants or stock acquisition rights (including those incorporated in bonds with stock acquisition rights) are taken into account in determining both the number of shares held by the holder and such company's total issued shares of capital stock. Any report so filed will be made available for public inspection. Reports are required to be filed through the EDINET system, which is an electronic disclosure system operated by the Financial Services Agency.

Preferred Stock

General

Under the Companies Act, a company may issue multiple classes of shares with different terms and conditions in respect of, among others, preference in dividend distribution and/or distribution of residual assets, voting rights, a call option of the company, or a put option of the shareholders of such class of shares, if so provided for by such company's articles of incorporation. Under the Company's Articles of Incorporation, the Company is authorised to issue 555,000,000 shares of Class A Preferred Stock and 555,000,000 shares of Class B Preferred Stock, respectively. While the Class A Preferred Stock has not yet been issued as of the date of this Offering Circular, the Company has issued 23,610,000 shares of Class B Preferred Stock on 29 December 2025.

Although the Company's Articles of Incorporation set forth the terms of each series of the Company's Preferred Stock, the specific terms for each series (such as the amount of dividends) are not specified in the Articles of Incorporation, and are to be determined prior to the issuance of each series of the Preferred Stock. Since the Class A Preferred Stock has not yet been issued, the descriptions of the Class A Preferred Stock below reflect the terms set forth in the Articles of Incorporation and include matters that are to be determined prior to the issuance. On the other hand, since the Class B Preferred Stock was issued on 29 December 2025, the descriptions of the Class B Preferred Stock below contain the specific terms thereof, based on the Company's Articles of Incorporation and the terms and conditions determined at the time of the issuance of the Class B Preferred Stock.

Some of the notable features of each series of the Company's Preferred Stock are described below.

Preferred Dividends

Holders of each series of the Company's Preferred Stock are entitled to receive preferred dividends, meaning that they are entitled to receive cash dividends in preference to holders of Ordinary Shares; however, Company's Class A Preferred Stock ranks above the Company's Class B Preferred Stock in terms of the priority of receiving dividends. Accordingly, if the Company declares dividends, the Company must distribute such dividends to holders of the Company's Class A Preferred Stock first, to holders of the Company's Class B Preferred Stock second, and finally to holders of Ordinary Shares.

The Company may distribute dividends to holders of the Company's Class A Preferred Stock of record as of the last day of each month ("Class A Dividends").

The amount of the Class A Dividends will be calculated by multiplying 1,000 yen by the divided rate determined in accordance with the calculation method to be determined by a resolution of the Board of Directors or by a determination of an executive officer delegated by a resolution of the Board of Directors before the issuance of such Preferred Stock; provided, however, that if the amount of the Class A Dividends so calculated is less than the Minimum Class A Dividends Amount (being the amount calculated by multiplying 1,000 yen by an annual rate of 1% on a pro rata daily basis), the Class A Dividends shall be deemed to be equal to the Minimum Class A Dividends Amount, and if the amount of the Class A Dividends so calculated exceeds the Maximum Class A Dividends Amount (being the amount calculated by multiplying 1,000 yen by an annual rate of 8% on a pro rata daily basis), the Class A Dividends shall be deemed to be equal to the Maximum Class A Dividends Amount.

On the other hand, the Class B Preferred Stock carries a dividend of 12.25 yen per share at the record dates of 31 March, 30 June, 30 September and 31 December (except for the quarterly dividend period ending 31 December 2025, the amount of such dividend shall be 0.40 yen per share) (the "Class B Dividends").

The Class A Dividends and the Class B Dividends are cumulative, meaning that any preferred dividend unpaid in a particular dividend period (meaning, (i) for the Class A Dividends, the period from the first day to the last day of the month in which the record date for the relevant dividends falls, and (ii) for the Class B Dividends, the period from the first day to the last day of the relevant quarter in which the record date for the relevant dividends falls) will accrue in subsequent dividend period with interest. If any accumulated dividends exist with respect to each series of the Company's Preferred Stock when the Company declares dividends, the Company must pay such accumulated dividends to holders of such Preferred Stock first, and then pay preferred dividends of the respective period, before the Company pay dividends to holders of Ordinary Shares.

In terms of the dividends payable to holders of each series of the Company's Preferred Stock, such holders are not entitled to participation rights, meaning that holders of each series of the Company's Preferred Stock are not entitled to a larger amount of dividends than the Class A Dividends in the case of the Class A Preferred Stock, or the Class B Dividends in the case of the Class B Preferred Stock.

Distribution of Residual Assets

Each series of the Company's Preferred Stock is senior to Ordinary Shares in the distribution of residual assets; however, the Company's Class A Preferred Stock ranks above the Company's Class B Preferred Stock in terms of the priority of receiving residual assets. Accordingly, if the Company is liquidated, the Company must distribute residual assets to holders of the Company's Class A Preferred Stock first, to holders of the Company's Class B Preferred Stock second, and finally to holders of Ordinary Shares.

The amount of the distribution of the residual assets per share to holders of the Class A Preferred Stock will be determined by the calculation method to be determined by a resolution of the Board of Directors or by a

determination of an executive officer delegated by a resolution of the Board of Directors before the issuance of the Class A Preferred Stock, based on the fair value per share of such Class A Preferred Stock.

On the other hand, the amount of the residual assets per share to holders of the Class B Preferred Stock shall be the sum of (i) 1,000 yen, (ii) the accumulated but unpaid Class B Dividends, and (iii) the amount of the Class B Dividends calculated on a pro rata daily basis from the first day of the relevant quarter to the date on which the residual assets are distributed.

In terms of the distribution of the residual assets to holders of each series of the Company's Preferred Stock, such holders are not entitled to participation rights, meaning that holders of each series of the Company's Preferred Stock are not entitled to a larger amount of residual assets than the amount described above.

Absence of Voting Rights

Holders of each series of the Company's Preferred Stock are not entitled to voting rights in any matter that is resolved in general meetings of shareholders.

Meeting of Class Shareholders

Under the Companies Act and the Company's Articles of Incorporation, amendment of the Company's Articles of Incorporation with respect to the following matters (excluding those relating to share unit) that will or are likely to cause detriment to holders of the Company's relevant Preferred Stock require a separate resolution to approve such matter at a meeting of holders of the Company's Class A Preferred Stock or Class B Preferred Stock, whichever is affected:

(i) the creation of a new class of shares;

(ii) a change in the terms of the shares; or

(iii) an increase in the number of authorised shares or the number of shares of a class authorised to be issued.

Right of Refusal

When the Company (i)(a) conducts a merger in which the Company will be the disappearing company or a share exchange or share transfer in which the Company will become the wholly-owned subsidiary (except for a sole-share transfer conducted by the Company) or (b) approves a demand for a cash-out by a Controlling Shareholder (a shareholder holding, directly or indirectly, 90% (or such other percentage above 90% as may be provided in the Company's Articles of Incorporation) or more of the Company's voting rights) against the other shareholders of the Company and (ii) such action is detrimental to the holders of the Company's relevant Class A Preferred Stock or Class B Preferred Stock, such action must be approved by a general meeting of class shareholders comprising of holders of each series of the Company's Preferred Stock.

The Company's Call Option

If an event to be provided for by a resolution of the Board of Directors or by a determination of an executive officer delegated by a resolution of the Board of Directors before the issuance of the Class A Preferred Stock arises with respect to the Class A Preferred Stock, the Company may acquire all or part of the Class A Preferred Stock in exchange for cash, upon the arrival of a date to be separately determined by a resolution of the Board of Directors or by a determination of an executive officer delegated by a resolution of the Board of Directors. The amount of cash to be paid per share in exchange for the Class A Preferred Stock acquired pursuant to such call option will be calculated by the calculation method to be determined by a resolution of the Board of Directors or by a determination of an executive officer delegated by a resolution of the Board of Directors before the issuance of the Class A Preferred Stock based on the fair value per share.

The Company may resolve to acquire all (but not part) of the Class B Preferred Stock if (i) their closing price on the Tokyo Stock Exchange exceeds ¥1,300 for 20 consecutive trading days or (ii) if the amount obtained by multiplying the number of then outstanding Class B Preferred Stock (excluding treasury Class B Preferred Stock) by ¥1,000 is less than ¥6.0 billion; provided, however, that the call option under item (i) above may be exercised only on or after 29 December 2035. The amount of cash to be paid per share of the Class B Preferred Stock acquired pursuant to such call option shall be the sum of (i) ¥1,000, (ii) the accumulated but unpaid Class B Dividends, and (iii) the amount of the Class B Dividends calculated on a pro rata daily basis from the first day of the relevant quarter to the date on which the Class B Preferred Stock is acquired pursuant to such call option.

Put Option of Holders of the Company's Class B Preferred Stock

Holders of the Company's Class B Preferred Stock may request that the Company acquire the Company's Class B Preferred Stock held by them in exchange for Ordinary Shares. The number of Ordinary Shares to be delivered shall be calculated by dividing the sum of (i) 1,000 yen multiplied by the number of Class B Preferred Stock subject to the put option and (ii) the accumulated but unpaid Class B Dividends, by 1,000 yen (subject to adjustment in accordance with the terms and conditions of the Class B Preferred Stock).

In addition, if any of the events specified in the terms and conditions of the Class B Preferred Stock occurs, holders of the Company's Class B Preferred Stock may request that the Company acquire all (but not part) of the Company's Class B Preferred Stock held by them in exchange for cash. In particular, if the Class B Preferred Stock has not been listed on the Tokyo Stock Exchange by the date that is 20 trading days after 29 December 2026, holders of Class B Preferred Stock may exercise their put option in exchange for cash; provided, however, that in order to exercise such put option, a holder of Class B Preferred Stock must give a written notice of exercise within 10 trading days from, and including, 29 December 2026. The amount of cash to be paid per share of the Class B Preferred Stock acquired pursuant to such put option shall be the sum of (i) 1,000 yen, (ii) the accumulated but unpaid Class B Dividends, and (iii) the amount of the Class B Dividends calculated on a pro rata daily basis from the first day of the relevant quarter to the date on which the Class B Preferred Stock is acquired pursuant to such put option.

On the other hand, holders of the Company's Class A Preferred Stock have no such put option.

JAPANESE TAXATION

The following is a summary of the principal Japanese tax consequences to Bondholders and owners of Ordinary Shares, acquired upon exercise of the Stock Acquisition Rights incorporated in the Bonds who are non-resident individuals or non-Japanese corporations having no permanent establishment in Japan ("non-resident Holders"). The statements regarding Japanese tax laws set out below are based on the laws in force and interpreted by the Japanese taxation authorities as of the date of this Offering Circular and are subject to changes in the applicable Japanese laws or tax treaties or arrangements or in the interpretation thereof after that date.

This summary is not exhaustive of all possible tax considerations which may apply to a particular investor and potential investors are advised to satisfy themselves as to the overall tax consequences of the acquisition, ownership and disposition of the Bonds and Ordinary Shares acquired upon exercise of the Stock Acquisition Rights, including specifically the tax consequences under Japanese law, the laws of the jurisdiction of which they are resident, and any tax treaty between Japan and their country of residence, by consulting their own tax advisers.

Bonds

Receipts of premium (if any) upon redemption of the Bonds are subject to Japanese income tax (including corporate income tax) but are not subject to any withholding tax. If the recipient is a resident or a corporation of a country with which Japan has an income tax treaty, Japanese tax treatment may be modified by any applicable provisions of such income tax treaty. Bondholders are advised to consult with their legal, accounting or other professional advisers as to the applicable tax treatment.

Gains derived from the sale of Bonds, whether within or outside Japan, by a non-resident Holder thereof are, in general, not subject to Japanese income tax. Exercise of the Stock Acquisition Rights is not a taxable event in general.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired Bonds as legatee, heir or donee even if the individual is not a Japanese resident.

Ordinary Shares

Generally, a non-resident Holder of Ordinary Shares is subject to Japanese withholding tax on dividends paid by the Company. Stock splits are not subject to Japanese income tax.

The rate of Japanese withholding tax applicable to dividends paid by the Company to a non-resident Holder of Ordinary Shares is 20%, subject to any applicable income tax treaty. However, with respect to dividends paid on listed shares issued by a Japanese corporation (such as the Ordinary Shares) to any corporate or individual shareholders (including those shareholders who are non-resident individuals or non-Japanese corporations), except for any individual shareholder who holds 3% or more of the total issued shares of the relevant Japanese corporation, the said 20% withholding tax rate is reduced to 15%. Due to the imposition of a special additional withholding tax (2.1% of the original withholding tax amount) to secure funds for reconstruction from the Great East Japan Earthquake (the "Special Income Tax for Reconstruction"), the original withholding tax rate of 15% and 20%, as applicable, has been effectively increased to 15.315% and 20.42% during the period beginning on 1 January 2013 and ending on 31 December 2026. On or after 1 January 2027, the Special Income Tax for Reconstruction will be reduced to 1.1% of the original withholding tax amount, but another special additional withholding tax (1% of the original withholding tax amount) to secure funds for strengthening the defence capabilities of Japan (the "Special Income Tax for Defence") will be introduced. Accordingly, the overall withholding tax rate will remain unchanged during the period beginning on 1 January 2027 and ending on 31 December 2047. On or after 1 January 2048, the Special Income Tax for Reconstruction will no longer apply, but the Special Income Tax for Defence will remain applicable. Accordingly, the 15.315% and 20.42% withholding tax rates will be reduced to 15.15% and 20.2%, respectively. The withholding tax under Japanese tax law mentioned above may be exempted or reduced under an applicable tax treaty between Japan and the country of tax residence of a non-resident Holder.

Gains derived from the sale of Ordinary Shares, whether within or outside Japan, by a non-resident Holder thereof are, in general, not subject to Japanese income tax.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired Ordinary Shares as legatee, heir or donee even if the individual is not a Japanese resident.

SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 13 October 2026 in respect of the Bonds (the "Subscription Agreement") between the Company and Merrill Lynch International (the "Lead Manager"), subject to the satisfaction of certain conditions to purchase the aggregate principal amount of the Bonds the Lead Manager has agreed to subscribe for the Bonds at the issue price of 100.0% of the principal amount of the Bonds (the "Issue Price"), and to offer the Bonds at the offer price of 102.5% of the principal amount of the Bonds as stated on the cover page of this Offering Circular (the "Offer Price").

No selling concession or combined management and underwriting commission will be payable by the Company in respect of the offering of the Bonds. The difference between the relevant Issue Price and the relevant Offer Price will be retained by the Lead Manager. The Company has agreed to pay certain costs in connection with the issue and offering of the Bonds. The Lead Manager is entitled to be released and discharged from its obligations under the Subscription Agreement or to terminate the Subscription Agreement in certain circumstances prior to payment to the Company as set out therein. The Company has agreed to indemnify the Lead Manager against certain liabilities in connection with the issue and offering of the Bonds.

Concurrent with the issue and offering of the Bonds, the Lead Manager may facilitate the delta placement.

In connection with the issuance of the Bonds, Mr. Simon Gerovich, Representative Executive Officer and CEO and a shareholder of the Company intends to lend 55,000,000 Ordinary Shares held by him, through an asset management company. The stock lending is intended principally to make Ordinary Shares available to investors purchasing or holding Bonds for sales made by such investors for hedging purposes.

Further, Mr. Simon Gerovich has indicated a commitment to use best endeavours to lend a further 24,500,000 Ordinary Shares held by him within one month of the Closing Date for the same purpose. Such lending to be made available to investors holding Bonds through one or more securities companies.

Lock-up

In connection with the issue and offering of the Bonds, the Company has agreed not to, and not to direct any entities or any persons acting at the direction of the Company to, (i) offer, pledge, sell, contract to issue or sell, issue or sell any option or contract to purchase, purchase any option or contract to issue or sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares, any Preferred Stock or any other capital stock of the Company or any securities convertible into or exercisable or exchangeable for, or that represent the right to receive, Ordinary Shares, Preferred Stock or any other capital stock of the Company, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Ordinary Shares, the Preferred Stock or any such other securities, whether any such swap or transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares, Preferred Stock or such other securities, in cash or otherwise, in each case, from the date of the Subscription Agreement to 27 November 2026 (being the date 45 calendar days thereafter) without the prior written consent of the Lead Manager other than (a) the issue and sale by the Company of the Bonds (or the issue or transfer of Ordinary Shares upon exercise of the Stock Acquisition Rights by the Company), (b) the issue or transfer of Ordinary Shares by the Company upon exercise of stock acquisition rights issued and outstanding as at the date hereof and referred to in the Offering Circular, (c) the sale of Ordinary Shares by the Company to any holder of Ordinary Shares constituting less than one unit for the purpose of making such holder's holding, when added to the Ordinary Shares held by such holder, constitute one full unit of Ordinary Shares, (d) the issue of Ordinary Shares by the Company as a result of any stock split, (e) the issue, sale or disposition of stock options to the directors, executive officers and employees of the Company and any other member of the consolidated group pursuant to the Company's stock option plans, (f) the sale by the Company of Ordinary Shares held by unidentified shareholders and (g) any other issue or sale of Ordinary Shares required by applicable Japanese laws and regulations.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction that would permit a public offering of the Bonds or the Ordinary Shares, or the possession, circulation or distribution of this Offering Circular or any other

material relating to the Company, the Bonds or the Ordinary Shares where action for such purpose is required. Accordingly, neither the Bonds nor any Ordinary Shares may be offered or sold, directly or indirectly, and neither this Offering Circular nor any other offering material or advertisements in connection with the Bonds or the Ordinary Shares may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

Neither the Company nor the Lead Manager represents that the Bonds or the Ordinary Shares may at any time lawfully be re-sold in compliance with any other applicable registration or other requirements in any jurisdiction or pursuant to an exemption available thereunder, or assume any responsibility for facilitating such sales.

United States

The Bonds and the Ordinary Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States.

The Bonds have not been and will not be offered, sold or delivered (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and the Lead Manager will have sent to each dealer to which it sells Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Bonds or the Ordinary Shares issuable upon exercise of the Stock Acquisition Rights within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Japan

The Bonds have not been and will not be registered under the FIEA. Accordingly, the Lead Manager has represented and agreed that, in connection with the initial offering of the Bonds, it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Bonds in Japan or to, or for the account or benefit of, any resident of Japan or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, any resident of Japan except pursuant to an exemption available from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and governmental guidelines in Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Prohibition of Sales to EEA Retail Investors

The Bonds which are the subject of the offering contemplated by this Offering Circular have not been offered, sold or otherwise made available and will not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Prohibition of Sales to UK Retail Investors

The Bonds which are the subject of the offering contemplated by this Offering Circular have not been offered, sold, distributed or otherwise made available and will not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK law; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

In addition:

(i) an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received in connection with the issue or sale of the Bonds has only been communicated or caused to be communicated and will only communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and

(ii) all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom will be complied with.

Hong Kong

The Bonds have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "Securities and Futures Ordinance") and any rules made under the Securities and Futures Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong ("C(WUMP)O") or which do not constitute an offer to the public within the meaning of C(WUMP)O.

No advertisement, invitation or document relating to the Bonds has been issued, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under the Securities and Futures Ordinance.

Notice to Capital Market Intermediaries and Prospective Investors pursuant to Paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to CMIs (Including Private Banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the offering and are subject to additional requirements under the SFC Code.

Paragraph 21.3.3(c) of the SFC Code requires that a CMI should take all reasonable steps to identify whether investors may have any associations with the issuer and provide sufficient information to the OC to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the Company, a CMI or its group companies would be considered under the SFC Code as having an Association with us, the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with us or any CMI (including its group companies) and inform the Joint Lead Managers accordingly.

CMIs are informed that the marketing and investor targeting strategy for the offering includes institutional investors, long-only investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language (if applicable) set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by us. In addition, CMIs should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Joint Lead Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Private banks who disclose that they are placing their order other than on a "principal" basis (i.e. they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that if any of their group companies is a CMI of this offering, placing an order on a "principal" basis may require the Joint Lead Managers to apply the "proprietary orders" requirements of the SFC Code to such order and will require the Joint Lead Managers to apply the "rebates" requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) are requested to provide the following underlying investor information, in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information is required in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether an underlying investor is a "Restricted Investor" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to: bofa_ecm_syndicate_pb_orders@bofa.com and dg.ecm_apac_syndicate@bofa.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to us, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the offering. The Joint Lead Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Joint Lead Manager with such evidence within the timeline requested.

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Joint Lead Managers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated

Nationals and Blocked Persons" list (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/sdnlist.pdf) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: http://www.treasury.gov/ofac/downloads/fse/fselist.pdf) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions); or (b) that is otherwise the subject of any asset freeze or sanctions administered or enforced by any Sanctions Authority to the extent such asset freeze or sanctions would prohibit the provision of services to an investor by any participating CMI in respect of this offering; or (c) that is located, organised or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, Crimea, the so-called Donetsk's People's Republic, the so-called Luhansk People's Republic, the non-government controlled areas of Zaporizhzhia and Kherson, or any other region of Ukraine identified pursuant to Executive Order 14065. "Sanctions Authority" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) the People's Republic of China; (f) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

Singapore

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, the Bonds have not been offered or sold or caused to be made the subject of an invitation for subscription or purchase and will not be offered or sold or caused to be made the subject of an invitation for subscription or purchase, and neither this Offering Circular nor any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, has been circulated or distributed, nor will it be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4(A) of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4(A) of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Other relationships

In connection with the offering, the Lead Manager may for its own account enter into asset swaps, credit derivatives or other derivatives relating to the Bonds and/or components of the Bonds and/or the Ordinary Shares at the same time as the offer and sale of the Bonds or in secondary market transactions including facilitating short sales of the Ordinary Shares by investors who are allocated Bonds. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of Bonds to which this Offering Circular relates (notwithstanding that such selected counterparties may also be purchasers of Bonds). As a result of such transactions, the Lead Manager may hold long or short positions in the Bonds and/or the Ordinary Shares and/or derivatives relating thereto. No disclosure will be made of any such positions.

The Lead Manager and its affiliates have in the past provided, are currently providing and may in the future provide investment and commercial banking, underwriting, advisory and other services to the Company and its subsidiaries and affiliates for which they have received, expect to receive or may receive (as the case may be) customary compensation.

GENERAL INFORMATION

(1) The Company has obtained all necessary consents, approvals and authorisations in Japan in connection with the issue and performance of the Bonds. The issue of the Bonds was authorised by resolutions of the Board of Directors of the Company dated 13 October 2026.

(2) The Bonds have been accepted for clearance through Euroclear and through Clearstream, Luxembourg. The International Securities Identification Number (ISIN) is XS3538479703. The Common Code is 353847970. The LEI of the Company is 3538006DGBY53D3UEV95.

(3) The Securities Identification Code for the Ordinary Shares is 3350.

(4) Approval in-principle has been received from the SGX-ST for the listing of, and quotation for the Bonds on the Official List of the SGX-ST. The Bonds will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for so long as the Bonds are listed on the SGX-ST and rules of the SGX-ST so require.

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Company shall appoint and maintain a paying agent in Singapore, where the Bonds may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for definitive certificates. In addition, in the event that the Global Certificate is exchanged for definitive certificates, an announcement of such exchange will be made by the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive certificates, including details of the paying agent in Singapore.

(5) There has been no significant change in the financial or trading position of the Group and no material adverse change in the financial position or prospects of the Group since 30 June 2026.

(6) There are no, nor have there been any, governmental, legal, arbitral, administrative or other proceedings involving the Company or any other member of the Group that had or may have had, during the 12 months immediately preceding the date of this Offering Circular, a significant effect on the financial position or the profitability of the Company or Group and, so far as the Company is aware, there are no such proceedings pending or threatened.

(7) Copies of the Trust Deed and the Agency Agreement will be available for inspection, at the specified offices of each of the Trustee and the Agents during normal business hours, or electronically upon request to the Trustee (subject to providing satisfactory proof of holding), so long as any of the Bonds is outstanding.

(8) The consolidated financial statements of the Company and its consolidated subsidiaries as of and for the years ended 31 December 2025, 2024 and 2023 included in this Offering Circular have been audited by Yamabuki Audit Corporation, an independent auditor, as stated in their report appearing herein.

(9) Except to the extent provided in Condition 6, the Conditions do not provide for participating rights in the event of a takeover of the Company.

(10) The Trustee is entitled under the Trust Deed to rely without liability to Bondholders on any certificate or report prepared by the independent auditor or any independent financial advisor, whether or not addressed to it and whether or not the same are subject to any limitation on the liability, whether by reference to a monetary cap or otherwise.

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Independent Auditor's Report

26 March 2026

The Board of Directors of Metaplanet Inc.

Yamabuki Audit Corporation
Tokyo Office

Designated Partner and Engagement Partner Certified Public Accountant — Tomoaki Nishioka

Designated Partner and Engagement Partner Certified Public Accountant — Shintaro Utsumi

Audit of Consolidated Financial Statements

Opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have audited the accompanying consolidated financial statements of Metaplanet Inc. ("the Company") for the fiscal year from 1 January 2025 to 31 December 2025, which comprise the consolidated balance sheet, the consolidated statements of income, comprehensive income, changes in equity, and cash flows, significant matters that serve as the basis for preparation of the consolidated financial statements, other notes, and consolidated supplementary financial schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries ("the Group") as of 31 December 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our auditing of financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters the auditor, as a professional expert, considers to be particularly important in auditing the consolidated financial statements for the fiscal year under review. These matters are addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Existence of Bitcoin Account and Occurrence of Related Transactions	
Key audit consideration and reasons for decision	Audit response
We have concluded that the "existence of the Bitcoin account (hereinafter referred to as the 'BTC') and occurrence of related transactions" constitutes a key audit consideration for the current fiscal year, due to the following reasons: • The financing transactions conducted to raise funds for the acquisition of BTC included multiple related party transactions.	In considering the existence of BTC and the occurrence of related transactions, we mainly performed the following audit procedures. (1) Evaluation of Internal Controls We evaluated the design and operational effectiveness of internal control over the process of Bitcoin Treasury Business.

Key audit consideration and reasons for decision	Audit response
• BTC on the consolidated balance sheet is 481,485 million yen, which constitutes 95.3% of consolidated total assets. • Derivative transactions utilizing acquired BTC constitute the majority of sales in the Bitcoin Treasury Business, which is a reportable segment. • The difference between the acquisition cost and the market value of BTC at the end of the period constitutes the Company's profit and loss for the period, and the amount is substantial. • If the data to be applied to the necessary calculation elements is mistaken, the impact of the error on the Company's proper period profit and loss calculation and consolidated total assets will be significant.	(2) Verification of Fundraising Transactions We verified the business rationale of the fundraising transactions, including related party transactions, conducted to raise funds for the acquisition of BTC, and confirmed the fact that the transactions occurred by inspecting the minutes of the board of directors' meetings and transaction vouchers. (3) Verification of Transactions Related to the Acquisition of BTC - The number of BTC acquired and the acquisition rate were verified against external evidence of the transactions. - Regarding derivative transactions utilizing acquired BTC, we conducted transaction verification with securities companies and confirmed consistency with accounting records. (4) Verification of Transactions Related to the Valuation of BTC at the end of the period - The number of BTC held at the end of the period was verified against the number stated in the securities company's balance confirmation letter. - The valuation rate of BTC at the end of the period was verified against the published rate by an external institution on the balance sheet date. - Re-calculations were performed to verify that the unrealized gain/loss on BTC was calculated based on the difference between the market value of BTC at the end of the period and the acquisition cost of BTC.

Other Information

The other information comprises the information included in Annual Securities Report but does not include the consolidated financial statements, the non-consolidated financial statements and our auditor's reports thereon. Management is responsible for the preparation and disclosure of the other information. The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' execution of duties relating to the design and operations of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement of this other information based on the work we have performed, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan and for designing and implementing such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to its status as a going concern.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit of the Group. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with Japan's relevant ethical requirements regarding independence, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence, as well as, where applicable, on any measures taken to remove impediments to such independence and on safeguards applied to reduce those impediments to an acceptable level.

From the matters communicated with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we determine those matters that are particularly important in auditing the consolidated financial statements for the fiscal year under review and are therefore the key audit matters. However, if the publication of such matters is prohibited by law, or if we determine that such matters should not be reported because the disadvantages, however limited they may be, of reporting them in the audit report could reasonably be expected to outweigh the public benefit, we do not include such matters in the report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

1. Consolidated financial statements and other information

(1) Consolidated financial statements

(i) Consolidated balance sheets

	(Millions of yen)	
	Fiscal year ended December 31, 2024 (As of December 31, 2024)	Fiscal year ended December 31, 2025 (As of December 31, 2025)
Assets		
Current assets		
Cash and deposits	294	2,552
Accounts receivable - trade	32	33
USDC (USD Stable coin)	-	*5 14,892
Deposits paid	2,322	370
Other	43	319
Allowance for doubtful accounts	(6)	-
Total current assets	2,685	18,168
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	*2 106	91
Land	*2 866	866
Other, net	2	35
Total property, plant and equipment	*1 975	*1 992
Intangible assets		
Other	76	1,512
Total intangible assets	76	1,512
Investments and other assets		
Bitcoin	26,348	*2 481,485
Deferred tax assets	5	4
Other	478	123
Allowance for doubtful accounts	(359)	-
Total investments and other assets	26,473	481,614
Total non-current assets	27,525	484,120
Deferred assets		
Share issuance costs	114	2,997
Total deferred assets	114	2,997
Total assets	30,325	505,286

	(Millions of yen)	
	Fiscal year ended December 31, 2024 (As of December 31, 2024)	Fiscal year ended December 31, 2025 (As of December 31, 2025)
Liabilities		
Current liabilities		
Short-term borrowings	-	*2 *4 43,836
Current portion of bonds payable	*2 11,250	-
Income taxes payable	19	416
Other	124	1,588
Total current liabilities	11,393	45,841
Non-current liabilities	7	7
Retirement benefit liability		
Deferred tax liabilities	1,958	454
Other	-	391
Total non-current liabilities	1,966	852
Total liabilities	13,359	46,694
Net assets		
Shareholders' equity		
Share capital	0	0
Capital surplus	8,175	525,419
Retained earnings	9,012	(86,186)
Treasury shares	(248)	(7)
Total shareholders' equity	16,939	439,225
Accumulated other comprehensive income		
Foreign currency translation adjustment	-	19,303
Total accumulated other comprehensive income	-	19,303
Share acquisition rights	26	63
Total net assets	16,965	458,592
Total liabilities and net assets	30,325	505,286

(ii) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

	(Millions of yen)	
	Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)
Net sales		
Realized gains (losses) on Bitcoin derivatives	-	477
Bitcoin derivative option premiums received	691	7,976
Other Bitcoin-related sales	-	14
Hotel sales	370	436
Total net sales	1,062	8,905
Cost of sales	66	84
Gross profit	996	8,820
Selling, general and administrative expenses	*1 645	*1 2,533
Operating profit	350	6,287
Non-operating income		
Foreign exchange gains	190	506
Bitcoin valuation gains	5,457	-
Other	3	89
Total non-operating income	5,650	595
Non-operating expenses		
Bitcoin valuation losses	-	102,188
Amortization of share issuance costs	6	418
Other	1	418
Total non-operating expenses	8	103,025
Ordinary profit (loss)	5,993	(96,141)
Extraordinary income		
Gain on forgiveness of debts	*2 400	-
Total extraordinary income	400	-
Profit (loss) before income taxes	6,393	(96,141)
Income taxes - current	1	407
Income taxes - deferred	1,952	(1,503)
Total income taxes	1,953	(1,095)
Profit (loss)	4,439	(95,046)
Profit (loss) attributable to owners of parent	4,439	(95,046)

Consolidated statements of comprehensive income

	(Millions of yen)	
	Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)
Profit (loss)	4,439	(95,046)
Other comprehensive income		
Foreign currency translation adjustment	-	19,303
Total other comprehensive income	* -	* 19,303
Comprehensive income	4,439	(75,742)
(Breakdown)		
Comprehensive income attributable to owners of parent	4,439	(75,742)

(iii) Consolidated statements of changes in equity

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	575	(2,512)	3,207	(139)	1,130
Changes during period					
Capital reduction	(6,329)	6,329			-
Deficit disposition		(1,395)	1,395		-
Issuance of new shares	5,754	5,754			11,509
Profit attributable to owners of parent			4,439		4,439
Purchase of treasury shares				(109)	(109)
Disposal of treasury shares					-
Change in scope of consolidation			(29)		(29)
Net changes in items other than shareholders' equity					
Total changes during period	(575)	10,688	5,805	(109)	15,809
Balance at end of period	0	8,175	9,012	(248)	16,939

	Accumulated other comprehensive income			
	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Total net assets
Balance at beginning of period	-	-	21	1,152
Changes during period				
Capital reduction				-
Deficit disposition				-
Issuance of new shares				11,509
Profit attributable to owners of parent				4,439
Purchase of treasury shares				(109)
Disposal of treasury shares				-
Change in scope of consolidation				(29)
Net changes in items other than shareholders' equity			4	4
Total changes during period	-	-	4	15,813
Balance at end of period	-	-	26	16,965

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	0	8,175	9,012	(248)	16,939
Changes during period					
Capital reduction	(258,502)	258,502			-
Issuance of new shares	258,502	258,502			517,004
Loss attributable to owners of parent			(95,046)		(95,046)
Purchase of treasury shares				(18)	(18)
Disposal of treasury shares		239		259	498
Change in scope of consolidation			(152)		(152)
Net changes in items other than shareholders' equity					
Total changes during period	-	517,243	(95,199)	241	422,285
Balance at end of period	0	525,419	(86,186)	(7)	439,225

	Accumulated other comprehensive income			
	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Total net assets
Balance at beginning of period	-	-	26	16,965
Changes during period				
Capital reduction				-
Issuance of new shares				517,004
Loss attributable to owners of parent				(95,046)
Purchase of treasury shares				(18)
Disposal of treasury shares				498
Change in scope of consolidation				(152)
Net changes in items other than shareholders' equity	19,303	19,303	37	19,341
Total changes during period	19,303	19,303	37	441,626
Balance at end of period	19,303	19,303	63	458,592

(iv) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)
Cash flows from operating activities		
Profit (loss) before income taxes	6,393	(96,141)
Depreciation	16	61
Bitcoin valuation (gains) losses	(5,457)	102,188
Increase (decrease) in retirement benefit liability	2	(0)
Gain on forgiveness of debts	(400)	-
Decrease (increase) in trade receivables	(8)	(1)
Other, net	80	632
Subtotal	626	6,738
Income taxes refund (paid)	(1)	(1)
Other, net	(1)	(118)
Net cash provided by (used in) operating activities	623	6,618
Cash flows from investing activities		
Payments for acquisition of Bitcoin	(20,907)	(541,607)
Purchase of property, plant and equipment	(16)	(34)
Purchase of intangible assets	(76)	(698)
Decrease (increase) in USDC (USD Stable coin)	-	(14,535)
Decrease (increase) in deposits paid	(2,322)	2,486
Other, net	(130)	(4)
Net cash provided by (used in) investing activities	(23,452)	(554,395)
Cash flows from financing activities		
Proceeds from short-term borrowings	-	41,806
Repayments of long-term borrowings	(53)	-
Proceeds from issuance of bonds	12,250	96,379
Redemption of bonds	(1,000)	(108,161)
Proceeds from issuance of shares	11,509	*2 513,430
Proceeds from issuance of share acquisition rights	-	*2 310
Proceeds from disposal of treasury shares	-	498
Purchase of treasury shares	(109)	(18)
Other, net	(25)	(23)
Net cash provided by (used in) financing activities	22,570	544,221
Effect of exchange rate change on cash and cash equivalents	-	5,814
Net increase (decrease) in cash and cash equivalents	(258)	2,258
Cash and cash equivalents at beginning of period	553	294
Cash and cash equivalents at end of period	* 294	* 2,552

Notes to consolidated financial statements

(Going concern assumption)

Not applicable.

(Significant matters that serve as the basis of presenting consolidated financial statements)

1. Matters regarding the scope of consolidation

Number of consolidated subsidiaries: 6

Names of consolidated subsidiaries:

- Metaplanet Holdings Inc.
- Metaplanet Treasury Corporation
- Metaplanet Income Corp.
- Metaplanet Capital Limited
- Bitcoin Japan Inc.

The major subsidiaries are omitted as they are listed in "I. Overview of the Company, 4. Overview of subsidiaries and associates."

During the fiscal year under review, we established the five new companies mentioned above, and made them consolidated subsidiaries.

- Tune Naha silent partnership

Tune Naha silent partnership became a consolidated subsidiary in the previous fiscal year. It is excluded from the scope of consolidation because it is immaterial.

- Metamarket Inc.

Metamarket Inc. was excluded from the scope of consolidation due to the completion of liquidation in the fiscal year under review.

2. Matters regarding the fiscal year of consolidated subsidiaries

The fiscal year-end of consolidated subsidiaries is the same as the fiscal year-end date of the consolidated financial statements.

3. Matters regarding accounting policies

(1) Standards and methods for valuation of important assets

(i) Securities

Available-for-sale securities

Shares, etc. without market prices

Stated at cost using moving average method.

(ii) Crypto assets

Those for which an active market exists

Market value method based on market prices, etc., as of the end of the fiscal year (valuation differences are recognized as profit or loss for the period, and the cost of sales is determined using the moving-average method).

(iii) Net receivables and payables that may arise from Bitcoin derivatives trading Market value method

(2) Depreciation or amortization method for important depreciable or amortizable assets

(i) Property, plant and equipment

Depreciated using the declining-balance method (However, buildings (excluding accompanying facilities) obtained on or after April 1, 1998 and facilities accompanying buildings and structures obtained on or after April 1, 2016 are depreciated using the straight-line method.) Major useful lives are as follows.

Buildings and structures	2 to 15 years
Other	4 to 10 years

(ii) Intangible assets

The straight-line method is used.

(3) Accounting methods for retirement benefits

For certain consolidated subsidiaries, a simplified method is applied in calculating retirement benefit liabilities and retirement benefit expenses, whereby retirement benefit payments that would be required for voluntary retirements at the end of the fiscal year are treated as the retirement benefit obligations.

(4) Basis for recognizing significant revenue and expenses

The Company's accounting standards for revenue and expenses are appropriately determined based on the characteristics of each business segment. The principal accounting standards by businesses are as follows.

(i) Bitcoin-Related Business

Option premiums from Bitcoin derivative transactions are recorded as "Bitcoin derivative option premiums received." Option premiums are recognized upon receipt of the option premium or at the appropriate point in time based on the terms of the contract. On the other hand, expenses related to such transactions are recognized as expenses when incurred.

Profit or loss on settlement of Bitcoin derivative transactions executed for the purpose of trading is recorded as "Realized gains (losses) on Bitcoin derivatives."

Additionally, from the fiscal year under review, the segment name previously referred to as the "Bitcoin Treasury Business" has been changed to "Bitcoin-Related Business."

(ii) Hotel Business

The Group mainly provides lodging and related hotel services to domestic and foreign customers. The performance obligations are satisfied when the services are provided to customers or when the goods are delivered, and revenue is recognized at those points in time.

(5) Accounting policy for translation of significant foreign currency assets or liabilities into Japanese yen
Receivables and payables denominated in foreign currencies are translated into yen at the rates of exchange in effect at the end of the fiscal year, and differences arising from the translation are included in the consolidated statements of income.

Assets and liabilities of foreign subsidiaries are translated into yen at the rates of exchange in effect at the end of the fiscal year, and their revenue and expenses are translated into yen at the average exchange rate during the period. Translation differences are included in foreign currency translation adjustment under net assets.

(6) Scope of cash and cash equivalents in consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows are comprised of cash in hand, demand deposits and short-term investments with maturities of three months or less from the acquisition date that are highly liquid, readily convertible into cash, and are exposed to only an insignificant risk of fluctuations in value.

(7) Other significant matters forming the basis for preparation of consolidated financial statements
Accounting treatment for deferred assets

Stock issuance costs: Amortized using the straight-line method over a three-year period.

(Significant accounting estimates)

Not applicable.

(Changes in accounting policies)

Not applicable.

(Changes in presentation)

Consolidated balance sheets

"Raw materials and supplies" (¥0 million in the previous fiscal year) under "Current assets," which had been separately presented until the previous fiscal year, is included in "Other" under "Current assets" from the fiscal year under review because it is immaterial.

Consolidated statements of income

Because the revenue item presented as “Revenue” up to the previous fiscal year has been changed to “Realized gains (losses) on Bitcoin derivatives,” “Bitcoin derivative option premiums received,” “Other Bitcoin-related sales,” and “Hotel sales,” it has been restated as “Bitcoin derivative option premiums received” (¥691 million in the previous fiscal year) and “Hotel sales” (¥370 million in the previous fiscal year).

“Foreign exchange gains” was included in “Other” under “Non-operating income” until the previous fiscal year. However, as the monetary significance of this amount increased, we decided to report “Foreign exchange gains” as a separate item from the fiscal year under review. The consolidated financial statements for the fiscal year ended December 31, 2024 have been reclassified to reflect these changes in presentation method.

As a result, ¥193 million previously presented in “Other” under “Non-operating income” has been reclassified as “Foreign exchange gains” of ¥190 million and “Other” of ¥3 million in the consolidated statements of income for the previous fiscal year.

Consolidated statements of cash flows

“Interest and dividend income” “Interest expense,” and “(Increase) decrease in inventories” under “Cash flows from operating activities,” which were separately presented for the previous fiscal year, are included in “Other, net” under “Cash flows from operating activities” from the fiscal year under review because they are immaterial. The consolidated financial statements for the fiscal year ended December 31, 2024 have been reclassified to reflect these changes in presentation method.

As a result, ¥(0) million of “Interest and dividend income,” ¥1 million of “Interest expense,” ¥(0) million of “(Increase) decrease in inventories,” and ¥79 million of “Other, net,” which were presented under “Cash flows from operating activities” in the consolidated statements of cash flows for the previous fiscal year, have been restated as ¥80 million of “Other, net.”

“Interest and dividends received” and “Interest paid” under the subtotal for “Cash flows from operating activities,” which were separately presented for the previous fiscal year, are included in “Other, net” under “Cash flows from operating activities” from the fiscal year under review because they are immaterial. The consolidated financial statements for the fiscal year ended December 31, 2024 have been reclassified to reflect these changes in presentation method.

As a result, ¥0 million in “Interest and dividends received” and ¥(1) million of “Interest paid,” which were presented under the subtotal for “Cash flows from operating activities” in the consolidated statements of cash flows for the previous fiscal year, have been restated as ¥(1) million of “Other, net.”

(Additional information)

Application of the Practical Solution on Unification of Accounting Policies for Cryptographic Assets under the Funds Settlement Act The Company accounts for cryptographic assets in accordance with the “Tentative Practical Solution on the Accounting for Virtual Currencies under the Payment Service Act” (PITF No. 38, March 14, 2018). Notes on crypto assets are as follows.

(1) Amount of crypto assets on the consolidated balance sheets

(Millions of yen)

	Fiscal year ended December 31, 2024 (As of December 31, 2024)	Fiscal year ended December 31, 2025 (As of December 31, 2025)
Bitcoin	26,348	481,485
USDC (USD Stable coin)	-	14,892
Total	26,348	496,378

(2) Quantity of cryptographic assets held by type and carrying amount in the consolidated balance sheets

(i) Crypto assets for which an active market exists

	Fiscal year ended December 31, 2024 (As of December 31, 2024)		Fiscal year ended December 31, 2025 (As of December 31, 2025)	
Bitcoin	1,761 BTC	¥26,348 million	35,102 BTC	¥481,485 million
USDC (USD Stable coin)	-	-	95,123,061 USD	¥14,892 million
Total		¥26,348 million		¥496,378 million

Part of the Bitcoin held constitutes crypto assets subject to specific transfer restrictions. The quantity held and the carrying amount in the consolidated balance sheets are as follows.

	Fiscal year ended December 31, 2024 (As of December 31, 2024)		Fiscal year ended December 31, 2025 (As of December 31, 2025)	
Bitcoin	1,761 BTC	¥26,348 million	10,000 BTC	¥138,338 million

(ii) Crypto assets for which an active market does not exist Not applicable.

(Consolidated balance sheets)

*1. Accumulated depreciation of property, plant and equipment is as follows.

(Millions of yen)

	Fiscal year ended December 31, 2024 (As of December 31, 2024)	Fiscal year ended December 31, 2025 (As of December 31, 2025)
Accumulated depreciation of property, plant and equipment	277	291

*2. Assets pledged as collateral and secured liabilities

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

(i) Assets pledged as collateral

Buildings and structures, net	¥106 million
Land	¥866 million
Total	¥972 million

(ii) Secured liabilities

Current portion of bonds payable	¥1,750 million
Total	¥1,750 million

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

(i) Assets pledged as collateral

Bitcoin	¥68,385 million
Total	¥68,385 million

(ii) Secured liabilities

Short-term borrowings	¥43,836 million
Total	¥43,836 million

3. Guarantee obligations

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

The 3rd Series of Ordinary Bonds (guaranteed) was issued to EVO FUND and is guaranteed by Simon Gerovich, President and Representative Director of the Company.

A first priority mortgage has been created on the land and building of Hotel Royal Oak Gotanda owned by WEN Tokyo Inc., a wholly owned subsidiary of the Company, to secure any and all monetary claims of the bondholders against the guarantor arising now or in the future under this guarantee agreement.

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

Not applicable.

*4. Credit facility agreement

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

The Group has concluded a credit facility agreement with its lenders in order to perform fundraising in relation to the Bitcoin-Related Business.

The balance of unused lines of credit under this agreement are as follows.

Total amount of credit line	¥78,280 million
Outstanding balance of used line of credit	¥43,836 million
Unused amount	¥34,443 million

*5. Notes on other matters in the consolidated balance sheets

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

USDC (USD Stable coin) is a crypto-asset pegged 1:1 to the value of the U.S. dollar, and can be used in Bitcoin transactions.

(Consolidated statements of income)

*1. Main items and amounts of selling, general and administrative expenses are as follows.

(Millions of yen)

	Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)
Professional fees	73	312
Advertising expenses	18	774

*2. Details of gain on forgiveness of debts are as follows.

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

This was due to the liquidation of Red Planet Hotels Japan Co., Ltd., which was formerly a consolidated subsidiary of the Company.

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

Not applicable.

(Consolidated statements of comprehensive income)

* Reclassification adjustments and income taxes, including tax effects, relating to other comprehensive income

(Millions of yen)

	Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)
Foreign currency translation adjustment		
Amount accrued during the period	-	19,303
Total other comprehensive income	-	19,303

(Consolidated statements of changes in equity)

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

1. Class and total number of issued shares, and class and number of treasury shares

Type of shares	Number of shares at beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at end of the fiscal year (shares)
Outstanding shares				
Common shares (Notes 1, 2, 3)	114,692,187	85,099,116	163,522,969	36,268,334
Total	114,692,187	85,099,116	163,522,969	36,268,334
Treasury shares				
Common shares (Note 4)	21,725	95,013	20,940	95,798
Total	21,725	95,013	20,940	95,798

Notes: 1. At the Extraordinary General Meeting of Shareholders held on June 28, 2024, a proposal for a reverse stock split was approved. As of the effective date of the reverse stock split (August 1, 2024), 10 shares were consolidated into 1 share. As a result, the total number of issued shares decreased by 163,522,969 shares.

2. At the Board of Directors meeting held on December 28, 2022, a resolution was passed to issue the 9th series of share acquisition rights. During the fiscal year ended December 31, 2024, 67,000,000 shares were exercised. As a result, the total number of issued shares increased by 67,000,000 shares.

3. At the Board of Directors meeting held on August 6, 2024, a resolution was passed to issue the 11th series of share acquisition rights. During the fiscal year ended December 31, 2024, 18,099,116 shares were exercised. As a result, the total number of issued shares increased by 18,099,116 shares.

4. Treasury shares increased due to the purchase of odd-lot shares, and decreased due to the reverse stock split.

2. Share acquisition rights

Company name	Breakdown	Type of shares subject to rights share acquisition rights	Number of shares subject to rights (shares)				Balance at end of the fiscal year (millions of yen)
			Beginning of the fiscal year	Increase	Decrease	End of the fiscal year	
Filing company	9th share acquisition rights (issued on February 8, 2023) Note 3	Common shares	67,000,000	-	67,000,000	-	-
Filing company	10th share acquisition rights (issued on February 8, 2023)	Common shares	46,000,000	-	-	46,000,000	8
Filing company	11th share acquisition rights (issued on August 6, 2024) (Note 4)	Common shares	-	180,991,160	180,991,160	-	-
Filing company	12th share acquisition rights (issued on November 28, 2024) (Note 5)	Common shares	-	29,000,000	-	29,000,000	17
	Total		113,000,000	209,991,160	247,991,160	75,000,000	26

Notes: 1. The number of shares subject to the rights is the number of shares to be issued assuming that the share acquisition rights are exercised.

2. Effective August 1, 2024, the Company conducted a reverse stock split of 10 shares into 1 share, and the amounts shown are after the reverse stock split.

3. The decrease in share acquisition rights issued on February 8, 2023, was due to the exercise of share acquisition rights.

4. The increase in share acquisition rights issued on August 6, 2024, was due to the issuance of share acquisition rights by third-party allotment and the decrease was due to the exercise of share acquisition rights.

5. The increase in share acquisition rights issued on November 28, 2024, was due to the increase in issuance of stock acquisition rights by third-party allotment.

6. At the Board of Directors meeting held on February 18, 2025, a resolution was passed to approve a stock split. As the stock split became effective on April 1, 2025, with a ratio of 1:10, the number of shares subject to the rights has been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

3. Dividends

(1) Dividends paid

Not applicable.

(2) Dividends with an effective date falling in the following fiscal year, among dividends with record dates belonging to the fiscal year ended December 31, 2024

Not applicable.

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

1. Class and total number of issued shares, and class and number of treasury shares

Type of shares	Number of shares at beginning of the fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at end of the fiscal year (shares)
Outstanding shares				
Common shares (Notes 1, 2, 3, 4, 5, 6)	36,268,334	1,106,006,006	-	1,142,274,340
Class B shares (Note 7)	-	23,610,000	-	23,610,000
Total	36,268,334	1,129,616,006	-	1,165,884,340
Treasury shares				
Common shares (Note 8)	95,798	27,413	96,900	26,311
Total	95,798	27,413	96,900	26,311

Notes: 1. The exercise on January 6, 2025, of the 12th series of share acquisition rights (with exercise price adjustment provisions), issued through third-party allotment on December 16, 2024, in accordance with a resolution of the Board of Directors dated November 28, 2024, resulted in the total number of issued shares increasing by 2,900,000 shares.

2. The exercise between February 18, 2025 and March 31, 2025, of the 13th through 17th series of share acquisition rights (with exercise price adjustment provisions and exercise suspension clause), issued through third-party allotment on February 17, 2025, in accordance with a resolution of the Board of Directors dated January 28, 2025, resulted in the total number of issued shares increasing by 6,822,300 shares.

3. At the meeting of the Board of Directors held on February 18, 2025, a resolution was passed to approve a stock split. As the stock split became effective on April 1, 2025, each share was split into ten shares. As a result, the total number of issued shares increased by 413,915,706 shares.

4. The exercise between April 1, 2025 and May 19, 2025, of the 13th through 17th series of share acquisition rights (with exercise price adjustment provisions and exercise suspension clause), issued through third-party allotment on February 17, 2025, in accordance with a resolution of the Board of Directors dated January 28, 2025, resulted in the total number of issued shares increasing by 140,808,000 shares.

5. The exercise between June 24, 2025 and October 6, 2025, of the 20th through 22nd series of share acquisition rights (with exercise price adjustment provisions and exercise suspension clause), issued through third-party allotment on June 23, 2025, in accordance with a resolution of the Board of Directors dated June 6, 2025, resulted in the total number of issued shares increasing by 156,560,000 shares.

6. A new share issuance through an overseas offering with a payment date of September 16, 2025, and a delivery transaction date of September 17, 2025, in accordance with a resolution of the Board of Directors dated August 27, 2025, resulted in the total number of issued shares increasing by 385,000,000 shares.

7. A Class B shares issuance with a payment date of December 29, 2025, and a delivery transaction date of the same day, in accordance with a resolution of the Board of Directors dated November 20, 2025, and a resolution of the Extraordinary General Meeting of Shareholders held on December 22, 2025, resulted in the total number of Class B shares issued increasing by 23,610,000 shares.

8. Treasury shares increased due to the purchase of odd-lot shares.

2. Share acquisition rights

Company name	Breakdown	Type of shares subject to rights share acquisition rights	Number of shares subject to rights (shares)				Balance at end of the fiscal year (millions of yen)
			Beginning of the fiscal year	Increase	Decrease	End of the fiscal year	
Filing company	10th share acquisition rights (issued on February 8, 2023)	Common shares	46,000,000	-	-	46,000,000	8
Filing company	12th share acquisition rights (issued on November 28, 2024) (Notes 2, 3)	Common shares	29,000,000	-	29,000,000	-	-
Filing company	13th through 17th series of share acquisition rights (with exercise price adjustment provisions and exercise suspension clause) (issued on February 17, 2025) (Notes 2, 3)	Common shares	-	21,000,000	21,000,000	-	-
Filing company	18th share acquisition rights (issued on April 28, 2025)	Common shares	-	4,575,000	-	4,575,000	7
Filing company	19th share acquisition rights (issued on May 26, 2025)	Common shares	-	3,600,000	-	3,600,000	9
Filing company	20th through 22nd series of share acquisition rights (with exercise price amendment clause and exercise suspension clause) (issued on June 23, 2025) (Note 3)	Common shares	-	555,000,000	555,000,000	-	-
Filing company	23rd and 24th series of share acquisition rights (with exercise price adjustment provisions and exercise suspension clause) (issued on December 8, 2025)	Common shares	-	210,000,000	-	210,000,000	38
	Total		75,000,000	983,175,000	794,000,000	264,175,000	63

Notes: 1. The number of shares subject to the rights is the number of shares to be issued assuming that the share acquisition rights are exercised.

2. At the Board of Directors meeting held on February 18, 2025, a resolution was passed to approve a stock split. As the stock split became effective on April 1, 2025, with a ratio of 1:10, the number of shares subject to the rights has been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

3. Changes in the number of shares subject to the rights

The decreases in the 12th and 13th share acquisition rights are due to the exercise of share acquisition rights.

The increases in the 13th through 17th, 18th, 19th, 20th through 22nd, 23rd and 24th share acquisition rights are due to the issuance of share acquisition rights.

The decrease in share acquisition rights for the 20th through 22nd series of share acquisition rights was the result of a decrease of 156,560,000 shares arising from the exercise of share acquisition rights and a decrease of 398,440,000 shares arising from the purchase and cancellation of share acquisition rights.

3. Dividends

(1) Dividends paid

Not applicable.

(2) Dividends with an effective date falling in the following fiscal year, among dividends with record dates belonging to the fiscal year ended December 31, 2025

Resolution	Type of shares	Source of dividends	Total amount of dividends (millions of yen)	Dividends per share (yen)	Record date	Effective date
Board of Directors meeting held on January 27, 2025	Class B shares	Capital surplus	9	0.40	December 31, 2025	January 31, 2026

(Consolidated statements of cash flows)

* Reconciliation of closing balance of cash and cash equivalents and the related account on the consolidated balance sheets is as follows:

	(Millions of yen)	
	Fiscal year ended December 31, 2024 (From January 1, 2024 to December 31, 2024)	Fiscal year ended December 31, 2025 (From January 1, 2025 to December 31, 2025)
Cash and deposits	294	2,552
Term deposits with deposit periods exceeding three months	-	-
Cash and cash equivalents	294	2,552

(Financial instruments)

1. Status of financial instruments

(1) Policy on financial instruments

The Group mainly uses the issuance of new shares, bonds, and borrowings (credit facility agreement) to raise the funds necessary for the Bitcoin-Related Business. For derivatives, the Group policy is to engage in Bitcoin- related derivatives transactions, and to not engage in speculative transactions for non-Bitcoin-related derivatives except for the purpose of avoiding interest rate and foreign exchange fluctuation risks.

(2) Details and risks of financial instruments

Accounts receivable, which are trade receivables, are exposed to credit risk of customers and business partners. The Company has put in place a system to control such risks through appropriate credit management in accordance with the Group's credit management regulations.

Accounts payable, which are trade payables, are payable within one year. The Company manages liquidity risk associated with fund procurement (risk of being unable to make payments on due dates) by preparing and updating cash management plans, maintaining liquidity on hand, and other measures.

(3) Risk management framework for financial instruments

(i) Management of credit risk (the risk of contractual counterparty default, etc.)

At the Company, in accordance with the receivable management rules, sales management departments in each business division regularly monitor the state of key clients as they pertain to trade receivables, and manage due dates and outstanding balances for each client, while striving to quickly identify and reduce concerns over recoverability due to deteriorating financial conditions and other factors. The Company also manages the credit status of its consolidated subsidiaries in the same way in accordance with the receivable management rules.

The maximum amount of credit risk as of the consolidated balance sheet date for the fiscal year under review is presented on the consolidated balance sheet as the carrying amount of financial assets exposed to credit risk.

(ii) Management of market risk (foreign exchange fluctuation risks, etc.)

The Company continuously monitors market fluctuations for foreign exchange and other risks.

(iii) Management of liquidity risk associated with fund procurement (risk of being unable to make payments on due dates)

The Company manages liquidity risk by having the Administration Department monitor information related to payments based on reports from each department, etc., and report monthly to the director in charge after taking current assets such as cash and deposits into consideration.

(4) Supplementary explanation of fair value, etc. of financial instruments

Since variable factors have been incorporated in the calculation of the fair value of financial instruments, these values may fluctuate due to the adoption of different assumptions or other factors.

2. Fair value, etc. of financial instruments

The amounts recorded on the consolidated balance sheet, fair values and the differences between them are as follows.

Fiscal year ended December 31, 2024 (As of December 31, 2024)

	Amount recorded on the consolidated balance sheet (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)
(1) Other (long-term accounts receivable - other)	359		
Allowance for doubtful accounts (Note 2)	(359)		
	-	-	-
Total assets	-	-	-

(Note 1) "Cash and deposits," "Accounts receivable—trade," "Current portion of bonds payable," and "Accounts payable—other," have been omitted, as these are cash-based and settled in a short period of time, and the carrying amounts therefore approximate fair value.

(Note 2) "Long-term accounts receivable—other" included in "Other" under "Investments and other assets" in the consolidated balance sheet is stated after deducting the allowance for doubtful accounts, which is individually recorded.

(Note 3) Shares, etc. without market prices are not included. The carrying amount of these financial instruments on the consolidated balance sheet is ¥73 million.

Fiscal year ended December 31, 2025 (As of December 31, 2025)

With respect to the amounts recorded on the consolidated balance sheet, fair values and the differences between them as of December 31, 2025, "Cash and deposits," "Accounts receivable—trade" and "Short-term borrowings" have been omitted, as these are cash-based and settled in a short period of time, and the carrying amounts therefore approximate fair value. The amounts recorded on the consolidated balance sheet for shares, etc. without market prices are as follows.

(Millions of yen)

Category	Fiscal year ended December 31, 2025
Unlisted shares	73

(Note 4) Expected redemption amounts of monetary claims and securities with a maturity after the fiscal year-end date

Fiscal year ended December 31, 2024 (As of December 31, 2024)

	(Millions of yen)			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	After 10 years
Cash and deposits	294	-	-	-
Accounts receivable - trade	32	-	-	-
Total	326	-	-	-

Fiscal year ended December 31, 2025 (As of December 31, 2025)

	(Millions of yen)			
	Within 1 year	Over 1 year within 5 years	Over 5 years within 10 years	After 10 years
Cash and deposits	2,552	-	-	-
Accounts receivable - trade	33	-	-	-
Total	2,586	-	-	-

(Note 5) Scheduled repayments of bonds payable, long-term borrowings, lease liabilities and other interest-bearing liabilities after the fiscal year-end date

Fiscal year ended December 31, 2024 (As of December 31, 2024)

	Within 1 year (millions of yen)	Over 1 year within 2 years (millions of yen)	Over 2 years within 3 years (millions of yen)	Over 3 years within 4 years (millions of yen)	Over 4 years within 5 years (millions of yen)	After 5 years (millions of yen)
Current portion of bonds payable	11,250	-	-	-	-	-
Total	11,250	-	-	-	-	-

3. Breakdown of financial instruments by level of fair value

The fair value of financial instruments is classified into the following three levels based on the observability and significance of the inputs used to measure fair value.

Level 1 fair value: Fair values measured using observable inputs that are market prices formed in active markets for the assets or liabilities for which fair value is to be measured

Level 2 fair value: Fair values measured using observable inputs other than those used to calculate Level 1 fair value

Level 3 fair value: Fair values measured using unobservable inputs

When multiple inputs that have a significant impact on the measurement of fair value are used, the fair value is categorized to the level with the lowest priority in the measurement of fair value among the levels to which each input belongs.

(1) Financial instruments carried on the consolidated balance sheets at fair value Not applicable.

(2) Financial instruments apart from those carried on the consolidated balance sheets at fair value

Fiscal year ended December 31, 2024 (As of December 31, 2024)

Category	Fair value (millions of yen)			
	Level 1	Level 2	Level 3	Total
Other (long-term accounts receivable - other)	-	-	-	-

Fiscal year ended December 31, 2025 (As of December 31, 2025)

Not applicable.

(Retirement benefits)

Fiscal year ended December 31, 2024 (January 1, 2024 to December 31, 2024)

The information is omitted as it is immaterial.

Fiscal year ended December 31, 2025 (January 1, 2025 to December 31, 2025)

The information is omitted as it is immaterial.

(Stock options, etc.)

1. Details, volume and changes of stock options

(1) Details of stock options

	10th share acquisition rights Resolution at a Board of Directors meeting held on December 28, 2022 Approval at an Extraordinary General Meeting of Shareholders held on February 7, 2023
Category and number of grantees (Note 2)	Directors of the Company: 2 Employees of the Company: 5
Number of stock options by type of share (Notes 1, 3)	Common shares: 46,000,000 shares
Grant date	February 8, 2023
Vesting conditions	Refer to 4. Status of the Submitting Company, (2) Status of Share acquisition rights, Etc. i) Details of share option plans
Exercise period	From February 8, 2026 (inclusive) to February 7, 2033 (inclusive)

Notes: 1. The number of stock options is converted and stated as number of shares.

2. The categories and number of grantees are the categories and number of grantees at the time of grant.

3. At the meeting of the Board of Directors held on February 18, 2025, a resolution was passed to approve a stock split. As the stock split became effective on April 1, 2025, each share was split into ten shares. The figures presented here are those from after the stock split.

(2) Volume and changes of stock options

Based on the number of stock options that existed during the fiscal year under review (fiscal year ended December 31, 2025), the number of stock options is converted to the number of shares.

(i) Number of stock options

	10th share acquisition rights Resolution at a Board of Directors meeting held on December 28, 2022 Approval at an Extraordinary General Meeting of Shareholders held on February 7, 2023
Pre-vesting (shares)	
End of previous fiscal year	-
Grant	46,000,000
Expiration	-
Vested	-
Unvested balance	46,000,000
Post-vesting (shares)	-
End of previous fiscal year	-
Vested	-
Exercised	-
Expiration	-
Unexercised balance	-

Note: At the meeting of the Board of Directors held on February 18, 2025, a resolution was passed to approve a stock split. As the stock split became effective on April 1, 2025, each share was split into ten shares. The figures presented here are those from after the stock split.

(ii) Unit price information

	10th share acquisition rights Resolution at a Board of Directors meeting held on December 28, 2022 Approval at an Extraordinary General Meeting of Shareholders held on February 7, 2023
Exercise price (yen)	10
Average share price upon exercise (yen)	-
Fair value unit price on grant date (yen)	18

Note: At the meeting of the Board of Directors held on February 18, 2025, a resolution was passed to approve a stock split. As the stock split became effective on April 1, 2025, each share was split into ten shares. The figures presented here are those from after the stock split.

2. Method for estimating the number of stock options vested

As it is difficult, in principle, to reasonably estimate the number of share options that will be forfeited in the future, the number here reflects only stock options that have actually been forfeited.

(Tax effect accounting)

1. Major components of deferred tax assets and liabilities

(Millions of yen)

	Fiscal year ended 31 December 2024 (As of 31 December 2024)	Fiscal year ended 31 December 2025 (As of 31 December 2025)
(Deferred tax assets)		
Allowance for doubtful accounts	126	129
Bitcoin valuation losses	-	21,718
Loss on valuation of investment securities	54	46
Carry-forward tax losses (Note 2)	4,329	5,586
Other	58	11
Subtotal of deferred tax assets	4,569	27,491
Valuation allowance for carry-forward tax losses (Note 2)	(4,324)	(5,586)
Valuation allowance for total future deductible temporary differences, etc.	(239)	(21,900)
Subtotal of valuation allowance (Note 1)	(4,563)	(27,486)
Total deferred tax assets	5	4
(Deferred tax liabilities)		
Bitcoin valuation gains	1,958	454
Total deferred tax liabilities	1,958	454
Net deferred tax assets (liabilities)	(1,952)	(449)

(Note 1) The change in the valuation allowance is primarily due to increases in Bitcoin valuation losses and carry-forward tax losses.

(Note 2) Amount of carry-forward tax losses and deferred tax assets by expiration date

Fiscal year ended 31 December 2024 (As of 31 December 2024)

	Within 1 year (millions of yen)	Over 1 year within 2 years (millions of yen)	Over 2 years within 3 years (millions of yen)	Over 3 years within 4 years (millions of yen)	Over 4 years within 5 years (millions of yen)	After 5 years (millions of yen)	Total (millions of yen)
Carry-forward tax losses (Note)	22	290	71	-	90	3,854	4,329
Valuation allowance	(22)	(290)	(71)	-	(90)	(3,849)	(4,324)
Deferred tax assets	-	-	-	-	-	5	5

(Note) Carry-forward tax losses are the amounts calculated by multiplying the statutory effective tax rate.

Fiscal year ended 31 December 2025 (As of 31 December 2025)

	Within 1 year (millions of yen)	Over 1 year within 2 years (millions of yen)	Over 2 years within 3 years (millions of yen)	Over 3 years within 4 years (millions of yen)	Over 4 years within 5 years (millions of yen)	After 5 years (millions of yen)	Total (millions of yen)
Carry-forward tax losses (Note)	297	115	10	92	32	5,038	5,586
Valuation allowance	(297)	(115)	(10)	(92)	(32)	(5,038)	(5,586)
Deferred tax assets	-	-	-	-	-	-	-

(Note) Carry-forward tax losses are the amounts calculated by multiplying the statutory effective tax rate.

2. Main components of the significant difference between the statutory effective tax rate and the effective income tax rate after application of tax effect accounting

	Fiscal year ended 31 December 2024 (As of 31 December 2024)	Fiscal year ended 31 December 2025 (As of 31 December 2025)
Statutory effective tax rate	34.6%	
(Adjustments)		
Per capita inhabitant taxes, etc.	0.0	Disclosure has been omitted because a loss before income taxes was recorded.
Impact of valuation allowance	3.5	
Difference due to change in tax rate	(6.8)	
Other	(0.8)	
Corporate tax burden rate after applying tax effect accounting	30.6	

3. Amendments to the amounts of deferred tax assets and deferred tax liabilities due to changes in tax rate of current taxes

Due to the enactment of the "Act for Partial Revision of the Income Tax Act, etc." (Act No. 13 of 2025) in the Japanese Diet on 31 March 2025, the "Special Corporate Tax for Defence" will be imposed starting from the fiscal years beginning on or after 1 April 2026.

Accordingly, deferred tax assets and deferred tax liabilities related to temporary differences expected to be reversed in the fiscal years beginning on 1 January 2027 are calculated by changing the statutory effective tax rate from 34.59% to 35.43%. The impact of this change in tax rate is immaterial.

(Business combinations)
Not applicable.

(Asset retirement obligations)
Not applicable.

(Real estate for lease, etc.)
Not applicable.

(Revenue recognition)
1. Information on the disaggregation of revenue from contracts with customers

Information on the disaggregation of revenue from contracts with customers is described in "Notes to consolidated financial statements (Segment information, etc.)."

2. Information that provides a basis for understanding revenue from contracts with customers

Information that provides a basis for understanding revenue is described in "(Significant matters forming the basis for preparation of consolidated financial statements) 3. Accounting policies) (4) Basis for recognising significant revenue and expenses."

3. Information regarding the relationship between the satisfaction of performance obligations under contracts with customers and the cash flows arising from such contracts, as well as the amount and timing of revenue expected to be recognised in the next fiscal year and beyond from contracts with customers existing at the end of the current fiscal year

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

(1) Balances, etc. of contract assets and contract liabilities

Receivables arising from contracts with customers

	(Millions of yen)
	Fiscal year ended 31 December 2024
Receivables arising from contracts with customers (Beginning balance)	23
Receivables arising from contracts with customers (Ending balance)	32

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

(1) Balances, etc. of contract assets and contract liabilities

Receivables arising from contracts with customers

	(Millions of yen)
	Fiscal year ended 31 December 2025
Receivables arising from contracts with customers (Beginning balance)	32
Receivables arising from contracts with customers (Ending balance)	33

(2) Transaction price allocated to remaining performance obligations

The Group has omitted disclosure of the transaction price allocated to remaining performance obligations because it has no significant contracts with an initially estimated contract term exceeding one year.

(Segment information, etc.)

Segment information

1. Overview of reportable segments

The reportable segments of the Company are components of the Company for which discrete financial information is available and regularly reviewed by the Board of Directors to make decisions about allocation of managerial resources and to assess their performance.

During the fiscal year under review, the classification of "Other," which had included the Web3-related business in the previous fiscal year, has been eliminated due to the Company's withdrawal from that business.

Additionally, from the fiscal year under review, the segment name previously referred to as the "Bitcoin Treasury Business" has been changed to "Bitcoin-Related Business." This name change has no impact on the disclosed segment information.

From the fiscal year under review, the revenue item that was previously presented as "Net sales" has been changed to "Realised gains (losses) on Bitcoin derivatives," "Bitcoin derivative option premiums received," "Other Bitcoin- related sales," and "Hotel sales." Because the revenue item presented as "Revenue" up to the previous fiscal year has been changed to "Realised gains (losses) on Bitcoin derivatives," "Bitcoin derivative option premiums received," "Other Bitcoin-related sales," and "Hotel sales," it has been restated as "Bitcoin derivative option premiums received" and "Hotel sales."

2. Method for calculating amounts of revenue, profit or loss, assets and other items by reportable segment
Accounting methods for reported business segments are the same as those for preparing consolidated financial statements.

Profits or loss of the reportable segments are based on operating profit or operating loss.

3. Information on amounts of revenue, profit or loss, assets, liabilities, and other items for each reportable segment and information on disaggregation of revenue

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

(Millions of yen)

	Reportable segment			Other (Note 1)	Total	Adjustments (Notes 2, 3)	Consolidated financial statement amount (Note 4)
	Bitcoin Treasury Business	Hotel Business	Subtotal				
Net sales							
Bitcoin derivative option premiums received	691	-	691	-	691	-	691
Hotel sales	-	370	370	-	370	-	370
Revenue from contracts with customers	691	370	1,062	-	1,062	-	1,062
Sales from external customers	691	370	1,062	-	1,062	-	1,062
Internal sales or transfers	-	-	-	-	-	-	-
Total	691	370	1,062	-	1,062	-	1,062
Segment profit (loss)	622	(91)	530	(1)	529	(179)	350
Segment assets	28,858	1,080	29,939	73	30,012	313	30,325
Other items							
Depreciation	0	15	15	-	15	0	16
Increase in property, plant and equipment and intangible assets	76	16	92	-	92	-	92

Notes: 1. The “Other” category is a business segment that is not included in the reportable segment.

2. The adjustments to segment profit represent corporate expenses not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

3. The adjustment to segment assets consists of ¥313 million of corporate assets.

4. Segment profit (loss) is adjusted to operating profit in the consolidated statement of income. Regarding the Hotel Business, while core operations performed well, the segment recorded an operating loss due to part of the expenses associated with the liquidation of a subsidiary being recorded as operating expenses.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

(Millions of yen)

	Reportable segment			Total	Adjustments (Notes 1, 2)	Consolidated financial statement amount (Note 3)
	Bitcoin-Related Business	Hotel Business	Subtotal			
Net sales						
Realised gains (losses) on Bitcoin derivatives	477	-	477	477	-	477
Bitcoin derivative option premiums received	7,976	-	7,976	7,976	-	7,976
Other Bitcoin-related sales	14	-	14	14	-	14
Hotel sales	-	436	436	436		436
Revenue from contracts with customers	8,468	436	8,905	8,905	-	8,905
Sales from external customers	8,468	436	8,905	8,905	-	8,905
Intersegment sales or transfers	-	-	-	-	-	-
Total	8,468	436	8,905	8,905	-	8,905
Segment profit	7,191	169	7,361	7,361	(1,073)	6,287
Segment assets	499,225	1,169	500,395	500,395	4,891	505,286
Other items						
Depreciation	44	15	60	60	1	61
Increase in property, plant and equipment and intangible assets	1,480	30	1,510	1,510	3	1,514

Notes: 1. The adjustments to segment profit represent corporate expenses not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

2. The adjustment to segment assets consists of ¥4,891 million of corporate assets.

3. Segment profit is adjusted to operating profit in the consolidated statement of income.

Related information

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

1. Information about products and services

The information is omitted because the same information is disclosed in “Segment information.”

2. Information about geographical areas

(1) Revenue

The information is omitted since revenue from external customers in Japan exceeds 90% of revenue on the consolidated statement of income.

(2) Property, plant and equipment

The information is omitted, because the amount of property, plant and equipment located in Japan accounted for more than 90% of total property, plant and equipment in the consolidated balance sheet.

3. Information about main customers

The information is omitted because no external customer accounted for 10% or more of revenue on the consolidated statement of income.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

1. Information about products and services

The information is omitted because the same information is disclosed in “Segment information.”

2. Information about geographical areas

(1) Revenue

(Millions of yen)

Japan	North America	Total
3,667	5,237	8,905

Note: Net sales are categorised by country or region based on the region where services are provided.

(2) Property, plant and equipment

The information is omitted, because the amount of property, plant and equipment located in Japan accounted for more than 90% of total property, plant and equipment in the consolidated balance sheet.

3. Information about main customers

The information is omitted because no external customer accounted for 10% or more of revenue on the consolidated statement of income.

Information about impairment loss of non-current assets by reportable segment

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

Information about amortisation and unamortized balance of goodwill by reportable segment

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

Information about gain on bargain purchase by reportable segment

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

Related party information

1. Transactions with related parties

(1) Transactions between the company filing the consolidated financial statements and related parties

(a) The parent company and major shareholders (limited to companies) of the company filing the consolidated financial statements

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Type	Name	Location	Capital or investment	Business content or occupation	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (millions of yen)	Account	Balance at end of period (millions of yen)
Main shareholders (Note 2)	EVO FUND	Cayman Islands	111.6 (Millions of US$)	Investment business	(Owned) Directly holding (-) (Note 2)	-	Issuance of bonds	12,250	Current portion of bonds payable	11,250
							Redemption of bonds	1,000		
							Payment of interest (Note 1)	1	-	-
							Exercise of shareshare acquisition rights (Notes 3, 4)	2,865	-	-

Notes: 1. The interest rate has been set upon consultation between the two parties, taking market interest rates into consideration.

2. The company was classified as another associated company as of 22 April 2024, and a major shareholder as of 22 October 2024, but as of the end of the period, all shares were sold and the percentage of voting rights held was 0.0%. However, in light of the grant and exercise of share acquisition rights, the company is listed in this related party category.

3. The exercise of share acquisition rights is based on the 9th series of share acquisition rights issued by the Company at an exercise price of ¥20 per share and the 11th series of share acquisition rights at an exercise price of ¥555 per share, both of which were determined reasonably through discussions based on the price calculated by an independent third- party institution.

4. Of the 11th series of share acquisition rights, 4,915,487 shares were transferred to the Company on 21 October 2024, after the Company took over the 11th series of share acquisition rights on 16 October 2024.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Type	Name	Location	Capital or investment	Business content or occupation	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (millions of yen)	Account	Balance at end of period (millions of yen)
Main shareholders (Note 2)	EVO FUND	Cayman Islands	Paid-in capital: US$ 1 Net assets: Approximately US$ 241 million (Note 4)	Investment business	(Owned) Directly holding (-) (Note 2)	-	Issuance of bonds	96,379	-	-
							Redemption of bonds	108,161		
							Payment of interest (Note 1)	3	-	-
							Exercise of share acquisition rights (Note 3)	290,400	-	-

Notes: 1. The interest rate has been set upon consultation between the two parties, taking market interest rates into consideration.

2. As of the end of the period, all shares were sold and the percentage of voting rights held was 0.0%. However, in light of the grant and exercise of share acquisition rights during the period, the company is listed in this related party category.

3. The exercise of share acquisition rights is based on the 12th series of share acquisition rights, the 13th through 17th series of share acquisition rights, and the 20th through 22nd share acquisition rights, all of which were issued by the Company. All of these have exercise price adjustment provisions, with the initial exercise price adjusted to reflect subsequent share price fluctuations. The initial exercise price has been determined reasonably through discussions based on the price calculated by an independent third-party institution.

4. The above share capital or equity investment amounts are based on information available at the time the 23rd and 24th series of share acquisition rights were issued.

(b) Companies which have a common parent company with the company filing the consolidated financial statements and subsidiaries of other associated companies of the company filing the consolidated financial statements

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

(c) Non-consolidated subsidiaries and associates of the company filing the consolidated financial statements Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

(2) Transactions between consolidated subsidiaries of the company filing the consolidated financial statements and related parties

(a) The parent company and major shareholders of the company filing the consolidated financial statements Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

(b) Companies which have a common parent company with the company filing the consolidated financial statements and subsidiaries of other associated companies of the company filing the consolidated financial statements

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

2. Officers and major individual shareholders

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Type	Company Name or individual name	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (millions of yen)	Account	Balance at end of period (millions of yen)
Officers and close relatives	Simon Gerovich	(Owned) Directly holding (3.9) Indirectly holding (2.7)	Representative Director of the Company	Exercise of share acquisition rights (Note 1)	50	-	-
				Exercise of share acquisition rights (Note 2)	396	-	-
				Loan guarantee (Note 3)	1,750	-	-
Officers and close relatives	Yoshimi Abe	(Owned) Directly holding (0.1)	Director of the Company	Exercise of share acquisition rights (Note 2)	13	-	-

Type	Company Name or individual name	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (millions of yen)	Account	Balance at end of period (millions of yen)
Main shareholders	MMXX Ventures Limited	(Owned) Directly holding (4.0)	- (Note 4)	Exercise of share acquisition rights (Note 1)	405	-	-
				Exercise of share acquisition rights (Note 2)	1,468		
				Borrowing of funds (Note 5)	1,000	-	-
				Borrowing of funds (Note 5)	1,000	-	-

Notes: 1. The exercise of share acquisition rights is based on the 9th series of share acquisition rights issued by the Company at an exercise price of ¥20 per share, which was reasonably determined through discussions based on the price calculated by an independent third-party institution.

2. The exercise of share acquisition rights is based on the 11th series of share acquisition rights issued by the Company at an exercise price of ¥555 per share, which was reasonably determined through discussions based on the price calculated by an independent third-party institution.

3. Personal guarantee for the bond issued to EVO FUND in the amount of ¥1,750,000,000
The Bonds are guaranteed by the President for the payment of principal, interest, late charges and all other obligations relating to the Bonds. A first priority mortgage has been created on the land and building of Hotel Royal Oak Gotanda owned by WEN Tokyo Inc., a wholly owned subsidiary of the Company, to secure any and all monetary claims of the bondholders against the guarantor arising now or in the future under this guarantee agreement.

4. MMXX Ventures Limited was a main shareholder of the Company, holding 13.026% of its voting rights during the period from the beginning of the previous fiscal year through June 30, 2024. Subsequently, as a result of the sale of a portion of its shareholding in the Company, MMXX Ventures Limited no longer qualified as a main shareholder as of the end of the previous fiscal year.
Although MMXX Ventures Limited does not constitute a company majority-owned by officers and their relatives, transactions with MMXX Ventures Limited have been disclosed as related party transactions because it was a main shareholder of the Company during the above period.

5. The interest rate is mutually agreed upon based on market rates.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

3. Notes on the parent company or significant associates

(1) Information on parent company

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

(2) Summary financial information for significant associates

Fiscal year ended 31 December 2024 (1 January 2024 to 31 December 2024)

Not applicable.

Fiscal year ended 31 December 2025 (1 January 2025 to 31 December 2025)

Not applicable.

(Per share information)

Item	Fiscal year ended 31 December 2024 (From 1 January 2024 to 31 December 2024)	Fiscal year ended 31 December 2025 (From 1 January 2025 to 31 December 2025)
Per-share information for common shares		
Net assets per share	46.83 yen	382.82 yen
Basic earnings (loss) per share	22.66 yen	(131.34) yen
Diluted earnings per share	18.76 yen	- yen

Notes: 1. Information on diluted earnings per share for the fiscal year ended 31 December 2025 is omitted because, although there are potential shares, a basic loss per share was recorded.

2. At the Board of Directors meeting held on 18 February 2025, a resolution was passed to approve a stock split. As the stock split became effective on 1 April 2025, with a ratio of 1:10, earnings per share and diluted earnings per share have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.
3. The bases for calculating basic earnings per share and diluted earnings per share are as follows:

Item		Fiscal year ended 31 December 2024 (From 1 January 2024 to 31 December 2024)	Fiscal year ended 31 December 2025 (From 1 January 2025 to 31 December 2025)
Per-share information for common shares			
(1) Basic earnings (loss) per share		22.66 yen	(131.34) yen
(Basis for calculation)			
Net profit (loss) attributable to owners of	(millions of yen)	4,439	(95,046)
Amount not attributable to common	(millions of yen)	-	-
Net profit (loss) attributable to owners of parent pertaining to common shares	(millions of yen)	4,439	(95,046)
Average number of common shares during the period	(shares)	195,892,968	723,688,074
(2) Diluted earnings per share		18.76 yen	-
(Basis for calculation)			
Adjustment of net profit attributable to owners of parent	(millions of yen)	-	-
Increase in the number of common shares	(shares)	40,799,746	-

(Significant subsequent events)

Execution of purchase agreement for new shares and 25th share acquisition rights via third-party allotment

At the meeting of its Board of Directors held on 29 January 2026 (the "Resolution Date"), the Company resolved to issue new ordinary shares of the Company (the "New Shares") and 25th share acquisition rights (the "Share acquisition rights"; together with the New Shares, individually or collectively, the "Securities") via third-party allotment (the "Third- Party Allotment"; the fundraising through the issuance of the New Shares and the issuance and exercise of the Share acquisition rights, the "Fundraising"), and to enter into the purchase agreement relating to the Securities (the "Purchase Agreement"), as set forth below.

The full subscription amount for the New Shares and 25th share acquisition rights via third-party allotment was received on 13 February 2026.

Outline of offering

Overview of the share issuance

(1)	Due date of payment	13 February 2026
(2)	Number of New Shares to be issued	Common shares: 24,529,000 shares
(3)	Issue price	¥499 per share
(4)	Amount of funds to be procured	¥12,239,971,000
(5)	Offering or allotment method	Third-party allotment (overseas issuance)

(6)	Allottee	Anson Opportunities Master Fund LP	1,533,100 shares
		Anson Investments Master Fund LP	3,449,400 shares
		Anson East Master Fund LP	1,149,800 shares
		Alyeska Master Fund, LP	6,132,300 shares
		Brookdale Global Opportunity Fund	2,759,500 shares
		Brookdale International Partners, L.P.	1,839,700 shares
		Walleye Opportunities Master Fund Ltd.	671,500 shares
		Athos Asia Event Driven Master Fund	2,689,600 shares
		FMAP ACL Limited	1,790,000 shares
		New Holland Tactical Alpha Fund LP	230,600 shares
		BlueHarbour MAP I LP	750,600 shares
		BB Special Opportunities Fund Ltd	613,200 shares
		Inicio Master SPC – Segregated Portfolio A	306,500 shares
		Eagle Harbor Multi-Strategy Master Fund Limited	613,200 shares
(7)	Other	Under the Purchase Agreement, the issuance of the Securities to be allocated to the prospective allottees is subject to the satisfaction of the following conditions, among others: The representations and warranties of the Company set forth in the Purchase	
		Agreement are true and accurate, and the Company is in compliance with the covenants set forth in the Purchase Agreement The Company is not in breach of the Purchase Agreement There is no pending application, litigation, or proceeding before any judicial or administrative authority that restricts or prohibits the issuance of the Securities No decision has been made by any judicial or administrative authority that restricts or prohibits the issuance of the Securities, and there is no specific risk thereof All consents, approvals, orders, authorizations, decisions, expiration or termination of waiting periods, or declarations required for the issuance of the Securities under the Antimonopoly Act or other laws or regulations have been obtained	

Overview of the Stock Acquisition Right issuance

(1)	Date of allotment	13 February 2026	
(2)	Number of share acquisition rights issued	159,440	
(3)	Issue price	Total: ¥83,387,120 (per Stock Acquisition Right: ¥523)	
(4)	Number of potential shares due to this issuance	Potential shares: 15,944,000 common shares (100 shares per Stock Acquisition Right) The exercise price will not be revised.	
(5)	Amount of funds to be procured	¥8,804,755,120 (Note)	
(6)	Exercise price and conditions for amendment of exercise price	Exercise price: ¥547 The exercise price will not be revised.	
(7)	Exercise period	From 16 February 2026 to 15 February 2027	
(8)	Offering or allotment method	Third-party allotment (overseas issuance)	
(9)	Allottee	Anson Opportunities Master Fund LP	9,965 units
		Anson Investments Master Fund LP	22,421 units
		Anson East Master Fund LP	7,474 units
		Alyeska Master Fund, LP	39,860 units
		Brookdale Global Opportunity Fund	17,937 units
		Brookdale International Partners, L.P.	11,958 units
		Walleye Opportunities Master Fund Ltd.	4,365 units
		Athos Asia Event Driven Master Fund	17,483 units
		FMAP ACL Limited	11,635 units
		New Holland Tactical Alpha Fund LP	1,499 units
		BlueHarbour MAP I LP	4,878 units
		BB Special Opportunities Fund Ltd	3,986 units
		Inicio Master SPC – Segregated Portfolio A	1,993 units
		Eagle Harbor Multi-Strategy Master Fund Limited	3,986 units
(10)	Other	The Purchase Agreement stipulates that the terms of the issuance of these Securities shall be as described in “(7) Other” under “Overview of the share issuance” above. The Purchase Agreement also stipulates that any transfer of the Share acquisition rights requires approval by the Company’s Board of Directors.	

Note: If the Share acquisition rights are not exercised within the exercise period or if the Share acquisition rights acquired by the Company are cancelled, the amount of funds be procured will decrease.

Execution of purchase agreement for new shares and 26th share acquisition rights via third-party allotment

At the meeting of its Board of Directors held on 16 March 2026, the Company resolved to issue new ordinary shares of the Company and 26th share acquisition rights via third-party allotment, and to enter into the purchase agreement relating to the Securities, as set forth below.

Outline of offering

Overview of the share issuance

(1)	Due date of payment	31 March 2026	
(2)	Number of New Shares to be issued	Common shares: 107,368,000 shares	
(3)	Issue price	¥380 per share	
(4)	Amount of funds to be procured	¥40,799,840,000	
(5)	Offering or allotment method	Third-party allotment (overseas issuance)	
(6)	Scheduled Allottee	Anson Opportunities Master Fund LP	11,229,400 shares
		Anson Investments Master Fund LP	16,841,000 shares
		Anson East Master Fund LP	5,613,700 shares
		Alyeska Master Fund, LP	6,315,800 shares
		Brookdale Global Opportunity Fund	7,578,900 shares
		Brookdale International Partners, L.P.	5,052,600 shares
		Walleye Opportunities Master Fund Ltd.	4,911,100 shares
		Athos Asia Event Driven Master Fund	25,586,400 shares
		FMAP ACL Limited	12,823,500 shares
		New Holland Tactical Alpha Fund LP	1,687,600 shares
		BlueHarbour MAP I LP	5,517,500 shares
		BB Special Opportunities Fund Ltd	1,684,200 shares
		Inicio Master SPC – Segregated Portfolio A	842,100 shares
		Eagle Harbor Multi-Strategy Master Fund Limited	1,684,200 shares

(7)	Other	Under the Purchase Agreement, the issuance of the Securities to be allocated to the prospective allottees is subject to the satisfaction of the following conditions, among others: The representations and warranties of the Company set forth in the Purchase Agreement are true and accurate, and the Company is in compliance with the covenants set forth in the Purchase Agreement The Company is not in breach of the Purchase Agreement There is no pending application, litigation, or proceeding before any judicial or administrative authority that restricts or prohibits the issuance of the Securities No decision has been made by any judicial or administrative authority that restricts or prohibits the issuance of the Securities, and there is no specific risk thereof All consents, approvals, orders, authorizations, decisions, expiration or termination of waiting periods, or declarations required for the issuance of the Securities under the Antimonopoly Act or other laws or regulations have been obtained

Overview of the Stock Acquisition Right issuance

(1)	Date of allotment	31 March 2026	
(2)	Number of share acquisition rights to be issued	1,073,680	
(3)	Issue price	Total: ¥440,208,800 (per Stock Acquisition Right: ¥410)	
(4)	Number of potential shares due to this issuance	Potential shares: 107,368,000 common shares (100 shares per Stock Acquisition Right) The exercise price will not be revised.	
(5)	Amount of funds to be procured	¥44,461,088,800 (Note)	
(6)	Exercise price and conditions for amendment of exercise price	Exercise price: ¥410 The exercise price will not be revised.	
(7)	Exercise period	From 1 April 2026 to 31 March 2028	
(8)	Offering or allotment method	Third-party allotment (overseas issuance)	
(9)	Scheduled Allottee	Anson Opportunities Master Fund LP	112,294 units
		Anson Investments Master Fund LP	168,410 units
		Anson East Master Fund LP	56,137 units
		Alyeska Master Fund, LP	63,158 units
		Brookdale Global Opportunity Fund	75,789 units
		Brookdale International Partners, L.P.	50,526 units
		Walleye Opportunities Master Fund Ltd.	49,111 units

		Athos Asia Event Driven Master Fund	255,864 units
		FMAP ACL Limited	128,235 units
		New Holland Tactical Alpha Fund LP	16,876 units
		BlueHarbour MAP I LP	55,175 units
		BB Special Opportunities Fund Ltd	16,842 units
		Inicio Master SPC – Segregated Portfolio A	8,421 units
		Eagle Harbor Multi-Strategy Master Fund Limited	16,842 units
(10)	Other	The Purchase Agreement stipulates that the terms of the issuance of these Securities shall be as described in "(7) Other" under "Overview of the share issuance" above. The Purchase Agreement also stipulates that any transfer of the Share acquisition rights requires approval by the Company's Board of Directors.	

Issuance of the 27th share acquisition rights with exercise price adjustment clause, mNAV clause, minimum exercise price adjustment clause, and exercise suspension clause through third-party allotment, and the execution of a purchase agreement for share acquisition rights

The Company, pursuant to a resolution of the Board of Directors held on 16 March 2026, has resolved, as detailed below, the issuance of the 27th share acquisition rights through third-party allotment with EVO FUND as the allottee, and the execution of a purchase agreement relating to the share acquisition rights with the scheduled allottee conditional upon the effectiveness of filing under the Financial Instruments and Exchange Act.

Outline of offering

(1)	Date of allotment	April 1, 2026
(2)	Number of share acquisition rights to be issued	1,000,000 (100 common shares per Stock Acquisition Right)
(3)	Issue price	Total: ¥20,000,000 (per Stock Acquisition Right: ¥20)
(4)	Number of potential shares due to this issuance	Common shares: 100,000,000 shares (100 shares per Stock Acquisition Right) There is no ceiling exercise price. The minimum exercise price is initially ¥298 (however, the minimum exercise price may be adjusted as described in "(6) Exercise price and conditions for amendment of exercise price" below); however, even at the minimum exercise price, the number of potential shares is 100,000,000.
(5)	Amount of funds to be procured	¥37,135,880,000 (Note)
(6)	Exercise price and conditions for amendment of exercise price	The initial exercise price shall be ¥373. The exercise price for the Share acquisition rights shall be adjusted for the first time on 17 April 2026, and thereafter shall be adjusted each trading day (a day on which trading is conducted at the Tokyo Stock Exchange (hereinafter referred to as the "Exchange") after one trading day has elapsed (hereinafter, the same meaning); hereinafter, the day(s) on which such adjustment is made shall be referred to, individually or collectively, as the "Adjustment Date"). When the exercise price is adjusted based on the adjustment

		clause, the exercise price shall be adjusted on the Adjustment Date to the closing price of the ordinary trading of the Company's common stock announced by the Exchange on the last trading day immediately preceding the Adjustment Date (provided that if such amount falls below the minimum exercise price, it shall be the minimum exercise price). If no closing price exists on the last trading day immediately preceding the Adjustment Date, the exercise price shall not be adjusted. On and after 17 April 2026, the Company may, by resolution of the Company's Board of Directors (hereinafter, such resolution shall be referred to as the "Floor Exercise Price Adjustment Resolution"), adjust the minimum exercise price to any amount. However, the adjusted minimum exercise price shall not be lower than ¥187 (adjusted pursuant to Article 11 of the Terms of Issuance of the Share acquisition rights, applied mutatis mutandis). If the Floor Exercise Price Adjustment Resolution is made, the adjusted minimum exercise price shall apply on and after the date three trading days after the date on which the Floor Exercise Price Adjustment Resolution is made (inclusive). Notwithstanding the above, if less than one month has elapsed since the date of the immediately preceding Floor Exercise Price Adjustment Resolution, the Company shall not be able to adjust the floor exercise price. If, on the last trading day preceding an Adjustment Date, an event occurs that would be a reason for adjustment based on Article 11 of the Terms of Issuance of the Share acquisition rights, the closing price of the Company's common stock in ordinary trading announced by the Exchange on the last trading day preceding the Adjustment Date shall be reasonably adjusted taking such event into account. However, for the period from the last trading day (inclusive) immediately preceding the record date or the like with respect to the Company's common stock through the record date or the like (inclusive), the period during which the Share acquisition rights cannot be exercised due to procedures of the Japan Securities Depository (hereinafter referred to as the "Shareholder Record Period"; provided that if the Japan Securities Depository changes such period, such changed period shall apply), and the next trading day following the last day of the Shareholder Record Period, no adjustment of the exercise price shall be made. In that case, the next adjustment of the exercise price shall be made on and after the date two trading days after the last day of the Shareholder Record Period (inclusive), and on and after such date, the exercise price shall be adjusted in accordance with Article 10, Paragraph (1), Subsection (i) of the Terms of Issuance of the Share acquisition rights each time one trading day elapses.
(7)	Offering or allotment method (Scheduled Allottee)	All of the Share acquisition rights shall be allotted to EVO FUND through the method of third-party allotment.
(8)	Exercise period	The exercise period for the Share acquisition rights shall be from 16 April 2026 through 17 April 2028.
(9)	Other	The Company shall, as of today, execute the Purchase Agreement with the Scheduled Allottee, which sets forth the Exercise Suspension Clause and mNAV Clause as described in "3. Outline of the Fundraising Method and Selection Reason (1) Outline of the Fundraising Method" below, as well as provisions requiring approval by the Company's Board of Directors if the Scheduled Allottee transfers the Share acquisition rights and other provisions.

Note: The amount of funds to be procured is the aggregate of the subscription amount for the Share acquisition rights and the value of property contributed upon exercise of the Share acquisition rights, minus the estimated amount of expenses for issuance. The value of property contributed upon exercise of the Share acquisition rights is the amount calculated assuming that all of the Share acquisition rights are exercised at the initial exercise price. If the exercise price is adjusted or modified, or if the Company acquires and cancels the Share acquisition rights, the amount of funds to be procured may increase or decrease. Additionally, if the Share acquisition rights are not exercised during the exercise period, the amount of funds to be procured will fluctuate.

Borrowing under a credit facility agreement

The Company has executed borrowings (the "Borrowing") under the credit facility agreement disclosed on 28 October 2025, as set forth below.

* Regarding the borrowing under a credit facility agreement Overview of the borrowing

Lender	Undisclosed at the lender's request
Borrowing amount	US$ 75 million
Borrowing date	30 January 2026
Interest expense	Benchmark US dollar interest rate + spread
Borrowing period	Renewed automatically on a daily basis
Repayment method	Repayment can be made at any time at our discretion.
Attachment of security and guarantee	Bitcoin held by the Company is pledged as collateral (Note)

Notes: 1. In general, when borrowing against BTC, if the market price of Bitcoin falls during the borrowing period, additional BTC may be required as collateral. However, as of the borrowing date, the Company holds 35,102BTC, which provides ample collateral coverage relative to the size of this borrowing, and anticipates maintaining sufficient collateral capacity. The Company has a policy of executing such borrowings only within a range that ensures adequate collateral, even during significant BTC price declines. The Company remains committed to conservative financial management without excessive leverage.

2. The upper limit of the credit facility is US$ 500 million, of which US$ 355 million has been drawn down including the Borrowing.

(v) Annexed consolidated detailed schedules

Detailed schedule of corporate bonds

Company name	Issue name	Issuance date	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Interest rate (%)	Collateral	Redemption date
Filing Company	3rd ordinary bonds (with guarantee) (Note)	18 November 2024	1,750 (1,750)	-	0.36% per annum	General collateral	17 November 2025
	4th ordinary bonds (Note)	17 December 2024	4,500 (4,500)	-	No interest	Unsecured	16 June 2025
	5th ordinary bonds (Note)	20 December 2024	5,000 (5,000)	-	No interest	Unsecured	16 June 2025
Total	-	-	11,250 (11,250)	-	-	-	-

Note: The figures shown in parentheses represent the amount to be redeemed within one year.

Detailed schedule of borrowings

Category	Balance at beginning of period (millions of yen)	Balance at end of period (millions of yen)	Average interest rate (%)	Repayment term
Short-term borrowings	-	43,836	7.25	-
Total	-	43,836	-	-

Note: "Average interest rate" represents weighted average interest rate with respect to the ending balance of borrowings.

Detailed schedule of asset retirement obligations Not applicable.

(2) Other

Semi-annual information for the fiscal year ended 31 December 2025

		Six months ended 30 June 2025	Fiscal year ended 31 December 2025
Net sales	(millions of yen)	2,116	8,905
Profit (loss) before income taxes	(millions of yen)	10,565	(96,141)
Profit (loss) attributable to owners of parent	(millions of yen)	6,059	(95,046)
Basic earnings (loss) per share	(yen)	12.54	(131.34)
Diluted earnings per share	(yen)	9.51	-

Notes: 1. At the Board of Directors meeting held on 18 February 2025, the Company passed a resolution to approve a stock split.

As the stock split became effective on 1 April 2025, with a ratio of 1:10, earnings per share and diluted earnings per share have been calculated on the assumption that the stock split had been conducted at the beginning of the fiscal year under review.

2. Information on diluted earnings per share for the fiscal year under review is omitted because, although there are potential shares, a basic loss per share was recorded.

Independent Auditor's Report

24 March 2025

The Board of Directors of Metaplanet Inc.

Yamabuki Audit Corporation
Tokyo Office

Designated Partner and Engagement Partner Certified Public Accountant — Tomoaki Nishioka

Designated Partner and Engagement Partner Certified Public Accountant — Shintaro Utsumi

Audit of Consolidated Financial Statements

Opinion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Metaplanet Inc. ("the Company") for the fiscal year from 1 January 2024 to 31 December 2024 and comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, significant matters that serve as the basis for preparation of the consolidated financial statements, other notes, and consolidated supplementary financial schedules.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company. and its consolidated subsidiaries as of 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the ethical requirements that are relevant to our auditing of financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

As stated in the notes to the consolidated financial statements "Significant subsequent events (Issuance of the 13th to 17th series of share acquisition rights with adjustable exercise prices and suspension provisions through third-party allotment, and the conclusion of a share acquisition rights purchase agreement)", the Company resolved to issue the 13th to 17th series of share acquisition rights through a third-party allotment to EVO FUND ("the scheduled subscriber"). The Company also resolved to enter into a share acquisition right purchase agreement with the EVO FUND, subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.

This matter does not affect the opinion of our audit firm.

Key Audit Considerations

Key audit considerations are those matters the auditor, as a professional expert, considers to be particularly important in auditing the consolidated financial statements for the fiscal year under review. These key audit considerations are matters addressed during the course of the audit of the consolidated financial statements as a whole and in forming our audit opinion, and it is not our intention to express individual opinions on these matters.

<table>
<tr><td colspan="2">Existence of Bitcoin Account and Occurrence of Related Transactions</td></tr>
<tr><td>Key audit consideration and reasons for decision</td><td>Audit response</td></tr>
<tr><td>The company commenced its Bitcoin Treasury Business in the current consolidated fiscal year, as stated in the Notes to the consolidated financial statements “Segment Information, etc.”.

We have concluded that the “existence of the Bitcoin account (hereinafter referred to as the ‘BTC’) and occurrence of related transactions” constitutes a key audit consideration for the current fiscal year, due to the following reasons:

• The financing transactions conducted to raise funds for the acquisition of BTC included multiple related party transactions.

• BTC on the consolidated balance sheet is 26,348,999 thousand yen, which constitutes 86.9% of consolidated total assets.

• Derivative transactions (put option transactions) utilising acquired BTC constitute the majority of sales in the Bitcoin Treasury Business, which is a reportable segment.

• The difference between the acquisition cost and the market value of BTC at the end of the period constitutes the Company’s profit and loss for the period, and the amount is substantial.

• If the data to be applied to the necessary calculation elements is mistaken, the impact of the error on the Company’s proper period profit and loss calculation and consolidated total assets will be significant.</td><td>In considering the existence of BTC and the occurrence of related transactions, we mainly performed the following audit procedures.

(1) Evaluation of Internal Controls

We evaluated the design and operational effectiveness of internal control over the process of Bitcoin Treasury Business.

(2) Verification of Fundraising Transactions

We verified the business rationale of the fundraising transactions, including related party transactions, conducted to raise funds for the acquisition of BTC, and confirmed the fact that the transactions occurred by inspecting the minutes of the board of directors’ meetings and transaction vouchers.

(3) Verification of Transactions Related to the Acquisition of BTC

- The number of BTC acquired and the acquisition rate were verified against external evidence of the transactions.

- Regarding derivative transactions (put option transactions) utilising acquired BTC, we conducted transaction verification with securities companies and confirmed consistency with accounting records.

(4) Verification of Transactions Related to the Valuation of BTC at the end of the period

- The number of BTC held at the end of the period was verified against the number stated in the securities company’s balance confirmation letter.

- The valuation rate of BTC at the end of the period was verified against the published rate by an external institution on the balance sheet date.

- Re-calculations were performed to verify that the unrealised gain/loss on BTC was calculated based on the difference between the market value of BTC at the end of the period and the acquisition cost of BTC.</td></tr>
</table>

Other Information

The other information consists of the information other than the consolidated financial statements, and our auditor’s reports thereon. Management is responsible for the preparation and disclosure of the other information.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' execution of duties relating to the design and operations of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we conclude that there is a material misstatement of this other information based on the work we have performed, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and the Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan and for designing and implementing such internal controls as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to its status as a going concern.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for overseeing the directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient, appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit of the Group. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board Members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit, significant audit findings, including any significant deficiencies in internal control that we identify during our audit, and other matters required by auditing standards.

We also provide the Audit & Supervisory Board Members and the Audit & Supervisory Board with a statement that we have complied with Japan's relevant ethical requirements regarding independence, and communicate with them on all relationships and other matters that may reasonably be thought to bear on our independence, as well as, where applicable, on any measures taken to remove impediments to such independence and on safeguards applied to reduce those impediments to an acceptable level.

Of the matters discussed with the Audit & Supervisory Board Members and the Audit & Supervisory Board, we identify key considerations in auditing the consolidated financial statements for the fiscal year under review, and include them in the report. However, if the publication of such matters is prohibited by law, or if we determine that such matters should not be reported because the disadvantages, however limited they may be, of reporting them in the audit report could reasonably be expected to outweigh the public benefit, we do not include such matters in the report.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

1 Consolidated Financial Statements, etc.

(1) Consolidated Financial Statements

① Consolidated Balance Sheet

	(In thousands of yen)	
	As of 31 December 2023	As of 31 December 2024
Assets		
Current assets		
Cash and deposits	553,175	294,222
Accounts receivable – trade	23,306	32,140
Raw materials and supplies	375	479
Deposits paid	1,234	2,322,129
Other	27,389	42,590
Allowance for doubtful accounts	(6,067)	(6,067)
Total current assets	599,412	2,685,494
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	95,168	※2 106,281
Land	866,619	※2 866,619
Other, net	13,200	2,510
Total property, plant and equipment	※1 974,988	※1 975,411
Intangible assets		
Other	-	76,730
Total intangible assets	-	76,730
Investments and other assets		
Bitcoin assets	-	26,348,999
Deferred tax assets	-	5,678
Other	531,809	478,443
Allowance for doubtful accounts	(440,073)	(359,762)
Total investments and other assets	91,736	26,473,358
Total non-current assets	1,066,724	27,525,500
Deferred assets		
Share issuance costs	-	114,817
Total deferred assets	-	114,817
Total assets	1,666,137	30,325,812

	(In thousands of yen)	
	As of 31 December 2023	As of 31 December 2024
Liabilities		
Current liabilities		
Current portion of bonds payable	-	※2 11,250,000
Income taxes payable	19,558	19,338
Other	358,566	124,605
Total current liabilities	378,125	11,393,943
Non-current liabilities		
Long-term borrowings	130,501	-
Retirement benefit liability	5,423	7,936
Deferred tax liabilities	-	1,958,090
Total non-current liabilities	135,924	1,966,026
Total liabilities	514,049	13,359,970
Net assets		
Shareholders' equity		
Share capital	575,000	0
Capital surplus	(2,512,667)	8,175,931
Retained earnings	3,207,328	9,012,687
Treasury shares	(139,463)	(248,862)
Total shareholders' equity	1,130,197	16,939,756
Share acquisition rights	21,890	26,086
Total net assets	1,152,087	16,965,842
Total liabilities and net assets	1,666,137	30,325,812

② Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
Consolidated Statement of Income

	(In thousands of yen)	
	For the fiscal year ended 31 December 2023	For the fiscal year ended 31 December 2024
Net sales	261,633	1,062,283
Cost of sales	49,943	66,094
Gross profit	211,690	996,188
Selling, general and administrative expenses	※1 679,760	※1 645,784
Operating income (loss)	(468,070)	350,403
Non-operating income		
Bitcoin valuation gain	-	5,457,619
Other	75,285	193,202
Total non-operating income	75,285	5,650,822
Non-operating expenses		
Interest expenses	19,072	1,602
Amortisation of share issuance costs	-	6,429
Other	2,853	-
Total non-operating expenses	21,925	8,032
Ordinary income (loss)	(414,710)	5,993,193
Extraordinary income		
Gain on sale of non-current assets	※2 254,754	-
Gain on reversal of share acquisition rights	4,632	-
Gains on forgiveness of debts	-	※3 400,591
Total extraordinary income	259,387	400,591
Extraordinary losses		
Loss on retirement of non-current assets	180	-
Loss on sale of non-current assets	※4 37,571	-
Impairment losses	※5 61,812	-
Loss on valuation of investment securities	124,765	-
Loss on liquidation of subsidiaries and associates	※6 303,092	-
Total extraordinary losses	527,421	-
Profit (loss) before income taxes	(682,745)	6,393,785
Income taxes – current	1,178	1,530
Income taxes – deferred	-	1,952,411
Total income taxes	1,178	1,953,941
Profit (loss)	(683,923)	4,439,843
Profit (loss) attributable to owners of parent	(683,923)	4,439,843

Consolidated Statement of Comprehensive Income

	(In thousands of yen)	
	For the fiscal year ended 31 December 2023	For the fiscal year ended 31 December 2024
Profit (loss)	(683,923)	4,439,843
Other comprehensive income		
Foreign currency translation adjustment	51,284	-
Total other comprehensive income	51,284	-
Comprehensive income	※ (632,639)	※ 4,439,843
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(632,639)	4,439,843

③ Consolidated Statement of Changes in Equity

For the fiscal year ended 31 December 2023

	(In thousands of yen)				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	0	(3,087,667)	3,891,251	(139,414)	664,170
Changes during period					
Issuance of new shares	575,000	575,000			1,150,000
Loss attributable to owners of parent			(683,923)		(683,923)
Purchase of treasury shares				(48)	(48)
Change in scope of consolidation					
Net changes in items other than shareholders' equity					
Total changes during period	575,000	575,000	(683,923)	(48)	466,027
Balance at end of period	575,000	(2,512,667)	3,207,328	(139,463)	1,130,197

	Accumulated other comprehensive income			
	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Total net assets
Balance at beginning of period	(51,284)	(51,284)	4,632	617,518
Changes during period				
Issuance of new shares				1,150,000
Loss attributable to owners of parent				(683,923)
Purchase of treasury shares				(48)
Change in scope of consolidation				
Net changes in items other than shareholders' equity	51,284	51,284	17,257	68,541
Total changes during period	51,284	51,284	17,257	534,569
Balance at end of period	-	-	21,890	1,152,087

For the fiscal year ended 31 December 2024

	(In thousands of yen)				
	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	575,000	(2,512,667)	3,207,328	(139,463)	1,130,197
Changes during period					
Capital reduction	(6,329,525)	6,329,525			-
Deficit disposition		(1,395,452)	1,395,452		-
Issuance of new shares	5,754,525	5,754,525			11,509,051
Profit attributable to owners of parent			4,439,843		4,439,843
Purchase of treasury shares				(109,399)	(109,399)
Change in scope of consolidation			(29,936)		(29,936)
Net changes of items other than shareholders' equity					
Total changes during period	(575,000)	10,688,598	5,805,359	(109,399)	15,809,558
Balance at end of period	0	8,175,931	9,012,687	(248,862)	16,939,756

	Accumulated other comprehensive income			
	Foreign currency translation adjustment	Total accumulated other comprehensive income	Share acquisition rights	Total net assets
Balance at beginning of period	-	-	21,890	1,152,087
Changes during period				
Capital reduction				-
Deficit disposition				-
Issuance of new shares				11,509,051
Profit attributable to owners of parent				4,439,843
Purchase of treasury shares				(109,399)
Change in scope of consolidation				(29,936)
Net changes of items other than shareholders' equity			4,196	4,196
Total changes during period	-	-	4,196	15,813,754
Balance at end of period	-	-	26,086	16,965,842

④ Consolidated Statement of Cash Flows

	(In thousands of yen)	
	For the fiscal year ended 31 December 2023	For the fiscal year ended 31 December 2024
Cash flows from operating activities		
Profit (loss) before income taxes	(682,745)	6,393,785
Depreciation	41,601	16,384
Impairment losses	61,812	-
Loss on valuation of investment securities	124,765	-
Bitcoin valuation loss (gain)	-	(5,457,619)
Loss on liquidation of subsidiaries and associates	303,092	-
Loss (gain) on sale of non-current assets	(217,183)	-
Amortisation of long-term prepaid expenses	8,663	-
Increase (decrease) in retirement benefit liability	(339)	2,512
Interest and dividend income	(7)	(159)
Interest expenses	19,072	1,602
Gains on forgiveness of debts	-	(400,591)
Gain on reversal of share subscription rights	(4,632)	-
Decrease (increase) in trade receivables	(6,080)	(8,834)
Increase (decrease) in inventories	761	(104)
Other, net	(184,032)	79,147
Subtotal	(535,253)	626,122
Interest and dividends received	7	159
Interest paid	(33,940)	(1,602)
Income taxes refund (paid)	(2,338)	(1,090)
Net cash provided by (used in) operating activities	(571,525)	623,589
Cash flows from investing activities		
Payments for acquisition of bitcoin	-	(20,907,417)
Purchase of property, plant and equipment	(137,818)	(16,163)
Proceeds from sale of property, plant and equipment	1,799,364	-
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	※2 892,940	-
Purchase of intangible assets	(21,430)	(76,730)
Short-term loan advances	(1,800)	-
Decrease (increase) in deposits paid	(1,234)	(2,322,129)
Other, net	(196,891)	(130,547)
Net cash provided by (used in) investing activities	2,333,129	(23,452,988)
Cash flows from financing activities		
Repayments of short-term borrowings	(501,887)	-
Repayments of long-term borrowings	(2,085,643)	(53,465)
Proceeds from issuance of bonds	200,000	12,250,000
Redemption of bonds	(200,000)	(1,000,000)
Proceeds from issuance of shares	1,150,000	11,509,051
Proceeds from issuance of share acquisition rights	23,690	-
Purchase of treasury shares	-	(109,399)
Other, net	(1,848)	(25,740)
Net cash provided by (used in) financing activities	(1,415,689)	22,570,445
Net increase (decrease) in cash and cash equivalents	345,914	(258,953)
Cash and cash equivalents at beginning of period	207,260	553,175
Cash and cash equivalents at end of period	※1 553,175	※1 294,222

Notes

(Going concern assumption)

Not applicable.

(Significant matters that serve as the basis of presenting consolidated financial statements)

1. Matters regarding the scope of Consolidation

Number of consolidated subsidiaries: 3

Tune Naha Anonymous Partnership

Meta Market Co., Ltd.

Wen Tokyo Co., Ltd.

The company was a consolidated subsidiary in the previous consolidated fiscal year,

Red Planet Hotels Japan Co.

The above one company was excluded from the scope of consolidation at the end of the current fiscal year due to the decision to commence bankruptcy proceedings as of 5 June 2024.

2. Matters regarding the fiscal year of consolidated subsidiaries

The fiscal year end of consolidated subsidiaries coincides with the consolidated fiscal year end.

3. Matters regarding accounting policies

(1) Valuation standards and methods for significant assets

① Securities

Other securities

Shares without market prices: Valued using the cost method based on the moving average method.

② Valuation standards and methods for inventories

Using the cost method (lower of cost or market based on decreased profitability).

Raw materials and supplies: Mainly total average method

③ Crypto assets

Those for which an active market exists

Market value method based on market prices, etc. as of the end of the fiscal year (unrealised gains and losses are treated as income or loss for the period, and the cost of sales is determined by the moving-average method).

(2) Depreciation methods for significant depreciable assets

① Property, Plant and Equipment

Mainly using the declining balance method (the straight-line method is used for buildings acquired after 1 April 1998, excluding building fixtures, and for building fixtures and structures acquired after 1 April 2016)

Main useful lives are as follows:

Buildings and structures	3-39 years
Other	2-18 years

② Intangible assets

Using the straight-line method.

(3) Accounting standards for significant provisions

Allowance for Doubtful Accounts: To cover potential losses from bad debts, an allowance for general receivables is provided based on the historical bad debt ratio, and for specific doubtful receivables, the amount expected to be uncollectible is calculated individually based on collectability.

(4) Accounting treatment for retirement benefits

To cover employee retirement benefits, the estimated amount of retirement benefits expected to be incurred at the end of the consolidated fiscal year is recorded.

(5) Standards for recording significant revenues and expenses

The Company's accounting standards for revenues and expenses are appropriately determined based on the characteristics of each business segment.

① Bitcoin treasury business

In this business, the Company earns revenue through put option transactions. Revenue is recognised upon receipt of the option premium or at the appropriate point in time based on the terms of the contract. On the other hand, expenses related to such transactions are recognised as expenses when incurred.

② Hotel business

The Group mainly provides lodging and related hotel services to domestic and foreign customers, and these performance obligations are satisfied when the services are provided to customers and when the goods are delivered, and revenue is recognised at those points in time.

(6) Standard for translation of significant foreign currency-denominated assets and liabilities to Japanese yen

Foreign currency-denominated monetary claims and liabilities are converted to yen at the spot exchange rate on the consolidated fiscal year-end date, and the exchange differences are recorded as profit or loss.

(7) Scope of funds in the consolidated statements of cash flows

Comprises cash on hand, demand deposits, and highly liquid short-term investments with maturities of three months or less from the acquisition date that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

(8) Other significant matters for the preparation of consolidated financial statements

Treatment of deferred assets

Share issuance costs

Share issuance costs: straight-line method (3 years)

(additional information)

Previously, the cost of share issuance was fully expensed at the time of expenditure because the capital increase was for the purpose of temporarily strengthening the company's financial base and securing working capital, but from the current consolidated fiscal year, the cost is amortised using the straight-line method (3 years). This is due to the fact that the purpose of the capital increase in the current fiscal year's share issuance was to strengthen the long-term financial base and to actually hold Bitcoin for the long term.

(Significant accounting estimates)

(Accounting estimates for the valuation of non-current assets)

1. Amount recorded in the consolidated financial statements for the current fiscal year

	(In thousands of yen)	
	As of December 31, 2023	As of December 31, 2024
Property, plant and equipment	974,988	975,411

2. Information on significant accounting estimates related to identified items

① Calculation method for amounts recorded in the consolidated financial statements for the current fiscal year

The Company Group identifies signs of impairment wen hotel operations, considered the smallest unit generating independent cash flows, record operating losses for two consecutive periods after

allocating head office costs. For hotels identified with signs of impairment, an impairment loss is recorded if the undiscounted future cash flows from the hotel are less than the book value of the non-current assets of the hotel. The recoverable amount (the higher of net selling price or value in use) is used to determine the impairment loss. The value in use is based on the estimated undiscounted future cash flows from each hotel and multiple assumptions used in the estimates. The net selling price is calculated based on the real estate appraisal value by external experts. In the current fiscal year, the net selling price exceeded the book value of the non-current assets despite the value in use being less than the book value, so no impairment loss was recorded.

② Key assumptions used in calculating amounts recorded in the consolidated financial statements for the current fiscal year

Key assumptions in calculating the net selling price include discount rates, room rates, occupancy rates, rent, and real estate market trends.

③ Impact on the consolidated financial statements for the next fiscal year

These estimates are based on information available at the end of the current fiscal year. If there are changes in the conditions or assumptions underlying the estimates, there could be significant impacts on the valuation of non-current assets in the consolidated financial statements for the next fiscal year.

(Change in accounting policies)

Not applicable.

(Change in presentation methods)

(Consolidated Balance Sheet)

"Deposits paid" which was included in "Other" under "Current assets" in the previous consolidated fiscal year, is separately presented in the current consolidated fiscal year due to its increased importance in terms of amount. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, 28,623 thousand yen presented as "Other" under "Current assets" in the consolidated balance sheets for the previous fiscal year has been reclassified as "Deposits paid" of 1,234 thousand yen and "Other" of 27,389 thousand yen.

"Construction in progress" under "Property, plant and equipment," which was independently presented in the previous consolidated fiscal year, is included in "Other, net" in the current consolidated fiscal year due to its low materiality. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Construction in progress" of 12,408 thousand yen and "Other, net" of 792 thousand yen, which were presented in " Property, plant and equipment " in the consolidated balance sheet for the previous fiscal year, are reclassified as "Other, net" of 13,200 thousand yen.

"Investment securities," "Long-term loans receivable" and "Long-term accounts receivable - other" under "Investments and other assets" which were independently presented in the previous consolidated fiscal year, are included in "Other" from the current consolidated fiscal year because they are not material. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Investment securities" of 73,654 thousand yen, "Long-term loans receivable" of 80,310 thousand yen, "Long-term accounts receivable - other" of 359,762 thousand yen, and "Other" of 18,081 thousand yen, which were presented in "Investments and other assets" in the consolidated balance sheet for the previous fiscal year, are reclassified as "Other" of 531,809 thousand yen.

"Accounts payable - other" under "Current liabilities", which was separately presented in the previous consolidated fiscal year, is included in "Other" in the current consolidated fiscal year due to its low materiality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Accounts payable - other" of 298,787 thousand yen and "Other" of 59,779 thousand yen, which were presented in "Current liabilities" in the consolidated balance sheet for the previous fiscal year, are reclassified as "Other" of 358,566 thousand yen.

(Consolidated Statement of Income)

"Interest income" and "Foreign exchange gains" under "Non-operating income," which were separately presented in the previous consolidated fiscal year, are included in "Other" in the current consolidated fiscal year because they are not significant. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Interest income" of 7 thousand yen, "Foreign exchange gains" of 65,520 thousand yen and "Other" of 9,757 thousand yen, which were presented in "Non-operating income" in the consolidated statement of income for the previous fiscal year, were reclassified as "Other" of 75,285 thousand yen.

(Consolidated Statement of Cash Flows)

"Foreign exchange losses (gain)" under "Cash flows from operating activities" which was separately presented in the previous consolidated fiscal year, is included in "Other, net" in this consolidated fiscal year due to its immateriality. To reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, "Foreign exchange losses (gain)" of (66,377) thousand yen and "Other, net" of (184,240) thousand yen presented as "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year have been restated as "Other, net" of (184,032) thousand yen.

"Purchase of investment securities" and "Payments of leasehold and guarantee deposits" in "Cash flows from investing activities," which were independently presented in the previous fiscal year, are included in "Other, net" in the current fiscal year because they are not material.

"Decrease (increase) in deposits paid" which was included in "Other, net" under "Cash flows from investing activities" in the previous consolidated fiscal year, is separately presented in the current consolidated fiscal year due to its increased importance in terms of amount. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, "Purchase of investment securities" of (198,420) thousand yen, "Payments of leasehold and guarantee deposits" of (2,000) thousand yen, and "Other, net" of 2,294 thousand yen, which were included in "Cash flows from investing activities" in the consolidated statements of cash flows for the previous fiscal year, were reclassified as "Decrease (increase) in deposits paid" of (1,234) thousand yen and "Other, net" of (196,891) thousand yen.

(Additional information)

(Application of the current treatment regarding accounting treatment of virtual currencies under the Payment Services Act)

The Company accounts for cryptographic assets in accordance with the "Practical Solution on Unification of Accounting Policies for Cryptographic Assets under the Funds Settlement Act" (PITF No. 38, March 14, 2018). The notes regarding cryptographic assets are as follows

(1) Carrying amount of cryptographic assets on consolidated balance sheets

	As of December 31, 2023	As of December 31, 2024
Crypto Assets	- thousand yen	26,348,999 thousand yen
Total	- thousand yen	26,348,999 thousand yen

(2) Quantity of cryptographic assets held by type and consolidated balance sheet amount

① Crypto assets for which there is an active market

	As of December 31, 2023		As of December 31, 2024	
Bitcoin	- BTC	- thousand yen	1,761.987298 BTC	26,348,999 thousand yen
Total	- BTC	- thousand yen	1,761.987298 BTC	26,348,999 thousand yen

② Crypto assets for which there is no active market

Not applicable.

(Consolidated Balance Sheet)

※1. Accumulated depreciation of property, plant and equipment is as follows:

	As of December 31, 2023	As of December 31, 2024
Accumulated depreciation of property, plant and equipment	262,893 thousand yen	277,437 thousand yen

※ 2. Secured Assets and Secured Liabilities

As of December 31, 2023

Not applicable.

As of December 31, 2024

(1) Secured Assets

Buildings and structures, net	106,281 thousand yen
Land	866,619 thousand yen
Total	972,900 thousand yen

(2) Secured Liabilities

Current portion of bonds payable	1,750,000 thousand yen
Total	1,750,000 thousand yen

3. Guaranteed obligations are as follows:

As of December 31, 2023

Not applicable.

As of December 31, 2024

3rd Series of Ordinary Bonds (guaranteed) issued to EVO FUND and guaranteed by Simon Gerovich, President and Representative Director of the Company.

A first priority mortgage has been created on the land and building of Hotel Royal Oak Gotanda owned by Wen Tokyo Corporation, a wholly owned subsidiary of the Company, to secure any and all monetary claims of the Bondholders against the Guarantor arising now or in the future under this Guarantee Agreement.

(Consolidated Statement of Income)

※1 . Major expenses and amounts of selling, general and administrative expenses are as follows

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Payroll and allowances	97,756 thousand yen	84,103 thousand yen
Depreciation	41,601 thousand yen	16,384 thousand yen
Remuneration for directors (and other offices)	88,096 thousand yen	71,703 thousand yen
Fee expenses	62,799 thousand yen	73,581 thousand yen

※2 . Details of gain on sale of non-current assets are as follows.

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Buildings and structures in trust	246,055 thousand yen	- thousand yen
Land in trust	8,699 thousand yen	- thousand yen
Total	254,754 thousand yen	- thousand yen

※3. Details of gain on forgiveness of debts are as follows.

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

This is due to the liquidation of our consolidated subsidiary, Red Planet Hotels Japan Co.

※4. Details of loss on sale of non-current assets are as follows.

For the fiscal year ended December 31, 2023

This is the portion of property, plant and equipment (other) of "Red Planet Sapporo Susukino Minami" which was operated by our consolidated subsidiary, Red Planet Hotels Japan Co.

For the fiscal year ended December 31, 2024

Not applicable.

※5. Details of Impairment losses are as follows:

For the fiscal year ended December 31, 2023

The Group recorded an impairment loss (61,812 thousand yen) as extraordinary loss for the following asset group.

(Summary of asset groups for which impairment losses were recognized and the amount of impairment losses)

Location	Main applications	Type	Impairment losses (Thousand yen)
Japan (Wen Tokyo Co., Ltd.)	Web3 and Metaverse related business, etc.	Construction in progress	32,939
Japan (Meta market Co., Ltd.)	Web3 and Metaverse related business, etc.	Software in progress	28,872

(Grouping Method)

The Group groups assets by business or hotel, which is the smallest unit generating independent cash flows.

(Rationale)

Due to delays in system development and uncertainty in future revenue and profit acquisition, impairment processing was performed for non-current assets related to Web3 and Metaverse-related businesses of Meta Market Co., Ltd. and Wen Tokyo Co., Ltd., and extraordinary losses were recorded.

(Calculation method of recoverable amount)

The recoverable amount used to measure the impairment loss was based on value in use but was evaluated as zero due to the lack of expected future cash flows.

For the fiscal year ended December 31, 2024

Not applicable.

※6. Details of loss on liquidation of subsidiaries and associates are as follows.

For the fiscal year ended December 31, 2023

The loss related to the sale transaction of the shares of Red Planet Hotels Manila Corporation, a consolidated subsidiary.

For the fiscal year ended December 31, 2024

Not applicable.

(Consolidated Statement of Comprehensive Income)

※ Amounts reclassified and tax effects related to other comprehensive income

	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Foreign currency translation adjustment		
Amount accrued during period	51,284 thousand yen	- thousand yen
Total other comprehensive income	51,284 thousand yen	- thousand yen

(Consolidated Statement of Changes in Equity)

For the fiscal year ended December 31, 2023

1. Matters related to types and total number of issued shares and treasury shares.

Type of shares	Number of Shares at Beginning of Period (Shares)	Increase in Number of Shares (Shares)	Decrease in Number of Shares (Shares)	Number of Shares at End of Period (Shares)
Outstanding shares				
Common shares (Note 1)	57,192,187	57,500,000	-	114,692,187
Total	57,192,187	57,500,000	-	114,692,187
Treasury shares				
Common shares (Note 2)	20,095	1,630	-	21,725
Total	20,095	1,630	-	21,725

(Note) 1. The total number of outstanding shares increased by 57,500,000 shares as a result of the capital increase through the issuance of new shares by public offering with a payment date of February 8, 2023.

2. The increase in treasury shares is due to the purchase of shares less than one unit.

2. Matters concerning share acquisition rights, etc.

Company Name	Breakdown	Type of shares subject to rights	Number of shares subject to rights (Shares)				Balance at end of the current consolidated fiscal year (Thousand yen)
			Beginning of the current consolidated fiscal year	Increase	Decrease	End of the current consolidated fiscal year	
Filing company	Warrants issued by third-party allotment in 2015 (Issued March 12, 2015) (Note 2)	Common Shares	545,000	-	545,000	-	-
Filing company	The 9th series of share acquisition rights (Issued on February 8, 2023) (Note 3)	Common Shares	-	67,000,000	-	67,000,000	15,410
Filing company	The 10th series of share acquisition rights (Issued on February 8, 2023) (Note 3)	Common Shares	-	46,000,000	-	46,000,000	6,480
Total			545,000	113,000,000	545,000	113,000,000	21,890

(Note) 1. The number of shares as the subject is the number of shares assuming that the share acquisition rights were exercised.

2. The decrease in share acquisition rights issued on March 12, 2015 was due to the expiration of shares.

3. The increase in share acquisition rights issued on February 8, 2023 is due to the issuance of share acquisition rights through third-party allotment.

3. Matters related to dividends

(1) Dividends paid

Not applicable.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Not applicable.

For the fiscal year ended December 31, 2024

1. Matters related to types and total number of issued shares and treasury shares.

Type of shares	Number of Shares at Beginning of Period (Shares)	Increase in Number of Shares (Shares)	Decrease in Number of Shares (Shares)	Number of Shares at End of Period (Shares)
Outstanding Shares				
Common Shares				
(Notes 1, 2, 3)	114,692,187	85,099,116	163,522,969	36,268,334
Total	114,692,187	85,099,116	163,522,969	36,268,334
Treasury Shares				
Common Shares (Note 4)	21,725	95,013	20,940	95,798
Total	21,725	95,013	20,940	95,798

(Note) 1. At the extraordinary shareholders' meeting held on June 28, 2024, a proposal for a reverse stock split was approved, and as of the effective date of the reverse stock split (August 1, 2024), 10 shares were consolidated into 1 share. As a result, the total number of outstanding shares decreased by 163,522,969 shares.

2. At the Board of Directors meeting held on December 28, 2022, the Company resolved to issue the 9th series of share acquisition rights, and 67,000,000 shares were exercised during the current fiscal year. As a result, the total number of outstanding shares increased by 67,000,000 shares.

3. At the Board of Directors meeting held on August 6, 2024, a resolution was passed to issue the 11th series of share acquisition rights, and 18,099,116 shares were exercised during the current fiscal year. As a result, the total number of outstanding shares increased by 18,099,116 shares.

4. The increase in treasury shares is due to the purchase of shares less than one unit.

2. Matters related to Share acquisition right.

Company Name	Breakdown	Objective. Type of shares	Number of shares to be issued (Shares)				Balance at the end of the current consolidated fiscal year (Thousand yen)
			Beginning of current consolidated fiscal year	Increase	Decrease	End of current consolidated fiscal year	
Filing company	The 9th series of share acquisition rights (Issued on February 8, 2023) (Note 3)	Common shares	6,700,000	-	6,700,000	-	-
Filing company	The 10th series of share acquisition rights (Issued on February 8, 2023)	Common shares	4,600,000	-	-	4,600,000	8,280
Filing company	The 11th series of share acquisition rights (Issued on August 6, 2024) (Note 4)	Common shares	-	18,099,116	18,099,116	-	-
Filing company	The 12th series of share acquisition rights (Issued on November 28, 2024) (Note 5)	Common shares	-	2,900,000	-	2,900,000	17,806
	total amount		11,300,000	20,999,116	24,799,116	7,500,000	26,086

(Note) 1. The number of shares as the subject is the number of shares assuming that the share acquisition rights were exercised.

2. Effective August 1, 2024, the Company conducted a reverse stock split of 10 shares into 1 share, and the amounts shown are after the reverse stock split.

3. The decrease in share acquisition rights issued on February 8, 2023 was due to the exercise of share acquisition rights.

4. The increase in share acquisition rights issued on August 6, 2024 is due to the issuance and exercise of share acquisition rights by third-party allotment.

5. The increase in share acquisition rights issued on November 28, 2024 is due to the issuance of share acquisition rights through third-party allotment.

3. Matters related to dividends

(1) Dividends paid

Not applicable.

(2) Dividends with a record date in the current fiscal year but an effective date in the following fiscal year

Not applicable.

(Consolidated Statement of Cash Flows)

※1. Relationship between the ending balance of cash and cash equivalents and the amounts listed in the consolidated balance sheet is made as follows.

	For the fiscal year ended December 31, 2023		For the fiscal year ended December 31, 2024	
Cash and deposits	553,175	thousand yen	294,222	thousand yen
Term deposits with deposit periods exceeding three months	-	thousand yen	-	thousand yen
Cash and cash equivalents	553,175	thousand yen	294,222	thousand yen

※2. Details of assets and liabilities of companies that ceased to be consolidated subsidiaries due to stock transfer

For the fiscal year ended December 31, 2023

Due to the stock transfer, Red Planet Hotels Manila Corporation ceased to be a consolidated subsidiary and was excluded from the scope of consolidation. The amounts of assets and liabilities reduced, as well as the sale price of shares and receivables, and income from the sale are as follows.

Current assets	292,992	Thousand yen
Non-current assets	2,598,446	
Total assets	2,891,439	
Current liabilities	709,774	
Non-current liabilities	3,082,806	
Total liabilities	3,792,580	
Transferred receivables	2,112,114	
Loss on liquidation of subsidiaries and associates	(303,092)	
Sales of shares and receivables	907,879	
Cash and cash equivalents	(14,939)	
Difference: Proceeds from sale	892,940	

For the fiscal year ended December 31, 2024

Not applicable.

(Financial instruments)

1. Information on Financial Instruments

(1) Policy for handling financial instruments

The Group raises necessary funds (mainly through the issuance of bonds and share acquisition rights) mainly for the acquisition of bitcoin and the execution of its business plan, including capital expenditures. It is the Company's policy not to engage in speculative transactions in derivatives other than for the purpose of avoiding risks associated with Bitcoin Treasury Business, and fluctuations in borrowing interest rates and exchange rates.

(2) Contents and risks of financial instruments

Accounts receivable—trade, and long-term receivables - other from business operations are exposed to the credit risk of customers and trading partners. To manage this risk, the Company has a system in place to properly manage receivables in accordance with the Group's credit management regulations.

Operating accounts payable have payment due dates within one year. The Company manages liquidity risk associated with fund procurement (risk of being unable to make payments on due dates) by preparing and updating cash management plans and maintaining liquidity on hand.

(3) Risk management system for financial instruments

① Credit risk management (risk of default by counterparties)

The company monitors the status of major customers regularly according to the Credit Management Rules, manages due dates and balances for each counterparty through the sales management department of each business unit, and takes measures to identify and mitigate potential collection issues early due to financial deterioration. Subsidiaries also follow similar management practices based on the company's Credit Management Rules.

As of the consolidated fiscal year-end, the maximum credit risk exposure is represented by the balance sheet value of financial assets exposed to credit risk.

② Market risk management (risk of exchange rate fluctuations)

The management department monitors payment-related information based on reports from various departments and manages liquidity risk by considering on-hand cash and deposits, reporting monthly to the responsible officers.

③ Liquidity Risk Management (Risk of being unable to execute payments by due dates)

The management department monitors payment-related information based on reports from various departments and manages liquidity risk by considering on-hand cash and deposits, reporting monthly to the responsible officers.

(4) Supplementary explanation on matters related to the fair value of financial instruments

When calculating the fair value of financial instruments, various factors are considered. The value may fluctuate if different assumptions are used.

2. Fair value of financial instruments

The amounts recorded on the consolidated balance sheet, their fair values, and the differences are as follows:

As of December 31, 2023

	Amount on Consolidated Balance Sheet (Thousand Yen)	Fair Value (Thousand Yen)	Difference (Thousand Yen)
(1) Long-term loans receivable	80,310		
Allowance for doubtful accounts (Note 2)	(80,310)		
	-	-	-
(2) Long-term accounts receivable – other	359,762		
Allowance for doubtful accounts (Note 2)	(359,762)		
	-	-	-
Total assets	-	-	-
(1) Long-term borrowings	130,501	130,501	-
Total liabilities	130,501	130,501	-

(Note 1) Items such as “Cash and deposits”, “Accounts receivable—trade”, and “Accounts payable—other” are not included because their fair values are close to their book values due to their liquidity.

(Note 2) Long-term loans and long-term receivables are presented net of individual allowances for doubtful accounts.

(Note 3) Non-marketable securities are not included. The amount recorded on the consolidated balance sheet for such financial instruments is 73,654 thousand yen. Additionally, an impairment loss of 124,765 thousand yen was recorded for unlisted shares during the current fiscal year.

As of December 31, 2024

	Amount on Consolidated Balance Sheet (Thousand Yen)	Fair Value (Thousand Yen)	Difference (Thousand Yen)
(1) Other (long-term accounts receivable - other)	359,762		
Allowance for doubtful accounts (Note 2)	(359,762)		
	-	-	-
Total assets	-	-	-

(Note 1) Items such as “Cash and deposits”, “Accounts receivable - trade”, “Current portion of bonds payable”, and “Accounts payable—other” are not included because their fair values are close to their book values due to their liquidity.

(Note 2) "Long-term accounts receivable - other" included in "Other" under "Investments and other assets" in the consolidated balance sheets is presented net of individual allowances for doubtful accounts.

(Note 3) Non-marketable securities are not included. The amount recorded on the consolidated balance sheet for such financial instruments is 73,654 thousand yen.

(Note 4) Scheduled redemption amounts of monetary claims and securities with maturity dates

As of December 31, 2023

	(In thousands of yen)			
	Within 1 year	Over 1 year Within 5 years	Over 5 years Within 10 years	Over 10 years
Cash and deposits	553,175	-	-	-
Accounts receivable - trade	23,306	-	-	-
Total	576,481	-	-	-

As of December 31, 2024

	(In thousands of yen)			
	Within 1 year	Over 1 year Within 5 years	Over 5 years Within 10 years	Over 10 years
Cash and deposits	294,222	-	-	-
Accounts receivable - trade	32,140	-	-	-
Total	326,363	-	-	-

(Note 5) Scheduled repayment amounts of bonds payable, long-term borrowings, lease liabilities, and other interest-bearing liabilities

As of December 31, 2023

	Within 1 year (Thousand yen)	Over 1 year Within 2 years (Thousand yen)	Over 2 years Within 3 years (Thousand yen)	Over 3 years Within 4 years (Thousand yen)	Over 4 years Within 5 years (Thousand yen)	Over 5 years (Thousand yen)
Long-term borrowings	-	-	-	-	-	-
Total	-	-	-	-	-	-

(Note) Long-term borrowings of 130,501 thousand yen, the repayment of which cannot be reasonably expected, are not included in the above table.

As of December 31, 2024

	Within 1 year (Thousand yen)	Over 1 year Within 2 years (Thousand yen)	Over 2 years Within 3 years (Thousand yen)	Over 3 years Within 4 years (Thousand yen)	Over 4 years Within 5 years (Thousand yen)	Over 5 years (Thousand yen)
Current portion of bonds payable	11,250,000	-	-	-	-	-
Total	11,250,000	-	-	-	-	-

3. Matters concerning the breakdown of the fair value of financial instruments by level

Fair values of financial instruments are classified into the following three levels based on the observability and significance of inputs used in the valuation:

Level 1 Fair Value: Fair values calculated using quoted prices in active markets for identical assets or liabilities.

Level 2 Fair Value: Fair values calculated using observable inputs other than those included in Level 1.

Level 3 Fair Value: Fair values calculated using unobservable inputs.

If multiple inputs significantly affecting the fair value calculation are used, the fair value is classified according to the input with the lowest priority.

(1) Financial instruments recorded at fair value on the consolidated balance sheet

Not applicable.

(2) Financial instruments not recorded at fair value on the consolidated balance sheet

As of December 31, 2023

Category	Fair Value (Thousand yen)			
	Level 1	Level 2	Level 3	Total
Other (long-term accounts receivable - other)	-	-	-	-
Long-term borrowings	-	130,501	-	130,501

As of December 31, 2024

Category	Fair Value (Thousand yen)			
	Level 1	Level 2	Level 3	Total
Other (long-term accounts receivable - other)	-	-	-	-

(Note) Explanation of valuation techniques and inputs used in the calculation of fair value

Other (long-term accounts receivable—other)

Fair values are approximately equal to the amounts recorded on the consolidated balance sheet after deducting the current estimated amounts for allowance for doubtful accounts. Classified as Level 2 fair values.

Long-term borrowings

Fair values of long-term borrowings (including those repayable within one year) are calculated by discounting the total principal and interest amounts using the interest rates assumed for similar new borrowings. Classified as Level 2 fair value.

(Retirement benefits)

For the fiscal year ended December 31, 2023

The information is omitted due to lack of materiality.

For the fiscal year ended December 31, 2024

The information is omitted due to lack of materiality.

(Stock options, etc.)

1. Amount Recognized as Profit Due to Expiration Without Exercise

	(In thousands of yen)	
	For the fiscal year ended December 31, 2023	For the fiscal year ended December 31, 2024
Gain on reversal of share acquisition rights	4,632	-

2. Details, size and changes in stock options

(1) Details of stock options

	The 10th series of share acquisition rights December 28, 2022 Board Resolution Approved by Extraordinary General Meeting of Shareholders on February 7, 2023
Classification and number of grantees (Note 2)	Directors of the Company 2 Employees of the Company 5
Number of stock options by type of share (Notes 1 and 3)	Common share 4,600,000 shares
Date of grant	February 8, 2023
Vesting conditions	(2) Status of New Share Subscription Rights, etc. 1) Details of Stock Option Scheme(Note 4)
Exercise period	February 8, 2026 (inclusive) to February 7, 2033 (inclusive)

(Note) 1 The number is described in terms of the number of shares.

2 The categories and numbers of grantees are as of the time of grant.

3 As of August 1, 2024, 10 shares were consolidated into 1 share, and the figures are after the said reverse stock split.

4 Other Conditions for the Exercise of the Share acquisition rights

(1) Partial exercise of a single Share acquisition Right is not permitted.

(2) Holders of these Share acquisition rights (hereinafter referred to as "Warrantholders") may exercise their rights only up to the following limits per period, inclusive of previously exercised rights. However, this restriction shall not apply if approved by a resolution of the Board of Directors. If the number of exercisable Share acquisition rights calculated under the below percentages includes a fraction of less than one unit, such fraction shall be rounded down.

① February 8, 2026 – February 7, 2027:

Up to one-third of the total number of Share acquisition rights allotted to the Warrantholder

② February 8, 2027 - February 7, 2028:

Up to two-thirds of the total number of Share acquisition rights allotted to the Warrantholder

③ From February 8, 2028 to the end of the exercise period:

All Share acquisition rights held by the Warrantholder may be exercised

Grounds for Acquisition of Share acquisition rights by the Company

If any of the following events occur in relation to a warrantholder, the Company may acquire all Share acquisition rights held by such holder ,either (i) without compensation if the number of Share acquisition rights subject to such acquisition ("Number of Share acquisition rights Subject to Acquisition") is equal to or less than the number of Share acquisition rights held by such Holder that have not yet become exercisable ("Number of Unexercisable Share acquisition rights"), or (ii) for 12.6 yen per unit (any fraction less than 1 yen resulting from multiplying by the number of the subject Share acquisition rights shall be rounded up or down) if the Number of Share acquisition rights Subject to Acquisition exceeds the Number of Unexercisable Share acquisition rights.

(1) The warrantholder ceases to be a director, auditor, or employee of the Company or its subsidiaries (collectively referred to as the "Issuer Group"), except in cases where the resignation is due to expiration of term, retirement at the statutory age, or other reasons deemed legitimate by the Company's Board of Directors.

(2) If any of the following circumstances apply to the warrantholder in relation to the Share acquisition rights:

① Serious violation of laws or internal rules of the Issuer Group

② Conviction resulting in a sentence of imprisonment or greater

③ Appointment to or acceptance of a position as an officer or employee of a competing company without prior approval from the Company

(2) Scale and changes in stock options

Stock options existing in the current consolidated fiscal year (2023) are described in terms of the number of shares.

① Number of stock options

	The 10th series of share acquisition rights December 28, 2022 Board Resolution Approved by Extraordinary General Meeting of Shareholders on February 7, 2023
Pre-vesting (shares)	
As of previous consolidated fiscal year	4,600,000
Granted	-
Expired	-
Vested	-
Unsettled balance	4,600,000
After vesting (shares)	
As of current consolidated fiscal year	-
Vested	-
Exercised	-
Expired	-
Unexercised balance	-

(Note) Effective August 1, 2024, the Company executed a reverse stock split of 10 shares into 1 share, and the above figures are after such reverse stock split.

② Pricing information

	The 10th series of share acquisition rights December 28, 2022 Board Resolution Approved by Extraordinary General Meeting of Shareholders on February 7, 2023
Exercise price (yen)	100
Average share price at exercise (yen)	-
Fair value at grant date (yen)	180

(Note) Effective August 1, 2024, the Company executed a reverse stock split of 10 shares into 1 share, and the above figures are after such reverse stock split.

3. Method of estimating the number of vested stock options

Basically, since it is difficult to reasonably estimate the number of future expirations, the method of reflecting only the actual number of expirations has been adopted.

(Tax effect accounting)

1 Significant components of deferred tax assets and liabilities

	As of December 31, 2023		As of December 31, 2024	
(Deferred tax assets)				
Allowance for doubtful accounts	136,629	thousand yen	126,538	thousand yen
Loss on valuation of securities	48,590	thousand yen	54,880	thousand yen
Carried-forward tax losses (Note 2)	4,116,768	thousand yen	4,329,245	thousand yen
Other	54,309	thousand yen	58,858	thousand yen
Subtotal of deferred tax assets	4,356,298	thousand yen	4,569,523	thousand yen
Valuation allowance for carried-forward tax losses (Note 2)	(4,116,768)	thousand yen	(4,324,130)	thousand yen
Valuation allowance for total future deductible temporary differences, etc.	(239,530)	thousand yen	(239,713)	thousand yen
Subtotal of valuation allowance (Note 1)	(4,356,298)	thousand yen	(4,563,844)	thousand yen
Total deferred tax assets	-	thousand yen	5,678	thousand yen
(Deferred tax liabilities)		thousand yen		thousand yen
Bitcoin valuation gain	-	thousand yen	1,958,090	thousand yen
Total deferred tax liabilities	-	thousand yen	1,958,090	thousand yen
Net deferred tax assets (liabilities)	-		(1,952,411)	thousand yen

(Note 1) The main reason for the change in the valuation allowance is the increase in the tax loss carried forward.

(Note 2) Amounts of tax loss carried forward and their deferred tax assets by expiration period:

As of December 31, 2023

	Within 1 year (Thousand yen)	Over 1 year Within 2 years (Thousand yen)	Over 2 years Within 3 years (Thousand yen)	Over 3 years Within 4 years (Thousands of yen)	Over 4 years Within 5 years (Thousand yen)	Over 5 years (Thousand yen)	Total (Thousand yen)
Carried-forward tax losses (Note)	-	33,567	287,183	83,145	26,316	3,686,555	4,116,768
Valuation allowance	-	(33,567)	(287,183)	(83,145)	(26,316)	(3,686,555)	(4,116,768)
Deferred tax assets	-	-	-	-	-	-	-

(Note) Tax loss carried forward is multiplied by the statutory effective tax rate.

As of December 31, 2024

	Within 1 year (Thousand yen)	Over 1 year Within 2 years (Thousand yen)	Over 2 years Within 3 years (Thousand yen)	Over 3 years Within 4 years (Thousands of yen)	Over 4 years Within 5 years (Thousand yen)	Over 5 years (Thousand yen)	Total (Thousand yen)
Carried-forward tax losses (Note)	22,747	290,608	71,200	-	90,078	3,854,610	4,329,245
Valuation allowance	(22,747)	(290,608)	(71,200)	-	(90,078)	(3,849,495)	(4,324,130)
Deferred tax assets	-	-	-	-	-	5,115	5,115

(Note) Tax loss carried forward is multiplied by the statutory effective tax rate.

2 Significant differences between statutory effective tax rate and corporate tax burden rate after applying tax effect accounting

	As of December 31, 2023	As of December 31, 2024
Statutory effective tax rate		34.6 (%)
(Adjustment)		
Per capita inhabitant tax, etc.		0.0
Impact of valuation allowance	Loss before income taxes recorded, description omitted.	3.5
Difference due to change in tax rate		(6.8)
Other		(0.8)
Corporate tax burden rate after applying tax effect accounting		30.6

3 Include impact of tax rate changes

The effective statutory tax rate applied for tax effect accounting has changed due to the capital reduction carried out during the current fiscal year, as the Company is no longer subject to the pro forma standard taxation. The effective statutory tax rate used to calculate deferred tax assets and deferred tax liabilities will be 34.6% for temporary differences expected to be eliminated in the consolidated fiscal years beginning on or after January 1, 2025, compared to 30.6% used in the calculation for the previous fiscal year. This change increased the valuation allowance by 224,671 thousand yen.

(Business Combinations, etc.)
Not applicable.

(Asset retirement obligations)
Not applicable.

(Leased and Other Real Estate)
Not applicable.

(Revenue Recognition)

The basic information for understanding revenue arising from contracts with customers is described in "(Significant matters that serve as the basis of presenting consolidated financial statements) 3. Matters regarding accounting policies (5) Standards for recording significant revenues and expenses".

(Segment Information, etc.)

[Segment information]

1. Overview of reportable segments

Our reporting segments are based on units for which separate financial information is available and which are regularly reviewed by the Board of Directors to decide on the allocation of resources and evaluate performance.

Until the previous consolidated fiscal year, the Group's reportable segment was "hotel business," but as of the current consolidated fiscal year, the Group has newly started bitcoin-related business and changed its reportable segments to "bitcoin treasury business" and "hotel business.

2. Method of calculating sales, profit or loss, assets, and other items for each reporting segment

The accounting methods applied to the reported business segments are the same as those used in the preparation of the consolidated financial statements.

The profit or loss for each reporting segment is based on operating profit or loss.

3. Information on sales, profit or loss, assets, liabilities, and other amounts by reporting segment and breakdown of revenue

For the fiscal year ended December 31, 2023

(In thousands of yen)

	Reportable Segment		Other (Note 1)	Total	Adjustment (Note 2, 3)	Consolidated Financial Statement Amount (Note 4)
	Hotel Business	Subtotal				
Net sales						
External sales	261,633	261,633	-	261,633	-	261,633
Internal sales or transfers	-	-	-	-	-	-
Total	261,633	261,633	-	261,633	-	261,633
Segment loss	(348,995)	(348,995)	(11,116)	(360,112)	(107,957)	(468,070)
Segment assets	1,054,504	1,054,504	75,124	1,129,629	536,508	1,666,137
Other items						
Depreciation	41,601	41,601	-	41,601	-	41,601
Impairment losses	-	-	61,812	61,812	-	61,812
Increase in property, plant and equipment and intangible assets	108,618	108,618	50,630	159,249	-	159,249

(Note) 1. "Others" includes business segments not included in the reporting segments, including Web3 and Metaverse-related businesses.

2. Adjustments to segment loss are corporate expenses not allocated to each reporting segment. Corporate expenses primarily consist of general administrative expenses not attributable to any reporting segment.

3. Adjustments to segment assets are corporate assets amounting to 536,508 thousand yen.

4. Segment loss is adjusted to reconcile with the operating loss in the consolidated statements of income.

For the fiscal year ended December 31, 2024

(In thousands of yen)

	Reportable Segment			Other (Note 1)	Total	Adjustment (Note 2, 3)	Consolidated Financial Statement Amount (Note 4)
	Bitcoin Treasury Business	Hotel Business	Subtotal				
Net sales							
External sales	691,577	370,705	1,062,283	-	1,062,283	-	1,062,283
Internal sales or transfers	-	-	-	-	-	-	-
Total	691,577	370,705	1,062,283	-	1,062,283	-	1,062,283
Segment profit (loss)	622,085	(91,349)	530,736	(1,200)	529,536	(179,132)	350,403
Segment assets	28,858,669	1,080,369	29,939,038	73,654	30,012,693	313,119	30,325,812
Other items							
Depreciation	644	15,290	15,934	-	15,934	449	16,384
Impairment losses	-	-	-	-	-	-	-
Increase in property, plant and equipment and intangible assets	76,730	16,163	92,893	-	92,893	-	92,893

(Note) 1. “Other” is a business segment not included in the reportable segments.

2. Adjustments of segment profit are corporate expenses not allocated to each reporting segment. Corporate expenses primarily consist of general administrative expenses not attributable to any reporting segment.

3. Adjustments to segment assets are corporate assets amounting to 313,119 thousand yen.

4. Segment profit (losses) is adjusted with operating income in the consolidated statements of income. With regard to the hotel business, although the core business was strong, an operating loss was incurred due to a portion of expenses associated with the liquidation of a subsidiary, which were included in operating expenses.

[Related information]

For the fiscal year ended December 31, 2023

1. Information by product and service

Since similar information is disclosed in segment information, this information is omitted.

2. Information by geographic area

(1) Net sales

(In thousands of yen)

Japan	Thailand	Total
261,633	-	261,633

(2) Property, plant and equipment

(In thousands of yen)

Japan	Philippines	Total
974,988	-	974,988

3. Information by major customer

There are no customers accounting for more than 10% of the net sales on the consolidated statement of income, hence this information is omitted.

For the fiscal year ended December 31, 2024

1. Information by product and service

Since similar information is disclosed in segment information, this information is omitted.

2. information by region

(1) Net sales

This information is omitted because sales to external customers in Japan exceed 90% of net sales in the consolidated statements of income.

(2) Property, plant and equipment

This information is omitted because property, plant and equipment located in Japan exceed 90% of property, plant and equipment on consolidated balance sheet.

3. Information by major customer

There are no customers accounting for more than 10% of the net sales on the consolidated statement of income, hence this information is omitted.

[Information on impairment losses on non-current assets by reportable segment]

For the fiscal year ended December 31, 2023

(In thousands of yen)

	Reportable Segment		Other (Note)	Total
	Hotel Business	Total		
Impairment losses	-	-	61,812	61,812

(Note) “Others” includes business segments not included in the reporting segments, including Web3 and Metaverse-related businesses.

For the fiscal year ended December 31, 2024

Not applicable.

[Information on amortization and unamortized balance of goodwill by reporting segment]

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

Not applicable.

[Information on gains from negative goodwill by reportable segment]

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

Not applicable.

[Related Party Information]

1 Transactions with related parties

(1) Transactions between the company filing the consolidated financial statements and related parties

(i) Parent company and major shareholders (limited to companies, etc.)

For the fiscal year ended December 31, 2023

Type	Company Name or individual name	Location	Capital or investment	Business content or occupation	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (Thousand yen)	Account	Balance at end of period (Thousand yen)
Other affiliated company	EVO FUND	Cayman Islands	83,925 (Thousand USD)	Investment business	(Owned) Direct (22.8)	-	Repayment of funds (Note 1)	340,188	-	-
							Issuance of bonds (Note 1 and 2)	200,000	-	-
							Redemption of bonds (Note 1)	200,000		

(Note) 1 Due to a third-party allocation of shares conducted on February 8, 2023, the voting rights ratio of common shares held by EVO FUND decreased from 69.98% to 34.90%, changing its status from a parent company to an other affiliated company.

2. Borrowing of funds and issuance of bonds consider market interest rates, and reasonable rates are determined.

For the fiscal year ended December 31, 2024

Type	Company Name or individual name	Location	Capital or investment	Business content or occupation	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (Thousand yen)	Account	Balance at end of period (Thousand yen)
Main shareholder (Note 2)	EVO FUND	Cayman Islands	111.6 (Million USD)	Investment business	(Owned) Direct (-) (Note 2)	-	Issuance of bonds	12,250,000	Current portion of bonds payable	11,250,000
							Redemption of bonds	1,000,000		
							Interest paid (Note 1)	1,602	-	-
							Exercise of share acquisition rights (Notes 3 and 4)	2,865,573	-	-

(Note) 1. The interest rate has been set upon consultation between the two parties, taking market interest rates into consideration.

2. The Company was an other related party as of April 22, 2024 and a major shareholder as of October 22, 2024, but as of the end of the period, all shares were sold and the percentage of voting rights held was 0.0%. However, in light of the grant and exercise of share acquisition rights, the company is listed in this related party category.

3. The exercise of share acquisition rights is based on the 9th series of share acquisition rights issued by the Company at an exercise price of 20 yen per share and the 11th series of share acquisition rights at an exercise price of 555 yen per share, both of which were determined reasonably through discussions based on the price calculated by an independent third-party institution. The exercise price was determined reasonably through discussions based on the price calculated by an independent third-party institution.

4. 4,915,487 shares of the 11th warrant were transferred to the Company on October 21, 2024 after the Company took over the 11th warrant on October 16, 2024.

(ii) Companies, etc. that have the same parent company as the company filing consolidated financial statements and subsidiaries, etc. of other related companies of the company filing consolidated financial statements

For the fiscal year ended December 31, 2023

Type	Company Name or individual name	Location	Capital or investment	Business content or occupation	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (Thousand yen)	Account	Balance at end of period (Thousand yen)
Subsidiary of other affiliated company	EVOLUTION JAPAN Asset Management Co., Lid.	Chiyoda-ku, Tokyo	-	Investment business	-	-	Repayment of funds (Note)	162,500	-	-

(Note) Due to a third-party allocation of shares conducted on February 8, 2023, the voting rights ratio of common shares held by EVO FUND decreased from 69.98% to 34.90%, changing its status from a parent company to a subsidiary of other affiliated companies.

For the fiscal year ended December 31, 2024

Not applicable.

(iii) Non-consolidated subsidiaries and related companies of the company submitting the consolidated financial statements

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

Not applicable.

(2) Transactions between consolidated subsidiaries and related parties

(i) Parent company and major shareholders, etc., of the company submitting consolidated financial statements

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

Not applicable.

(ii) Companies, etc. that have the same parent company as the company submitting consolidated financial statements and subsidiaries, etc., of other related companies of the company submitting consolidated financial statements

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

Not applicable.

2 Officers and Major Individual Shareholders, etc .

For the fiscal year ended December 31, 2023

Type	Company name or individual name	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (Thousand yen)	Account	Balance at end of period (Thousand yen)
Officers and their relatives	Simon Gerovich	(Owned) Direct (2.2) Indirect (23.8)	Representative director of the company	Subscription to Third-Party allotment (Note 1)	60,000	-	-
Officers and their relatives	David Spencer	(Owned) Direct (13.1)	Director of the Company	Subscription to Third-Party allotment (Note 1)	300,000	-	-
Officers and their relatives	Mark Reineck	(Owned) Direct (2.2)	Director of the Company	Subscription to Third-Party allotment (Notes 1, 2)	50,000	-	-
Main shareholders	MMXX Ventures Limited	(Owned) Direct (23.3)	Other related company	Subscription to Third-Party allotment (Notes 1, 3)	534,500	-	-

(Note 1) The third-party allotment was conducted on February 8, 2023, at 20 yen per share, and the price was reasonably determined through discussions based on the value calculated by an independent third-party organization.

2. Mark Reinecke resigned as Director at the end of the Annual General Meeting held on March 24, 2023, upon the expiration of his term. The transactions listed were conducted during his term as a related party.

3. MMXX Ventures Limited was a main shareholder of the Company as of the end of the previous fiscal year, holding 23.3% of the Company's voting rights, and was classified as an other related company of the Company.
For the avoidance of doubt, MMXX Ventures Limited does not constitute a company majority-owned by officers and their relatives.

For the fiscal year ended December 31, 2024

Type	Company name or individual name	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (Thousand yen)	Account	Balance at end of period (Thousand yen)
Officers and their relatives	Simon Gerovich	(Owned) Direct (3.9) Indirection (2.7)	Representative director of the company	Exercise of share acquisition rights (Note 1)	50,000	-	-
				Exercise of share acquisition rights (Note 2)	396,924	-	-
				Loan guarantee (Note 3)	1,750,000	-	-
Officers and their relatives	Yoshimi Abe	(Owned) Direct (0.1)	Director of the Company	Exercise of share acquisition rights (Note 2)	13,875	-	-

Type	Company name or individual name	Ownership (Owned) percentage (%)	Relationship with related parties	Transaction content	Transaction amount (Thousand yen)	Account	Balance at end of period (Thousand yen)
Main shareholders	MMXX Ventures Limited	(Owned) Direct (4.0)	Other related company	Exercise of share acquisition rights (Note 1)	405,000	-	-
				Exercise of share acquisition rights (Note 2)	1,468,224		
				Borrowing of funds (Note 5)	1,000,000	-	-
				Repayment of funds (Note 5)	1,000,000	-	-

(Note) 1. The exercise of share acquisition rights is based on the 9th series of share acquisition rights issued by the Company at an exercise price of 20 yen per share, which was reasonably determined through discussions based on the price calculated by an independent third-party institution.

2. The exercise of share acquisition rights is based on the 11th series of share acquisition rights issued by the Company at an exercise price of 555 yen per share, which was reasonably determined through discussions based on the price calculated by an independent third-party institution.

3. Personal Guarantee for the bond issued to EVO FUND in the amount of 1,750,000,000 yen.

The Bonds are guaranteed by the President for the payment of principal, interest, late charges and all other obligations relating to the Bonds. A first priority mortgage has been created on the land and buildings of Hotel Royal Oak Gotanda owned by Wen Tokyo Corporation, a wholly owned subsidiary of the Company, to secure any and all monetary claims of the Bondholders against the Guarantor arising now or in the future under this Guarantee Agreement.

4. MMXX Ventures Limited was a main shareholder of the Company, holding 13.026% of the Company's voting rights during the period from the beginning of the current fiscal year through June 30, 2024. Subsequently, as a result of the sale of a portion of its shareholding in the Company, MMXX Ventures Limited no longer qualified as a main shareholder as of the fiscal year-end.
Although MMXX Ventures Limited does not constitute a company majority-owned by officers and their relatives, transactions with MMXX Ventures Limited have been disclosed as related party transactions because it was a main shareholder of the Company during the above period.

5. The amount is determined by mutual consultation between the two parties, taking market interest rates into consideration.

3 Notes to Parent Company and Significant Related Companies

(1) Parent Company Information

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

Not applicable.

(2) Summary Financial Information of Significant Related Companies

For the fiscal year ended December 31, 2023

Not applicable.

For the fiscal year ended December 31, 2024

Not applicable.

(Per share information)

Item	For the fiscal year ended 31 December 2023	For the fiscal year ended 31 December 2024
Net assets per share	98.56 yen	468.30 yen
Net income (loss) per share	(62.93) yen	226.65 yen
Diluted net income per share	-	187.58 yen

(Note) 1. Diluted net income per share for the previous consolidated fiscal year is not shown in the above table, because net loss per share was recorded although there are residual shares.

2. Basis for calculation of net income per share and diluted net income per share is as follows

3. At the extraordinary general meeting of shareholders held on 28 June 2024, a proposal for a reverse stock split was approved, and as of the effective date of the reverse stock split (August 1, 2024), 10 shares were consolidated into 1 share. As a result, the total number of outstanding shares decreased by 163,522,969 shares. Net assets per share, diluted net income per share, and net income (loss) per share are calculated on the assumption that the reverse stock split was conducted at the beginning of the previous fiscal year.

Item		For the fiscal year ended 31 December 2023	For the fiscal year ended 31 December 2024
(1) Net Income (loss) per share		(62.93)	226.65
(Basis for calculation)			
Net income (loss) attributable to owners of the parent	(Thousand yen)	(683,923)	4,439,843
Amount not attributable to common shareholders	(Thousand yen)	-	-
Net income (loss) attributable to owners of the parent for common shares	(Thousand yen)	(683,923)	4,439,843
Average number of shares of common shares during the period	(Shares)	10,868,494	19,589,297
(2) Diluted net income per share		-	187.58
(Basis for calculation)			
Adjustment of net income attributable to owners of the parent	(Thousand yen)	-	4,439,843
Increase in common shares	(Shares)	-	4,079,975

(Significant subsequent events)

(Exercise of the 12th series of share acquisition rights)

The 12th series of share acquisition rights issued by the Company on 16 December 2024 to EVO FUND, Inc. The Company exercised a large number of the share acquisition rights on 6 January 2025. The details are as follows.

1.	Name of Rights	Metaplanet, Inc. The 12th series of share acquisition rights
2.	Number of Shares Delivered Since 6 January 2025	2,900,000 shares
3.	Number of Share acquisition rights Exercised since 6 January 2025 and Exercise Ratio	Exercised Rights: 29,000 units Exercise ratio: 100.0%(of 29,000 issued units)
4.	Unexercised Rights as of 6 January 2025	29,000 units (2,900,000 shares)
5.	Unexercised Rights as of current date	0 units (0 shares)

* The percentage to the total number of shares issued is rounded off to two decimal places.

(Early redemption of bonds)

The Company had allocated the entirety of 9,500,000,000 yen in ordinary bonds (4,500,000,000 yen under the 4th Series of Ordinary Bonds and 5,000,000,000 yen under the 5th Series of Ordinary Bonds) to EVO FUND, due for redemption on 16 June 2025. The Company has decided to redeem the total amount of the bonds on 6 January 2025 in accordance with the redemption provisions of the bonds.

1. Metaplanet Inc. 4th Series of Ordinary Bonds

(1)	Name of bonds:	Metaplanet Inc. 4th Series Ordinary Bonds
(2)	Early redemption date:	6 January 2025
(3)	Early redemption amount :	4,500,000,000 yen
(4)	Early redemption amount :	100 yen per 100 yen of each bond amount
(5)	Reason for early redemption :	Funds raised through the exercise of the 12th series of share acquisition rights
(6)	Redemption funds:	Redemption will be made from cash on hand.
(7)	Annual decrease in interest expense due to early redemption:	0 yen (non-interest bearing)

(Reference information)

Conventional redemption date: : 16 June 2025

2. Metaplanet Inc. 5th series of Ordinary Bonds

(1)	Name of Bonds:	Metaplanet Inc. 5th Series Ordinary Bonds
(2)	Early redemption date:	6 January 2025
(3)	Early redemption amount :	5,000,000,000 yen
(4)	Early redemption amount :	100 yen per 100 yen of each bond amount
(5)	Reason for early redemption:	Funds raised through the exercise of the 12th series of share acquisition rights
(6)	Redemption funds:	Redemption will be made from cash on hand.
(7)	Annual decrease in interest expense due to early redemption:	0 yen (non-interest bearing)

(Reference information)

Conventional redemption date: 16 June 2025

(Issuance of the 13th to 17th series of share acquisition rights with adjustable exercise prices and suspension provisions through third-party allotment, and the conclusion of a share acquisition rights purchase agreement)

In a resolution passed at the Board of Directors meeting held on 28 January 2025, the Company resolved to issue to EVO FUND (Cayman Islands, Representative: Michael Lurch, Richard Chisolm) (hereinafter referred to as the "Scheduled Subscriber" or "EVO FUND") The 13th through 17th series of share acquisition rights (hereinafter collectively referred to as the "Share acquisition rights") through a third-party allotment to the Scheduled Subscriber (hereinafter referred to as the "Scheduled Subscriber") and the issuance of the Share acquisition rights under the Financial Instruments and Exchange Law. The Company also resolved to enter into a share acquisition right purchase agreement (the "Purchase Agreement") with the Scheduled Subscriber, subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act, as follows.

The Company received payment for the 13th through 17th series of share acquisition rights on 17 February 2025.

1. Purpose and Reason for the Offering

The majority of the funds raised will be strategically allocated to the purchase of bitcoin. As disclosed in the Company's 8 April 2024 "Notice Regarding the Purchase of Bitcoin", the Company has decided to hold Bitcoin as part of the Company's treasury management strategy. In addition, as disclosed in the " Strategic Treasury Transformation and Bitcoin Adoption by Metaplanet " dated May 13, 2024 and in the "Addition of Bitcoin Treasury Operations as a New Business Line " dated 18 December 2024, the Company has decided to adopt a bitcoin-first, bitcoin-only approach to Clearly prioritising and utilising long-term debt and periodic equity issuances as strategic financial options, the Company has made it clear that it will position and execute its core business to continuously increase bitcoin instead of holding the weakening yen.

As a bitcoin treasury company, we are aware of our position as a pioneer in the bitcoin space in Japan, and will continue to accumulate bitcoin holdings, taking on the role of preserving asset value by raising Japanese yen whenever possible and replacing the funds with bitcoin. The value of bitcoin is

only going to increase, with the price reaching an all-time high in January 2025. On the other hand, the Japanese yen, our currency, continues to lose value, and with the exchange rate against the US dollar on the foreign exchange market close to falling toward 160 yen again at the time of the resolution, the future outlook remains uncertain. Under these circumstances, the importance of increasing our bitcoin holdings is growing, and we have decided to raise funds to purchase Bitcoin as soon as possible.

2. Overview of the offering

(1)	Allocation Date	17 February 2025
(2)	Number of Share Acquisition Rights Issued	210,000 units (100 common shares per units) 13th series of Share Acquisition Rights: 42,000 units 14th series of Share Acquisition Rights: 42,000 units 15th series of Share Acquisition Rights: 42,000 units 16th series of Share Acquisition Rights: 42,000 units 17th series of S Acquisition Rights: 42,000 units
(3)	Issuance Price	Total 76,230,000 yen 13th Series Share acquisition rights: 363 yen per right 14th Series Share acquisition rights: 363 yen per right 15th Series Share acquisition rights: 363 yen per right 16th Series Share acquisition rights: 363 yen per right 17th Series Share 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 exercise price. The lower limit of exercise price is 2,555 yenEven at the lower limit, the minimum 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 Share acquisition rights will first be adjusted on or after 17 February 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 Share 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 Share Acquisition Rights will be allocated to EVO FUND through third-party allotment.
(8)	Exercise period	The exercise period for the 13th to the 17th Series Share acquisition rights will commence on 18 February 2025 (inclusive) and include on 17 February 2027.

(9)	Other	After the securities registration statement under the Financial Instruments and Exchange Act becomes effective, the Company plans to enter into a Share acquisition rights Purchase Agreement with the Scheduled Allottee, which will stipulate terms such as suspension provisions, restrictions requiring Board approval for transfers of the Share acquisition rights by the Scheduled Allottee, lock-up provisions, and preemptive rights. Lock-Up Provisions: 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 Share 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. However, the above restrictions shall not apply in the following cases: 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 shares pursuant to Article 194, Paragraph 3 of the Companies Act. 4) Issuance or delivery of share acquisition rights or common shares under the Company's stock option programme. 5) Issuance or delivery of common shares resulting from the exercise of the Share acquisition rights. 6) Cases where issuance or delivery is required under applicable laws and regulations. Preemptive Rights: During the term of the Share acquisition rights, if the Company intends to issue or deliver additional shares, share acquisition rights, bonds with share 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 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. 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. 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. 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. The above provisions do not apply in the following cases: 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, share acquisition rights, or bonds with share 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.

(Note) The amount of funds to be raised is calculated by adding the total amount of payment for the Share acquisition rights to the value of the assetscontributed upon the exercise of the Share acquisition rights, and then deducting the estimated issuance expenses. The value of the assets contributed upon the exercise of the Share acquisition rights assumes that all Share acquisition rights are exercised at the initial exercise price. If the exercise price is modified or adjusted, or if the Company cancels any Share acquisition rights it has acquired, the amount of funds raised may increase or decrease. In addition, if no exercise occurs during the exercise period of the Share acquisition rights,, the amount of funds raised will fluctuate.

(Issuance and early redemption of the 6th series of Ordinary Bonds)

6th Series of Ordinary Bonds (the "Bonds") to EVO FUND (the "Bondholder"). The Bonds were paid on 13 February 2025.

The Bonds were fully repaid by early redemption of 2,000,000,000 yen on 18 February 2025 and 2,000,000,000 yen on 20 February 2025.

1.Details of the Bond

(1)	Name of the Bond	Metaplanet Inc. 6th Series Ordinary Bonds
(2)	Total Amount of the Bond	4,000,000,000 yen
(3)	Face value per Bond	250,000,000 yen
(4)	Interest Rate	The Bonds will bear no interest.
(5)	Redemption Amount	100 yen for every 100 yen of the Bonds' face value
(6)	Payment Date	13 February 2025
(7)	Redemption Date	12 August 2025
(8)	Redemption Method	The Bonds will be redeemed in full at their face value, as stated in Item 5, on the Redemption Date specified in Item 7. However, the Bondholder may request early redemption of all or part of the outstanding Bonds at 100 yen per 100 yen of face value by providing written notice to the Company at least one business day prior to the desired early redemption date (the "Early Redemption Date"). Additionally, if all or part of the Metaplanet Inc. 13th to 17th Series of Share acquisition rights are exercised, and the cumulative funds received by the Company from such exercises after the Bond issuance date, minus the total face value of any Bonds previously redeemed under this Item 8, reach a multiple of 250,000,000 yen (the face value of each Bond), the Company may redeem a corresponding portion of the Bonds. The Early Redemption Date will be either the next trading day (inclusive) following the date the cumulative funds reach such a multiple, or another date as mutually agreed upon by the Company and the Bondholder. The redemption will be conducted at 100 yen per 100 yen of face value for all or part of the outstanding Bonds at that time.
(9)	Guarantee	None applicable.
(10)	Collateral	None applicable.
(11)	Method of Subscription	The entire issuance will be allocated to EVO FUND.
(12)	Bond Administrator	As the Bonds meet the requirements set forth under Article 702 of the Companies Act and Article 169 of the Ordinance for Enforcement of the Companies Act, and no bond administrator will be appointed.
(13)	Payment Handling Office (Principal and Interest Payment Location)	Metaplanet, Inc. 6-10-1 Roppongi, Minato-ku, Tokyo
(14)	Book-Entry Transfer Institution	None applicable.

(Issuance and early redemption of the 7th Series of Ordinary Bonds)

7th Series of Ordinary Bonds (the "Bonds") to EVO FUND (the "Bondholder"). The Bonds were paid on 27 February 2025.

The Bonds werefully repaid by early redemption of 2,000,000,000 yen on 3 March 2025.

1. Details of the Bond

(1)	Name of Bond	Metaplanet Inc. 7th Series Ordinary Bonds
(2)	Total amount of the Bond	2,000,000,000 yen
(3)	Face Value per Bond	50,000,000 yen
(4)	Interest Rate	The Bonds will bear no interest.
(5)	Redemption Amount	100 yen for every per 100 yen of the Bonds' face value.
(6)	Payment Date	27 February 2025
(7)	Redemption Date	26 August 2025
(8)	Redemption Method	The Bonds will be redeemed in full at their face value, as stated in Item 5, on the Redemption Date specified in Item 7. However, the Bondholder may request early redemption of all or part of the outstanding Bonds at 100 yen per 100 yen of face value by providing written notice to the Company at least one business day prior to the desired early redemption date (the "Early Redemption Date"). Additionally, if all or part of the Metaplanet Inc. 13th to 17th Series of Share acquisition rights are exercised, and the cumulative funds received by the Company from such exercises after the Bond issuance date, minus the total face value of any Bonds previously redeemed under this Item 8, reach a multiple of 50,000,000 yen (the face value of each Bond), the Company may redeem a corresponding portion of the Bonds. The Early Redemption Date will be either the next trading day (inclusive) following the date the cumulative funds reach such a multiple, or another date as mutually agreed upon by the Company and the Bondholder. The redemption will be conducted at 100 yen per 100 yen of face value for all or part of the outstanding Bonds at that time.
(9)	Guarantee	None applicable.
(10)	Collateral	None applicable.
(11)	Method of Subscription	The entire issuance will be allocated to EVO FUND.
(12)	Bond Administrator	As the Bonds meet the requirements set forth under Article 702 of the Companies Act and Article 169 of the Ordinance for Enforcement of the Companies Act, no bond administrator will be appointed.
(13)	Payment Handling Office (Principal and Interest Payment Location)	Metaplanet, Inc. 6-10-1 Roppongi, Minato-ku, Tokyo
(14)	Book-entry transfer institution	None applicable.

(Issuance and early redemption of the 8th Series of Ordinary Bonds)

8th Series of Ordinary Bonds (the "Bonds") to EVO FUND (the "Bondholder"). The Bonds were paid on 12 March 2025.

The Bonds were repaid by early redemption of 1,900,000,000 yen on 24 March 2025

1. Details of the Bond

(1)	Name of Bond	Metaplanet Inc. 8th Series of Ordinary Bonds
(2)	Total Amount of the Bond	2,000,000,000 yen
(3)	Face Value per Bond	50,000,000 yen
(4)	Interest rate	The Bonds will bear no interest.
(5)	Redemption Amount	100 yen for every 100 yen of the Bonds' face value.
(6)	Payment Date	12 March 2025
(7)	Redemption Date	11 September 2025
(8)	Redemption Method	The Bonds will be redeemed in full at their face value, as stated in Item 5, on the Redemption Date specified in Item 7. However, the Bondholder may request early redemption of all or part of the outstanding Bonds at 100 yen per 100 yen of face value by providing written notice to the Company at least one business day prior to the desired early redemption date (the "Early Redemption Date"). Additionally, if all or part of the Metaplanet Inc. 14th to 17th Series of Share acquisition rights are exercised, and the cumulative funds received by the Company from such exercises after the Bond issuance date, minus the total face value of any Bonds previously redeemed under this Item 8, reach a multiple of 50,000,000 yen (the face value of each Bond), the Company may redeem a corresponding portion of the Bonds. The Early Redemption Date will be either the next trading day (inclusive) following the date the cumulative funds reach such a multiple, or another date as mutually agreed upon by the Company and the Bondholder. The redemption will be conducted at 100 yen per 100 yen of face value for all or part of the outstanding Bonds at that time.
(9)	Guarantee	None applicable.
(10)	Collateral	None applicable.
(11)	Method of Subscription	The entire issuance will be allocated to EVO FUND.
(12)	Bond Administrator	As the Bonds meet the requirements set forth under Article 702 of the Companies Act and Article 169 of the Ordinance for Enforcement of the Companies Act, no bond administrator will be appointed.
(13)	Payment handling office (Principal and Interest Payment Location)	Metaplanet, Inc. 6-10-1 Roppongi, Minato-ku, Tokyo
(14)	Book-Entry Transfer Institution	None applicable.

(Issuance of the 9th Series of Ordinary Bonds)

9th Series of Ordinary Bonds (the "Bonds") to EVO FUND (the "Bondholder"). The Bonds were paid on 18 March 2025.

1. Details of the Bond

(1)	Name of Bond	Metaplanet Inc. 9th Series Ordinary Bonds
(2)	Total Amount of Bond	2,000,000,000 yen
(3)	Face Value per Bond	50,000,000 yen
(4)	Interest Rate	The Bonds will bear no interest.
(5)	Redemption Amount	100 yen per 100 yen of each bond amount
(6)	Payment Date	18 March 2025
(7)	Redemption Date	17 September 2025
(8)	Redemption Method	The Bonds will be redeemed in full at their face value, as stated in Item 5, on the Redemption Date specified in Item 7. However, the Bondholder may request early redemption of all or part of the outstanding Bonds at 100 yen per 100 yen of face value by providing written notice to the Company at least one business day prior to the desired early redemption date (the "Early Redemption Date"). Additionally, if all or part of the Metaplanet Inc. 14th to 17th Series of Share acquisition rights are exercised, and the cumulative funds received by the Company from such exercises after the Bond issuance date, minus the total face value of any Bonds previously redeemed under this Item 8, reach a multiple of 50,000,000 yen (the face value of each Bond), the Company may redeem a corresponding portion of the Bonds. The Early Redemption Date will be either the next trading day (inclusive) following the date the cumulative funds reach such a multiple, or another date as mutually agreed upon by the Company and the Bondholder. The redemption will be conducted at 100 yen per 100 yen of face value for all or part of the outstanding Bonds at that time.
(9)	Guarantee	None applicable.
(10)	Collateral	None applicable.
(11)	Method of Subscription	The entire issuance will be allocated to EVO FUND.
(12)	Bond Administrator	As the Bonds meet the requirements set forth under Article 702 of the Companies Act and Article 169 of the Ordinance for Enforcement of the Companies Act, no bond administrator will be appointed.
(13)	Payment Handling Office (Principal and Interest Payment Location)	Metaplanet, Inc. 6-10-1 Roppongi, Minato-ku, Tokyo
(14)	Book-Entry Transfer Institution	None applicable.

(Acquisition of bitcoin)

Overview of Bitcoin Purchases

Based on the resolution of the Board of Directors meeting held on 10 February 2025, the Company purchased a total of 4 billion yen in Bitcoin on 17 February 2025 with the funds raised through the bond issue.

In addition, in accordance with the resolution of the Board of Directors meeting held on 28 January 2025, the Company will use the funds raised through the exercise of the 13th series of share acquisition rights.

The Company purchased bitcoin;990 million yen in bitcoin on 20 February 2025, 1.939 billion yen in bitcoin on 25 February 2025, 2.021 billion yen in bitcoin on 3 March 6.616 billion yen in bitcoin 2025 On 5 March 2025, 2025, 2.008 billion yen on 12 March 2025, 1.879 billion yen on 18 March and 1.886 billion yen on March 24.

(Stock split)

The Company's Board of Directors resolved at a meeting held on 18 February 2025 to effect a stock split.

1. Purpose of the stock split

The Company implemented a one-for-ten reverse stock split with an effective date of 1 August 2024. Since then, the Company's stock price has risen significantly, and the minimum amount required to purchase shares in the market is now over 500,000 yen at the time of the resolution, which is a significant financial burden for investors. The minimum amount required to purchase the Company's shares in the market is now more than 500,000 yen at the time of the resolution.

Therefore, by reducing the amount per investment unit through a stock split, we aim to further increase the liquidity of our stock and expand our investor base, thereby connecting with our shareholders more widely.

2. Outline of Stock Split

(1) Method of division

The Company will carry out a 10-for-1 stock split of shares of common shares held by shareholders whose names appear or are recorded in the final shareholders' register as of 31 March 2025 (Monday) as the record date.

(2) Number of shares to be increased by the split

Total number of shares outstanding before stock split	39,168,334 shares
Number of shares to be increased by this stock split	352,515,006 shares
Total number of shares issued and outstanding after stock split	391,683,340 shares
Total number of authorised shares after stock split	1,450,000,000 shares

(Note): There is a possibility that the total number of outstanding shares will increase due to the exercise of share acquisition rights between the date of this Board of Directors' resolution and the record date for the stock split.

(3) Schedule for division

Record Date of Public Notice	Monday, 3 March 2025
Reference Date	Monday, 31 March 2025
effective date	Tuesday, 1 April 2025

(Exercise of the 13th series of share acquisition rights)

The 13th series of share acquisition rights issued by the Company on 17 February 2025 (the Share acquisition rights) to EVO FUND, Inc. The Company has been exercised a large number of the share acquisition rights during the period from 18 February 2025 to 24 March 2025. The details are as follows.

1.	Issuer	Metaplanet, Inc. The 13th series of share acquisition rights
2.	Number of shares delivered from 18 February 2025	4,200,000 shares
3.	Number of Share acquisition rights Exercised from 18 February 2025, and Exercise Ratio to Total Issued Share acquisition rights:	42,000 units (Ratio to total issued units of 42,000: 100.00%)
4.	Number of unexercised share acquisition rights as of 17 February 2025	42,000 (4,200,000 shares)
5.	Number of unexercised share acquisition rights at present	0 (0 shares)

* The percentage to the total number of shares issued is rounded off to two decimal places.

6. status of exercise since 18 February 2025

Exercise Date	Number of shares issued		Exercise price (Yen)	Exercised share acquisition rights Quantity (Units)
	New shares (shares)	Transferor Shares (shares)		
Tuesday, 18 February 2025	345,000	-	6,040	3,450
Wednesday, 19 February 2025	155,000	-	6,030	1,550
Thursday, 20 February 2025	360,000	-	6,120	3,600
Friday, 21 February 2025	304,000	-	6,290	3,040
Tuesday, 25 February 2025	-	27,000	6,210	270
Monday, 3 March 2025	3,009,000	-	3,310	30,090

(Exercise of the 14th series of share acquisition rights)

The 14th series of share acquisition rights issued by the Company on 17 February 2025 (the " Share acquisition rights ") to EVO FUND, Inc. The Company has been exercised a large number of the Share acquisition rights during the period from 18 February 2025 to 24 March 2025. The details are as follows.

1.	Company	Metaplanet, Inc. The 14th series of share acquisition rights
2.	Number of shares delivered from 18 February 2025	2,119,000 shares
3.	Number of warrants exercised since 18 February 2025 and exercise ratio to total number of warrants issued	21,190 rights units (Percentage to the total number of units issued (42,000): 50.5%)
4.	Number of unexercised share acquisition rights as of 17 February 2025	42,000 (4,200,000 shares)
5.	Number of unexercised share acquisition rights at present	20,810 (2,081,000 shares)

* The percentage to the total number of shares issued is rounded off to two decimal places.

6. Status of exercise since 18 February 2025

Exercise Date	Number of shares issued		Exercise price (Yen)	Exercised share acquisition rights Quantity (Units)
	New shares (shares)	Transferor Shares (shares)		
Monday, 3 March 2025	907,000	-	3,310	9,070
Monday, March 24 , 2025	1,212,000		4,730	12,120

(Exercise of the 17th series of share acquisition rights)

The 17th series of share acquisition rights issued by the Company on 17 February 2025 (the " Share acquisition rights ") to EVO FUND, Inc. The Company has been exercised a large number of the Share acquisition rights during the period from 18 February 2025 to 24 March 2025. The details are as follows.

1.	Company	Metaplanet Inc. The 17th series of share acquisition rights
2.	Number of shares delivered from 18 February 2025	269,900 shares
3.	Number of warrants exercised since 18 February 2025 and exercise ratio to total number of warrants issued	2,699 rights units (Percentage to the total number of units issued (42,000): 6.4%
4.	Number of unexercised share acquisition rights as of 17 February 2025	42,000 (4,200,000 shares)
5.	Number of unexercised share acquisition rights at present	39,301 (3,930,100 shares)

* The percentage to the total number of shares issued is rounded off to two decimal places.

6. Status of exercise since 18 February 2025

Exercise Date	Number of shares issued		exercise price (Yen)	Exercised share acquisition rights Quantity (Units)
	New shares (shares)	Transferor Shares (shares)		
Monday, March 24 , 2025	200,000	69,900	4,730	2,699

⑤ [Consolidated supplementary financial schedules]

[Schedule of Bonds]

Company Name	Issue Name	Date of Issue	Balance at beginning of period (Thousand yen)	Balance at end of period (Thousand yen)	Interest rate (%)	Collateral	Redemption date
Filing company	3rd Series of Ordinary Bonds (Guaranteed) (Notes 1 and 2)	18 November 2024	-	1,750,000 (1,750,000)	0.36% per annum	General collateral	17 November 2025
	4th Series of Ordinary Bonds (Note 1)	17 December 2024	-	4,500,000 (4,500,000)	No interest	Unsecured	16 June 2025
	5th Series of Ordinary Bonds (Note 1)	20 December 2024	-	5,000,000 (5,000,000)	No interest	Unsecured	16 June 2025
Total	-	-	-	11,250,000 (11,250,000)	-	-	-

(Notes) 1. Figures in parentheses represent the redemption schedule within one year.

2 Scheduled redemption amounts per year within 5 years after the consolidated balance sheet date are as follows:

Within 1 year (Thousand yen)	Over 1 year Within 2 years (Thousand yen)	Over 2 years Within 3 years (Thousand yen)	Over 3 years Within 4 years (Thousand yen)	Over 4 years Within 5 years (Thousand yen)
11,250,000	-	-	-	-

As of the date of submission of this securities report, the 4th and 5th Series of Ordinary Bonds have been fully repaid.

[Schedule of Borrowings, etc.]

Category	Balance at beginning of period (Thousand yen)	Balance at end of period (Thousand yen)	Average interest rate (%)	Repayment term
Long-term borrowings	130,501	-	-	-
Total	130,501	-	-	-

[Schedule of Asset Retirement Obligations]

Not applicable.

(2) [Others]

Interim information for the current consolidated fiscal year, etc.

(Cumulative period)		For the six months ended 30 June 2024	For the fiscal year ended 31 December 2024
Net sales	(Thousand yen)	168,494	1,062,283
Profit (loss) before income taxes	(Thousand yen)	(176,500)	6,393,785
Profit (loss) attributable to owners of parent	(Thousand yen)	(176,975)	4,439,843
Net income (loss) per share	(Yen)	(12.75)	226.65
Net income per share (diluted)	(Yen)	-	187.58

(Note) 1. The Company conducted a reverse stock split on 1 August 2024, at a ratio of 1 share of common shares for every 10 shares of common shares. Net income per share is calculated on the assumption that the reverse stock split was conducted at the beginning of the current fiscal year.

2. Diluted net income per share for the interim consolidated accounting period is not stated because net loss per share was recorded, although there are residual shares.

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Independent Auditor's Interim Review Report

13 August 2026

The Board of Directors of Metaplanet Inc.

Yamabuki Audit Corporation
Tokyo Office

Designated Partner and Engagement Partner Certified Public Accountant Shintaro Utsumi

Designated Partner and Engagement Partner Certified Public Accountant Masatoshi Morita

Review of Interim Consolidated Financial Statements

Conclusion

Pursuant to Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act of Japan, we have reviewed the interim consolidated financial statements of Metaplanet Inc. ("the Company") for the first six-month period (from 1 January 2026 to 30 June 2026) of the fiscal year from 1 January 2026 to 31 December 2026 and comprise the interim consolidated balance sheet, the interim consolidated statements of income, comprehensive income, and cash flows, and the notes thereto.

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements referred to above do not present fairly, in all material respects, the consolidated financial position of the Company and its consolidated subsidiaries ("the Group") as of 30 June 2026, and its consolidated financial performance and consolidated cash flows for the six-month period then ended in accordance with accounting principles generally accepted in Japan.

Basis for Conclusion

We conducted our review in accordance with interim review standards generally accepted in Japan. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Review of the Interim Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our review of the interim consolidated financial statements in Japan, which include those applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the evidence we have obtained provides a basis for our conclusion.

Responsibilities of Management and the Audit Committee for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with accounting principles generally accepted in Japan and for designing and implementing such internal controls as management determines is necessary to enable the preparation and fair presentation of interim consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the interim consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to its status as a going concern.

The Audit Committee is responsible for overseeing the executive officers and directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Review of the Interim Consolidated Financial Statements

Our responsibility is to express a conclusion from an independent perspective on these condensed interim consolidated financial statements based on our review as independent auditor.

As part of a review in accordance with interim review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical procedures and other review procedures. Such a review is substantially less in scope than an audit conducted in conformity with auditing standards generally accepted in Japan.
- If material uncertainties related to events or conditions that may cast significant doubt upon going concern assumption are recognized, conclude whether nothing comes to attention that causes us to believe that the documents are not fairly presented based on the evidence obtained in the condensed interim consolidated financial statements in accordance with accounting principles generally accepted in Japan. In addition, if material uncertainties regarding going concern assumption are recognized, the interim review report shall refer to the notes to the condensed interim consolidated financial statements, or, if material uncertainties stated in the notes to the condensed interim consolidated financial statements are inadequate, we are required to express qualified or adverse conclusions on the condensed interim consolidated financial statements. The auditor's conclusions are based on evidence obtained by the interim review reporting date, but future events and circumstances may prevent the Company from continuing as a going concern.
- Evaluate whether nothing comes to attention that causes us to believe that the presentation and notes to the condensed interim consolidated financial statements do not comply with accounting principles generally accepted in Japan, or that the presentation, composition and contents of the condensed interim consolidated financial statements including related notes as well as the transactions and accounting events underlying the condensed interim consolidated financial statements are not fairly presented.
- Obtain evidence regarding financial information of the Group to express a conclusion on the condensed interim consolidated financial statements. The auditor is responsible for directing, supervising, and conducting the review of the condensed interim consolidated financial statements, and is solely responsible for its conclusion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the review and significant review findings.

We also provide the Audit Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our review of the interim consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group, which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End

1. Interim Consolidated Financial Statements

(1) Interim consolidated balance sheets

(Millions of yen)

	Fiscal year ended December 31, 2025 (As of December 31, 2025)	First half of fiscal year ending December 31, 2026 (As of June 30, 2026)
Assets		
Current assets		
Cash and deposits	2,552	1,087
Accounts receivable - trade	33	25
USDC	14,892	250
Deposits paid	370	332
Other	319	674
Total current assets	18,168	2,369
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	91	83
Land	866	866
Other, net	35	63
Total property, plant and equipment	992	1,013
Intangible assets		
Other	1,512	1,454
Total intangible assets	1,512	1,454
Investments and other assets		
Bitcoin	481,485	409,493
Deferred tax assets	4	0
Other	123	412
Total investments and other assets	481,614	409,907
Total non-current assets	484,120	412,375
Deferred assets		
Share issuance costs	2,997	3,432
Total deferred assets	2,997	3,432
Total assets	505,286	418,177

	(Millions of yen)	
	Fiscal year ended December 31, 2025 (As of December 31, 2025)	First half of fiscal year ending December 31, 2026 (As of June 30, 2026)
Liabilities		
Current liabilities		
Short-term borrowings	43,836	67,486
Current portion of bonds payable	-	8,000
Income taxes payable	416	359
Other	1,588	1,032
Total current liabilities	45,841	76,878
Non-current liabilities		
Retirement benefit liability	7	8
Deferred tax liabilities	454	-
Other	391	405
Total non-current liabilities	852	414
Total liabilities	46,694	77,292
Net assets		
Shareholders' equity		
Share capital	0	27,481
Capital surplus	525,419	552,601
Retained earnings	(86,186)	(268,961)
Treasury shares	(7)	(7)
Total shareholders' equity	439,225	311,113
Accumulated other comprehensive income		
Foreign currency translation adjustment	19,303	29,167
Total accumulated other comprehensive income	19,303	29,167
Share acquisition rights	63	603
Total net assets	458,592	340,884
Total liabilities and net assets	505,286	418,177

(2) Interim consolidated statements of income and interim consolidated statements of comprehensive income Interim consolidated statements of income

(Millions of yen)

	First half of fiscal year ended December 31, 2025 (From January 1, 2025 to June 30, 2025)	First half of fiscal year ending December 31, 2026 (From January 1, 2026 to June 30, 2026)
Net sales		
Bitcoin derivative option premiums received	1,900	4,583
Valuation gains (losses) on Bitcoin derivatives	-	143
Other Bitcoin-related sales	3	15
Hotel sales	212	201
Total net sales	2,116	4,944
Cost of sales	53	33
Gross profit	2,062	4,911
Selling, general and administrative expenses	* 652	* 1,579
Operating profit	1,409	3,331
Non-operating income		
Interest income	0	75
Bitcoin valuation gains	10,035	-
Foreign exchange gains	-	572
Other	1	1
Total non-operating income	10,037	650
Non-operating expenses		
Interest expenses	3	1,805
Bitcoin valuation losses	-	184,297
Amortization of share issuance costs	51	679
Foreign exchange losses	786	-
Other	41	73
Total non-operating expenses	881	186,856
Ordinary profit (loss)	10,565	(182,874)
Profit (loss) before income taxes	10,565	(182,874)
Income taxes - current	17	350
Income taxes - deferred	4,489	(450)
Total income taxes	4,506	(99)
Profit (loss)	6,059	(182,774)
Profit (loss) attributable to owners of parent	6,059	(182,774)

Interim consolidated statements of comprehensive income

(Millions of yen)

	First half of fiscal year ended December 31, 2025 (From January 1, 2025 to June 30, 2025)	First half of fiscal year ending December 31, 2026 (From January 1, 2026 to June 30, 2026)
Profit (loss)	6,059	(182,774)
Other comprehensive income		
Foreign currency translation adjustment	(290)	9,863
Total other comprehensive income	(290)	9,863
Comprehensive income	5,769	(172,911)
(Breakdown)		
Comprehensive income attributable to owners of parent	5,769	(172,911)

(3) Interim consolidated statements of cash flows

(Millions of yen)

	First half of fiscal year ended December 31, 2025 (From January 1, 2025 to June 30, 2025)	First half of fiscal year ending December 31, 2026 (From January 1, 2026 to June 30, 2026)
Cash flows from operating activities		
Profit (loss) before income taxes	10,565	(182,874)
Depreciation	12	87
Valuation losses (gains) on Bitcoin derivatives	-	(143)
Bitcoin valuation losses (gains)	(10,035)	184,297
Foreign exchange losses (gains)	786	(570)
Interest expenses	3	1,805
Decrease (increase) in trade receivables	7	7
Increase (decrease) in retirement benefit liability	2	1
Other, net	73	(192)
Subtotal	1,415	2,418
Interest paid	(3)	(1,757)
Income taxes paid	(1)	(420)
Other, net	0	109
Net cash provided by (used in) operating activities	1,411	349
Cash flows from investing activities		
Purchase of investment securities	-	(360)
Purchase of Bitcoin	(171,863)	(99,782)
Purchase of property, plant and equipment	(1)	(29)
Purchase of intangible assets	-	(19)
Decrease (increase) in USDC	-	14,813
Decrease (increase) in deposits paid	(24,239)	50
Other, net	(7)	(2)
Net cash provided by (used in) investing activities	(196,112)	(85,332)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-	21,461
Proceeds from issuance of bonds	96,379	8,000
Redemption of bonds	(78,161)	-
Proceeds from issuance of shares	176,799	53,844
Proceeds from issuance of share acquisition rights	651	543
Proceeds from disposal of treasury shares	498	-
Purchase of treasury shares	(17)	(0)
Dividends paid	-	(298)
Other, net	(23)	0
Net cash provided by (used in) financing activities	196,125	83,550
Effect of exchange rate changes on cash and cash equivalents	(0)	(34)
Net increase (decrease) in cash and cash equivalents	1,423	(1,465)
Cash and cash equivalents at beginning of period	294	2,552
Cash and cash equivalents at end of period	* 1,717	* 1,087

Notes to interim consolidated financial statements

(Going concern assumption)

Not applicable.

(Changes in the scope of consolidation)

During the first half of the current fiscal year, the Company established Metaplanet Ventures K.K. and included it in the scope of consolidation.

(Changes in accounting policies)

Not applicable.

(Additional information)

Application of the Practical Solution on Unification of Accounting Policies for Crypto Assets under the Funds Settlement Act Part of the Bitcoin held constitutes crypto assets subject to specific transfer restrictions. The quantity held and the carrying amount in the consolidated balance sheets are as follows.

(Millions of yen)

	Fiscal year ended December 31, 2025 (As of December 31, 2025)		First half of fiscal year ending December 31, 2026 (As of June 30, 2026)	
Bitcoin	10,000 BTC	138,338	5,014 BTC	47,748

(Interim consolidated statements of income)

* Main items and amounts of selling, general and administrative expenses are as follows.

(Millions of yen)

	First half of fiscal year ended December 31, 2025 (From January 1, 2025 to June 30, 2025)	First half of fiscal year ending December 31, 2026 (From January 1, 2026 to June 30, 2026)
Salaries and allowances	86	192
Depreciation	12	87
Advertising expenses	144	198
Professional fees	72	269

(Interim consolidated statements of cash flows)

* Reconciliation of closing balance of cash and cash equivalents and the related account on the interim consolidated balance sheets is as follows:

(Millions of yen)

	First half of fiscal year ended December 31, 2025 (From January 1, 2025 to June 30, 2025)	First half of fiscal year ending December 31, 2026 (From January 1, 2026 to June 30, 2026)
Cash and deposits	1,717	1,087
Term deposits with deposit periods exceeding three months	-	-
Cash and cash equivalents	1,717	1,087

(Shareholders' equity and related information)

First half of fiscal year ended December 31, 2025 (January 1, 2025 to June 30, 2025)

1. Dividends paid

Not applicable.

2. Dividends with an effective date falling after the end of the first half of the fiscal year, among dividends with record dates belonging to the first half of fiscal year ended December 31, 2025

Not applicable.

3. Significant changes in shareholders' equity

- Exercise of the 12th series of share acquisition rights

On December 16, 2024, the Company issued the 12th series of share acquisition rights to EVO FUND. On January 6, 2025, the Company received full payment of ¥9,535 million upon the exercise of all 29,000 share acquisition rights held by EVO FUND.

As a result, share capital and capital surplus each increased by ¥4,776 million.

- Exercise of the 13th series of share acquisition rights

On January 28, 2025, the Company issued the 13th through 17th series of share acquisition rights to EVO FUND. From February 18, 2025 through the end of the first half of the fiscal year, all 42,000 share acquisition rights of the 13th series were exercised, and the Company received full payment of ¥17,261 million.

As a result, share capital increased by ¥8,554 million and capital surplus by ¥8,650 million.

- Exercise of the 14th series of share acquisition rights

On January 28, 2025, the Company issued the 13th through 17th series of share acquisition rights to EVO FUND. From February 18, 2025 through the end of the first half of the fiscal year, all 42,000 share acquisition rights of the 14th series were exercised, and the Company received full payment of ¥15,650 million.

As a result, share capital and capital surplus each increased by ¥7,832 million.

- Exercise of the 15th series of share acquisition rights

On January 28, 2025, the Company issued the 13th through 17th series of share acquisition rights to EVO FUND. From February 18, 2025 through the end of the first half of the fiscal year, all 42,000 share acquisition rights of the 15th series were exercised, and the Company received full payment of ¥20,767 million.

As a result, share capital and capital surplus each increased by ¥10,391 million.

- Exercise of the 16th series of share acquisition rights

On January 28, 2025, the Company issued the 13th through 17th series of share acquisition rights to EVO FUND. From February 18, 2025 through the end of the first half of the fiscal year, all 42,000 share acquisition rights of the 16th series were exercised, and the Company received full payment of ¥22,868 million.

As a result, share capital and capital surplus each increased by ¥11,441 million.

- Exercise of the 17th series of share acquisition rights

On January 28, 2025, the Company issued the 13th through 17th series of share acquisition rights to EVO FUND. From February 18, 2025 through the end of the first half of the fiscal year, all 42,000 share acquisition rights of the 17th series were exercised, and the Company received full payment of ¥16,751 million.

As a result, share capital increased by ¥8,217 million and capital surplus by ¥8,361 million.

- Exercise of the 20th series of share acquisition rights

On June 6, 2025, the Company issued the 20th through 22nd series of share acquisition rights to EVO FUND. From June 24, 2025 through the end of the first half of the fiscal year, 540,000 of the

1,850,000 share acquisition rights of the 20th series were exercised, and the Company received full payment of ¥74,952 million.

As a result, share capital and capital surplus each increased by ¥37,506 million.

As a result of the above, during the first half of the fiscal year, share capital increased by ¥88,721 million and capital surplus increased by ¥88,960 million.

First half of fiscal year ending December 31, 2026 (January 1, 2026 to June 30, 2026)

1. Dividends paid

Resolution	Class of shares	Source of dividends	Total amount of dividends	Dividends per share	Record date	Effective date
Board of Directors' meeting held on January 27, 2026	Class B Shares	Capital surplus	¥9 million	¥0.40	December 31, 2025	January 31, 2026
Board of Directors' meeting held on March 25, 2026	Class B Shares	Capital surplus	¥289 million	¥12.25	March 31, 2026	April 15, 2026

2. Dividends with an effective date falling after the end of the first half of the fiscal year, among dividends with record dates belonging to the first half of fiscal year ending December 31, 2026

Resolution	Class of shares	Source of dividends	Total amount of dividends	Dividends per share	Record date	Effective date
Board of Directors' meeting held on June 6, 2026	Class B Shares	Capital surplus	¥289 million	¥12.25	June 30, 2026	July 15, 2026

3. Significant changes in shareholders' equity

- Issuance of new shares through third-party allotment

On January 29, 2026, the Company issued 24,529,000 new shares through a third-party allotment and received full payment of ¥12,239 million during the first half of the fiscal year.

As a result, share capital and capital surplus each increased by ¥6,119 million.

- Issuance of new shares through third-party allotment

On March 16, 2026, the Company issued 107,368,000 new shares through a third-party allotment and received full payment of ¥40,799 million during the first half of the fiscal year.

As a result, share capital and capital surplus each increased by ¥20,399 million.

- Exercise of the 10th series of share acquisition rights

The Company issued the 10th series of share acquisition rights on December 22, 2022. During the first half of the fiscal year, 1,000 of the 460,000 share acquisition rights were exercised, and the Company received payment of ¥6 million.

As a result, share capital and capital surplus each increased by ¥3 million.

- Exercise of the 18th series of share acquisition rights

The Company issued the 18th series of share acquisition rights on April 11, 2025. During the first half of the fiscal year, 498 of the 45,750 share acquisition rights were exercised, and the Company received payment of ¥5 million.

As a result, share capital and capital surplus each increased by ¥2 million.

- Exercise of the 19th series of share acquisition rights

The Company issued the 19th series of share acquisition rights on May 9, 2025. During the first half of the fiscal year, 11,000 of the 36,000 share acquisition rights were exercised, and the Company received payment of ¥115 million.

As a result, share capital and capital surplus each increased by ¥59 million.

• Exercise of the 27th series of share acquisition rights

On March 16, 2026, the Company issued the 27th series of share acquisition rights to EVO FUND. During the first half of the fiscal year, 52,700 of the 1,000,000 share acquisition rights were exercised, and the Company received payment of ¥1,790 million.

As a result, share capital and capital surplus each increased by ¥895 million.

• Payment of dividends

The Company, as described above in (Shareholders' equity and related information) 1. Dividends paid, paid dividends on Class B Preferred Shares of ¥9 million, effective January 31, 2026, and ¥289 million, effective April 15, 2026, out of capital surplus.

As a result, capital surplus decreased by a total of ¥298 million.

As a result of the above, during the first half of the fiscal year, share capital increased by ¥27,481 million and capital surplus increased by ¥27,182 million.

(Segment information, etc.)

Segment information

I First half of fiscal year ended December 31, 2025 (January 1, 2025 to June 30, 2025)

1. Information on net sales and profit or loss by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable segment					
	Bitcoin Treasury Business	Hotel Business	Subtotal	Total	Adjustments (Note 1)	Interim consolidated financial statement amount (Note 2)
Net sales						
Bitcoin derivative option premiums received	1,900	-	1,900	1,900	-	1,900
Other Bitcoin-related sales	3	-	3	3	-	3
Hotel sales	-	212	212	212	-	212
Revenue from contracts with customers	1,904	212	2,116	2,116	-	2,116
Sales from external customers	1,904	212	2,116	2,116	-	2,116
Intersegment sales or transfers	-	-	-	-	-	-
Total	1,904	212	2,116	2,116	-	2,116
Segment profit	1,641	82	1,724	1,724	(314)	1,409

Notes: 1. The adjustments to segment profit represent corporate expenses not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

2. Segment profit is adjusted to operating profit in the interim consolidated statement of income.

2. Impairment losses on non-current assets, goodwill, etc., by reportable segment

Not applicable.

II First half of fiscal year ending December 31, 2026 (January 1, 2026 to June 30, 2026)

1. Information on net sales and profit or loss by reportable segment and disaggregation of revenue

(Millions of yen)

	Reportable segment					
	Bitcoin-Related Business	Hotel Business	Subtotal	Total	Adjustments (Note 1)	Interim consolidated financial statement amount (Note 2)
Net sales						
Bitcoin derivative option premiums received	4,583	-	4,583	4,583	-	4,583
Other Bitcoin-related sales	15	-	15	15	-	15
Hotel sales	-	201	201	201	-	201
Revenue from contracts with customers	4,598	201	4,800	4,800	-	4,800
Valuation gains (losses) on Bitcoin derivatives	143	-	143	143	-	143
Other	143	-	143	143	-	143
Sales from external customers	4,742	201	4,944	4,944	-	4,944
Intersegment sales or transfers	-	-	-	-	-	-
Total	4,742	201	4,944	4,944	-	4,944
Segment profit	4,279	71	4,350	4,350	(1,019)	3,331

Notes: 1. The adjustments to segment profit represent corporate expenses not allocated to each reportable segment. Corporate expenses mainly consist of general and administrative expenses that are not attributable to reportable segments.

2. Segment profit is adjusted to operating profit in the interim consolidated statement of income.

3. The segment name previously referred to as the “Bitcoin Treasury Business” has been changed to “Bitcoin-Related Business.” This name change has no impact on the disclosed segment information.

2. Impairment losses on non-current assets, goodwill, etc., by reportable segment

Not applicable.

(Revenue recognition)

I First half of fiscal year ended December 31, 2025 (January 1, 2025 to June 30, 2025)

Information on the disaggregation of revenue from contracts with customers is described in (Segment information, etc.).

II First half of fiscal year ending December 31, 2026 (January 1, 2026 to June 30, 2026)

Information on the disaggregation of revenue from contracts with customers is described in (Segment information, etc.).

(Per share information)

The bases for calculating basic earnings (loss) per share and diluted earnings per share are as follows:

Item		First half of fiscal year ended December 31, 2025 (From January 1, 2025 to June 30, 2025)	First half of fiscal year ending December 31, 2026 (From January 1, 2026 to June 30, 2026)
(1)	Basic earnings (loss) per share	12.54 yen	(150.04) yen
	(Basis for calculation)		
	Profit (loss) attributable to owners of parent (millions of yen)	6,059	(182,774)
	Amount not attributable to common shareholders (millions of yen)	-	-
	Profit (loss) attributable to owners of parent pertaining to common shares (millions of yen)	6,059	(182,774)
	Average number of common shares during the period (shares)	483,152,329	1,218,167,880
(2)	Diluted earnings per share	9.51 yen	-
	(Basis for calculation)		
	Adjustment of profit attributable to owners of parent (millions of yen)	-	-
	Increase in the number of common shares (shares)	154,284,491	-
	Overview of potential shares that are not included in the calculation of diluted earnings per share, due to a lack of dilutive effect, and that have changed materially since the end of the previous fiscal year	-	-

Notes: 1. Information on diluted earnings per share for the first half of the fiscal year ending December 31, 2026 is omitted because, although there are potential shares, a basic loss per share was recorded.

2. The Company conducted a stock split at a ratio of ten common shares for every one common share on April 1, 2025. Basic earnings (loss) per share and diluted earnings per share have been calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(Significant subsequent events)

(Business combination through acquisition)

Based on the authority delegated by the Board of Directors, at a meeting of the Executive Committee held on June 12, 2026, the Company resolved to acquire all outstanding shares of Metaplanet Securities Inc. (formerly Siiibo Securities Co., Ltd.) and make it a wholly owned subsidiary. On the same date, the Company entered into a share transfer agreement with the shareholders of Metaplanet Securities Inc., and completed the share transfer on July 13, 2026.

(1) Overview of the business combination

(i) Name and business of the acquired company

Name of acquired company:	Metaplanet Securities Inc. (formerly Siiibo Securities Co., Ltd.)
Business activities:	Financial instruments business (Type I Financial Instruments Business)and operation of a securities platform focused primarily on corporate bonds.

(ii) Primary reasons for the business combination

Metaplanet Securities Inc. is a Type I Financial Instruments Business Operator. The acquisition is intended to establish an integrated framework for the planning and structuring of Bitcoin-based financial products through their distribution and offering to investors in Japan, leveraging Metaplanet Securities' financial instruments business registration, corporate bond platform, and customer base.

(iii) Business combination date and other relevant dates

Executive Committee resolution:	June 12, 2026
Execution of share transfer agreements:	June 12, 2026
Share transfer date:	July 13, 2026

(iv) Legal form of the business combination

Acquisition of shares

(v) Name of the company after the business combination

Metaplanet Securities Inc.

(vi) Percentage of voting rights acquired

Percentage of voting rights:	100%
Number of shares:	296,476 shares

Class of shares	Number of shares
Common Shares	114,662
Class A-1 Preferred Shares	35,543
Class A-2 Preferred Shares	7,337
Class A-3 Preferred Shares	16,122
Class B-1 Preferred Shares	49,998
Class B-2 Preferred Shares	14,675
Class C-1 Preferred Shares	58,139
Total	296,476

(vii) Primary basis for determining the acquirer

The Company was determined to be the acquirer because it obtained control through the acquisition of the shares for cash consideration.

(2) Acquisition cost of the acquired company and breakdown by type of consideration

Consideration transferred	Cash	¥2,100 million
Acquisition cost		¥2,100 million

(3) Nature and amount of major acquisition-related costs

Advisory fees and other related expenses: approximately ¥50 million

(4) Amount and cause of goodwill, and method and period of amortization
These have not yet been determined.

(5) Amounts and major components of assets acquired and liabilities assumed as of the business combination date
These have not yet been determined.

2. Other

At the Board of Directors meeting held on January 27, 2026, the Company resolved to pay dividends from surplus on Class B preferred shares, with a record date of December 31, 2025, as follows.

	Amount determined
Record date	December 31, 2025
Dividends per share	¥0.40
Total dividend amount	¥9,444,000
Effective date	January 31, 2026
Source of dividend	Other capital surplus

Note: Payment information is stated in "IV. Accounting Status, Notes to interim consolidated financial statements, (Shareholders' equity and related information), 1. Dividends paid."

At the Board of Directors meeting held on March 25, 2026, the Company resolved to pay dividends from surplus on Class B preferred shares, with a record date of March 31, 2026, as follows.

	Amount determined
Record date	March 31, 2026
Dividends per share	¥12.25
Total dividend amount	¥289,222,500
Effective date	April 15, 2026
Source of dividend	Other capital surplus

Note: Payment information is stated in "IV. Accounting Status, Notes to interim consolidated financial statements, (Shareholders' equity and related information), 1. Dividends paid."

At the Board of Directors meeting held on June 6, 2026, the Company resolved to pay dividends from surplus on Class B preferred shares, with a record date of June 30, 2026, September 30, 2026, and December 31, 2026, as follows.

	Amount determined	Amount determined	Amount determined	Most recent dividend forecast	Previous fiscal year results
Record date	June 30, 2026	September 30, 2026	December 31, 2026	Same as the left	December 31, 2025
Dividends per share	¥12.25	¥12.25	¥12.25	Same as the left	¥0.40
Total dividend amount	¥289,222,500	¥289,222,500	¥289,222,500	-	¥9,444,000
Effective date	July 15, 2026	October 15, 2026	January 15, 2027	-	January 31, 2026
Source of dividend	Other capital surplus	Other capital surplus	Other capital surplus	-	Other capital surplus

Note: Payment information is stated in "IV. Accounting Status, Notes to interim consolidated financial statements, (Shareholders' equity and related information), 1. Dividends paid."

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