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August 18, 2025

To Whom It May Concern

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| Company Name | S Science Company, Ltd. |
| Representative | Representative Director and President Mr. Kenko Hisanaga (Stock code: 5721 Standard Market of Tokyo Stock Exchange) |
| Inquiry | General Manager of General Affairs Department Mr. Kunihiko Kosa (TEL: +81-3-3573-3721) |

Notice Regarding Issuance of the Series 8 Stock Acquisition Rights (with Price Adjustment Feature) and the Series 9 Stock Acquisition Rights (with Optional Price-Adjustment Election) by Third-Party Allotment, Execution of Purchase Agreements (including a Commitment Clause for Series 8), and Concurrent Issuance of the 1st Unsecured Corporate Bonds (Private Placement)

At the Board of Directors meeting held on August 18, 2025, the Company resolved to issue, by way of third-party allotment, (i) the Series 8 Stock Acquisition Rights with a price adjustment feature (the “Series 8 SARs”) to Long Corridor Alpha Opportunities Master Fund (“LCAO”), MAP246 Segregated Portfolio, a segregated portfolio of LMA SPC (“MAP246”) and BEMAP Master Fund Ltd. (“BEMAP”; LCAO, MAP246 and BEMAP, individually or collectively, the “Allottees”), and (ii) the Series 9 Stock Acquisition Rights with an optional price-adjustment election (the “Series 9 SARs”) to KAY LEO BROTHERS LIMITED (“KAYLEO”) and Mr. Yuta Misaki (“Mr. Misaki”; the Series 8 SARs and Series 9 SARs, individually or collectively, the “SARs”). The Company also resolved to enter into purchase agreements for the SARs (the “Purchase Agreements”) with the respective allottees. An outline is provided below. (The issuance of the SARs and execution of the Purchase Agreements are collectively the “Transaction,” and the financing through the issuance and exercise of the SARs is the “Financing” or the “Scheme”.)

1. Summary of the Offering

<Series 8 Stock Acquisition Rights (with Price Adjustment Feature)>

1. Allotment Date: Thursday, September 4, 2025
2. Total Number of SARs: 334,500 units (100 shares of common stock per SAR)
3. Issue Price: JPY 24,084,000 in total (JPY 72.0 per SAR)
4. Potential Shares upon Full Exercise: 33,450,000 shares of common stock

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5. Gross Proceeds (Note): JPY 4,104,984,000
 - From SAR issuance: JPY 24,084,000
 - From exercise: JPY 4,080,900,000

If all SARs are exercised at the floor exercise price, proceeds would be JPY 2,298,684,000.
6. Exercise Price and Adjustment Conditions:
 - Initial exercise price: JPY 122.
 - On/after September 16, 2025, if, for any exercise notice, the reference price—being 90% of the closing price on the final trading day of the prior week (rounded up to the first decimal place) (or, if no close on that day, the most recent close)—differs by at least JPY 0.1 from the then-effective exercise price, the exercise price will be revised to such reference price as of the relevant revision date.
 - Floor exercise price: JPY 68 (50% of the TSE closing price on the trading day immediately prior to the board resolution date).
 - If, immediately prior to any revision date, an adjustment event under Article 11 of the Series 8 SAR Terms occurs, the TSE-announced closing price used will be reasonably adjusted to reflect such event.
 - The floor (initially JPY 68) is subject to further adjustment by mutatis mutandis application of Article 11 of the Series 8 SAR Terms. The floor level was determined after discussions with the allottees, balancing investor return and maximization of the Company's fundraising.
7. Method: Third-party allotment
8. Allottees and Numbers:
 - Long Corridor Alpha Opportunities Master Fund — 234,150 SARs
 - MAP246 Segregated Portfolio, a segregated portfolio of LMA SPC — 33,450 SARs
 - BEMAP Master Fund Ltd. — 66,900 SARs
9. Other:
 - ① After the securities registration statement under the Financial Instruments and Exchange Act becomes effective, the Company will enter into the Purchase Agreements with LCAO, MAP246 and BEMAP, which will include an exercise commitment clause as described in "2. Purpose and Reason for the Offering (1) Overview of the Financing—② Exercise Commitment Clause," and provisions requiring Board approval for any transfer of the Series 8 SARs by LCAO, MAP246 or BEMAP.
 - ② Transfers of the Series 8 SARs will require Board approval pursuant to the Purchase Agreements.

<Series 9 Stock Acquisition Rights (with Optional Price-Adjustment Election)>

1. Allotment Date: Thursday, September 4, 2025
2. Total Number of SARs: 220,500 units (100 shares of common stock per SAR)
3. Issue Price: JPY 16,758,000 in total (JPY 76.0 per SAR)
4. Potential Shares upon Full Exercise: 22,050,000 shares of common stock
Even at the floor price (JPY 68), the potential shares remain 22,050,000.
5. Gross Proceeds (Note): JPY 2,706,858,000
 - From SAR issuance: JPY 16,758,000
 - From exercise: JPY 2,690,100,000

If all SARs are exercised at the floor price, proceeds would be JPY 1,516,158,000.
6. Exercise Price and Adjustment Conditions:
 - Initial exercise price: JPY 122.

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- On/after March 4, 2026 (six months after allotment), if necessary for financing, the Board may resolve to revise the exercise price. Upon such resolution, the Company will promptly notify SAR holders, and from the second trading day after the notification (or a shorter day if agreed with holders) until the end of the period set forth in Article 11 of the Series 9 Terms, the exercise price will be 90% of the TSE closing price on the trading day immediately preceding each revision date (calculated to three decimal places and rounded up at the third decimal).
- “Trading day” excludes any day on which trading in the Company’s common shares is suspended or restricted (including temporary restrictions).
- “Revision date” means the effective date of each exercise request under Article 16 of the Series 9 Terms after the Board has resolved to revise the price.
- The exercise price may also be adjusted under the Series 9 Terms.
- The Company cannot pass such resolution/notice if:
 - ① An unpublic material fact under FIEA Art. 166(2) exists; or
 - ② 12 months have not elapsed since the last price-revision notice.

7. Method: Third-party allotment

8. Allottees and Numbers:

- KAY LEO BROTHERS LIMITED — 175,000 SARs
- Yuta Misaki — 45,500 SARs

9. Other:

- ① Acquisition clause: On/after the allotment date, by giving notice or public announcement no later than 14 days prior to a Company-designated acquisition date, the Company may acquire all or part of the then-outstanding Series 9 SARs at the issue price per SAR on such acquisition date (the “Acquisition Right”).
- ② Transfers of the Series 9 SARs will require Board approval pursuant to the Purchase Agreement.
- ② Other: Each of the above is subject to effectiveness of the securities registration statement under the FIEA.

(Note) Gross proceeds equal the sum of total issue proceeds and the aggregate consideration contributed upon exercise. Amounts may increase or decrease if the exercise price is revised/adjusted. If SARs are not exercised within the exercise periods, proceeds will vary. The contribution amounts above assume all SARs are exercised at the initial exercise price; actual proceeds will depend on market conditions at exercise.

2. Purpose and Reason for the Offering

The Company operates nickel, real estate, and education businesses. Through diversification and agile operations in each business, the Company aims for sustained enhancement of corporate value for all stakeholders—shareholders, customers, business partners, employees—and society.

The operating environment varies by segment. In nickel, demand from autos, electronics and housing is significant, and conditions are highly sensitive to global events and economic trends, requiring close attention to LME prices and FX. In real estate, with demographic declines and other factors, careful monitoring of the market is necessary. Despite a challenging environment, the Company has pursued a policy of profit-oriented efficiency, strengthening its sales base, earning power, and human resources.

As a result, for the fiscal year ended March 2025, net sales were JPY 634 million (prior-year JPY 718 million), operating loss JPY 292 million (prior-year operating loss JPY 311 million). Including JPY 206 million in gains on sales of shares of subsidiaries as special income, net loss was JPY 96 million (prior-year net income JPY 389

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million).

In 1Q FY2026 (current year), net sales were JPY 159 million, operating loss JPY 102 million, and quarterly net loss JPY 1.03 million, and a robust earnings structure has not yet been established. Note: From FY2025 2Q, the Company shifted disclosure from consolidated to non-consolidated results; therefore, year-on-year for 1Q FY2026 is omitted.

While nickel/real estate/education remain core, the Company is expanding and optimizing its portfolio. Entry into crypto assets / Web3 is a key mid- to long-term initiative to establish a new earnings pillar.

Previously, through third-party allotments in March and November 2021, the Company attempted to enter the supermarket business for stable earnings, opening the first store in Kasukabe, Saitama in November 2021. Due to intensified price competition and weak basket size, results fell short, leading to temporary suspension at end-January 2022 and cessation in May 2022. Timing of any resumption is undecided.

Reflecting on these experiences, the Company is focusing on higher-return, higher capital-efficiency businesses, positioning crypto-asset investment as a mid- to long-term growth pillar. As part of its financial strategy, the Company has decided to hold physical Bitcoin (BTC) long-term, and intends to allocate all proceeds from the exercise of the SARs to BTC purchases, based on the following rationale:

(1) Strategic portfolio realignment amid financial/technology shifts

Digitalization and decentralized technologies have advanced; crypto assets—particularly Bitcoin—are increasingly recognized globally as a store of value and an inflation hedge, with growing adoption among listed companies. Timely strategic portfolio review is a key management issue. Following research and analysis of the crypto market centered on BTC, the Company judged that incorporating BTC into assets for capital preservation and long-term value is necessary. To implement this prudently and stably as part of finance strategy, flexible and agile funding is indispensable.

(2) Stabilizing the financial base via inflation-resilient assets

Bitcoin's supply is programmatically capped and unaffected by monetary authority interventions, offering potential as a store of value under inflationary/geopolitical stress. The Company aims to reduce exclusive reliance on yen-denominated assets.

(3) Diversification and capital efficiency

With cash and other liquid yen assets dominating amid prolonged low interest rates, the Company seeks higher efficiency and diversification. Given Bitcoin's distinct price formation, adding BTC may improve portfolio non-correlation and enhance long-term stability.

(4) Corporate value and shareholder returns

Despite short-term volatility, a long-term holding approach seeks to strengthen equity and financial safety, potentially lowering the cost of capital, improving access to external funding and credit profile—thus benefiting shareholders indirectly.

Accordingly, the Company will conduct the Financing through third-party allotment of SARs and allocate all proceeds to purchase BTC, strategically holding part of its assets as digital assets to strengthen its financial base and enhance long-term shareholder value.

<Overview of the Financing Method>

Under the Scheme, the Company allots the SARs to the allottees, and capital increases upon exercise.

After evaluating multiple alternatives, the Company determined that this Scheme tempers immediate dilution while meeting funding needs with consideration for existing shareholders.

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The SARs

- Series 8 SARs: Third-party allotment with a price adjustment feature, exercisable for about 3 years (Sep 5, 2025 – Sep 4, 2028). (Details of the adjustment are in Article 10 of the Series 8 Terms.) To secure a high likelihood of funding, the design includes a commitment clause in addition to price adjustment.
- Series 9 SARs: Third-party allotment with an optional switch to a price-adjustment mode, exercisable for about 5 years (Sep 5, 2025 – Sep 4, 2030). The initial exercise price for both Series 8 and Series 9 is fixed at JPY 122 (~90% of the TSE close of JPY 135 on the day prior to the resolution). For Series 9, if necessary for funding, the Board may (after six months from allotment) resolve to enable the price-adjustment mode (see Article 10 of the Series 9 Terms). Upon such resolution/notice, from the second trading day thereafter until the Series 9 exercise period ends, the exercise price will be revised per exercise. The Company will make timely disclosure via TSE each time such resolution is made. “Necessary for funding” generally refers to cases where the share price is above the floor (JPY 68) but below the initial exercise price (JPY 122) and a price revision is reasonably needed to facilitate exercise.
- The Company recognizes that exercises/sales by Series 8 allottees may pressure the share price; if the share price falls below the Series 9 exercise price, Series 9 exercises may slow. To address this, Series 9 is designed with an optional switch to a price-adjustment type, balancing fundraising agility/stability across market conditions.
- Issuing two series with different initial prices/adjustment conditions allows flexible and timely funding while managing dilution.
- Series 9 targets securing funds on strength (share price up), while Series 8 (with adjustment and commitment) targets near-term needs—e.g., BTC acquisition. This combination supports medium-/long-term stability and short-term responsiveness.
- Issuing SARs (not shares) helps mitigate immediate, large dilution, aligning funding with Company needs and shareholder interests.

Key Purchase Agreement Provisions for Series 8 (post-effectiveness of the securities registration):

① Exercise Price Revision:

Initial exercise price JPY 122 (10% discount to the close on the prior trading day). From Sep 16, 2025, if the reference price—90% of the closing price on the final trading day of the prior week (rounded up to 0.1)—differs by \geq JPY 0.1 from the then-effective price, the exercise price is reset to the reference price. Floor: JPY 68 (50% of the TSE close on the trading day immediately prior to the resolution date). If an adjustment event under Article 11 occurs immediately before a revision date, the closing price used will be reasonably adjusted. The floor (initially JPY 68) is subject to adjustment per Article 11.

Rationale for “weekly” reference (prior week’s final trading day, not the day before exercise notice): to give allottees predictability and secure execution, acknowledging a potential risk that the determined price may be below 90% of the revision-day close. The design prioritizes certainty and flexibility of funding and smooth execution, considering T+ settlement risk. Fixing the price for a limited period can broaden risk tolerance and promote exercise; overly long fixed periods could blunt upside capture or hinder funding if prices trade below exercise. After discussion with allottees, weekly revisions using the final trading day of each week were adopted for operational clarity.

② Exercise Commitment Clause:

Commitment: From Sep 16, 2025, within 252 “Eligible Calculation Days” (the “Commitment Period”), the allottees shall exercise all of their Series 8 SARs, provided exercises do not constitute Excess-Limit Exercises (defined below). If the trading days meeting condition (i) below total five (5) or more within the Commitment

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Period, the allottees are released from the obligation; however, they may still exercise at their discretion to the extent not constituting an Excess-Limit Exercise.

“Eligible Calculation Day” means a trading day excluding any day when:

- (i) The TSE closing price of the Company’s shares is below the floor exercise price for the Series 8 SARs;
- (ii) Intraday, the share price once or more falls to 90% or less of the prior week’s final trading day close (note: risk-management trigger for early detection of downtrends and to improve predictability for the Company);
- (iii) Exercise would likely violate applicable laws/regulations, court/administrative orders, JASDEC/self-regulatory rules, etc., as reasonably judged by the allottee;
- (iv) Due to disasters, war, terrorism, riots, or trading halts, exercise or sale of shares obtained upon exercise is practically impossible or likely to be so.

If none of (i)–(iv) occur, the 252nd Eligible Calculation Day will be September 30, 2026. If the commitment clause lapses, the Company will disclose the status appropriately in the monthly MSCB-type exercise report.

③ Excess-Limit Exercise Restriction:

Pursuant to TSE Listing Regulations 434(1) and Enforcement Rules 436(1)–(5), the Purchase Agreement sets an exercise quantity cap: except for specified exemptions in 436(5), the Company shall not permit exercises in any single calendar month to the extent the resulting shares exceed 10% of the listed shares outstanding at the payment date of the Series 8 SARs (such excess, “Excess-Limit Exercise”). The allottees shall confirm with the Company in advance that a requested exercise is not an Excess-Limit Exercise. Any transferee of the Series 8 SARs must covenant to abide by the same restriction and to bind any subsequent transferee likewise.

④ Acquisition Clause:

For both Series 8 and Series 9, on/after the day after the payment date, the Board may, by notice/announcement at least two weeks before a designated acquisition date and in accordance with Companies Act Art.273(2) (and Art.274(3) for partial acquisition), acquire all or part of the then-outstanding SARs by paying an amount equal to the issue price per SAR. This allows prevention of dilution and policy flexibility if funding needs recede or capital policy changes. The subscription agreements also include a buy-back clause under which any SARs remaining at the end of the exercise period will be repurchased at the issue price per SAR.

⑤ Right of First Negotiation:

From the payment date until the earlier of Sep 4, 2028 or the date all Series 8 SARs are exercised or acquired by the Company, before agreeing with any third party (other than BEMAP, MAP246, or LCAO) on an issuance or disposition of equity, the Company will notify the Series 8 allottee of the terms and confirm whether it wishes to subscribe on those terms; if so, the allottee is granted a right of first negotiation to subscribe in lieu of or in addition to the third party.

Concurrently with the SARs, subject to customary conditions precedent, the Company plans to issue to Long Corridor Asset Management Limited (“LCAM”; Hong Kong SFC Reg. No. BMW115) unsecured corporate bonds (private) totaling JPY 1,000,000,000 as outlined under “Outline of the Bonds” (the “Bonds”). Under the contemplated Bond Purchase Agreement with LCAM (the “Bond Purchase Agreement”), the Company may, at its option, upon prior notice, redeem early all or part of the outstanding Bonds at par (100 per 100 face) on a Company-designated early redemption date prior to the scheduled maturity.

In addition, at the bondholder’s option, if after the payment date (i) the Company’s TSE closing price falls below JPY 68 (the floor exercise price of the Series 8 SARs, subject to fair adjustments for splits, consolidations or share dividends) for a cumulative five trading days, the bondholder may, upon at least two weeks’ prior notice, require the Company to redeem early all or part of the Bonds at par on the specified redemption date; and (ii) so long as the TSE closing price remains approximately 10% above JPY 68, the bondholder may require early redemption of principal in whole or in part. If such early redemption is required, the associated costs are currently expected to be funded from the Financing.

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< Outline of the Bonds >

1. **Name:** S Science Co., Ltd. 1st Series Unsecured Straight Bonds (Private Placement)
2. **Total Issue Amount:** JPY 1,000,000,000
3. **Face Amount per Bond:** JPY 25,000,000
4. **Payment Date:** September 4, 2025
5. **Maturity Date:** September 4, 2026
6. **Coupon Rate:** 0.0% (zero-coupon)
7. **Issue Price:** JPY 95 per JPY 100 of face value
8. **Redemption Price:** JPY 100 per JPY 100 of face value
9. **Redemption Method:** The Bonds will be redeemed in full at JPY 100 per JPY 100 of face value on September 4, 2026 (maturity). In the case of early redemption, the amount shall be as set forth in Item 10.
10. **Early Redemption:**
 - (i) *Early redemption upon organizational restructuring.*

If an “Organizational Restructuring Action” (defined below) is approved at a shareholders’ meeting of the Company (or, if shareholder approval is unnecessary, resolved by the Board; the date of such approval or resolution, the “Restructuring Approval Date”) and, in connection therewith, the ordinary shares of the successor company, etc. (defined below) will not be listed on any financial instruments exchange, then—upon at least 30 days’ prior notice to the bondholders (“Bondholders”) and with the redemption date set as a date prior to the effective date of the restructuring—the Company shall redeem **all** outstanding Bonds (no partial redemption) at JPY 100 per JPY 100 of face value. After giving the notice under (i), the Company may not withdraw or cancel such notice.
 - (ii) *Early redemption in connection with delisting due to a tender offer.*

If a tender offer for the Company’s common shares under the Financial Instruments and Exchange Act is made, the Company expresses its support, and it is announced or accepted by the Company or the offeror that, as a result, the Company’s common shares may be delisted from all Japanese exchanges (except where efforts to maintain listing after the offer are publicly announced), and the offeror acquires the Company’s shares through the tender offer, then the Company shall—upon notice to Bondholders within 15 days from the acquisition date (settlement commencement date) and with the redemption date set 30–60 days after such notice—redeem **all** outstanding Bonds (no partial redemption) at an amount calculated *mutatis mutandis* by the method in (i). If both (i) and (ii) would require redemption, (i) applies; provided that if notice under (ii) is given before the terms (including consideration) payable to shareholders in the restructuring are made public, then (ii) applies.
 - (iii) *Early redemption upon a squeeze-out event.*

If, after an amendment to the Articles makes all common shares class shares subject to a call provision, (A) a shareholders’ meeting resolves to acquire all common shares for consideration, (B) the Board approves a share cash-out demand by a Special Controlling Shareholder (Companies Act, Art. 179(1)), or (C) a share consolidation entailing delisting is approved at a shareholders’ meeting (collectively, the “Squeeze-Out Events”), then the Company shall, as promptly as practicable and in any event within 14 days of the occurrence, notify Bondholders and redeem **all** outstanding Bonds (no partial redemption) on a redemption date specified in the notice, which shall be a business day prior to the acquisition/effective date of the squeeze-out and shall fall 14–30 business days after the notice, at an amount calculated *mutatis mutandis* by the method in (i).

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(iv) Early redemption upon delisting grounds or designation as Securities Under Supervision.

If, with respect to the Company's common shares, **Delisting Grounds, etc.** (defined below) occur or are reasonably expected to occur, or the shares are designated (or are reasonably expected to be designated) as "Securities Under Supervision" by TSE, then a Bondholder may, at its option and upon at least 10 business days' prior notice before the redemption date, require the Company to redeem all or part of the Bonds it holds at JPY 100 per JPY 100 of face value on such early redemption date.

"Delisting Grounds, etc." means:

- any event set forth in TSE Securities Listing Regulations Art. 601(1) occurs with respect to the Company or its corporate group (provided that where item (1) applies, cases in which the Company has applied for transfer to the TSE Standard Market and such application is reasonably expected to be approved are excluded); or
- if, as of the end of a fiscal year after the payment date, the Company's (consolidated or non-consolidated) financial statements show excess liabilities and such condition is not cured by the day that is six months from the day following such fiscal year end.

(v) Early redemption at the Company's option.

The Company may, at its option and upon prior notice designating an early redemption date prior to maturity, redeem all or part of the outstanding Bonds at JPY 100 per JPY 100 of face value.

(vi) Early redemption at the Bondholder's option (price-triggered).

If, after the payment date, the TSE closing price of the Company's common shares falls below **JPY 68** (note: the floor exercise price of the stock acquisition rights; subject to fair and reasonable adjustments for stock splits, consolidations, or share allotments without consideration) for a cumulative five trading days, then, at any time thereafter and upon at least two weeks' prior notice, a Bondholder may require the Company to redeem all or part of the Bonds it holds at JPY 100 per JPY 100 of face value on the specified early redemption date.

11. **Underwriters:** Long Corridor Alpha Opportunities Master Fund; MAP246 Segregated Portfolio, a segregated portfolio of LMA SPC; and BEMAP Master Fund Ltd.

Planned Future Issuance of Additional Straight Bonds (Private)

In addition to the Bonds above, on/after September 4, 2025, the Company plans—if the Company's share price is at least 110% of the floor exercise price of the new stock acquisition rights—to issue up to an additional JPY 1,000,000,000 of straight bonds (private placement) to the bondholder(s) in one or multiple tranches. Whether to issue, total amount per tranche, face amount per bond, interest rate (currently expected to be no interest), payment date, redemption date, and other terms are undecided and will be determined through agreement with the bondholder(s). While terms similar to the Bonds are envisioned, the final terms may change. Any issuance will be disclosed promptly via timely disclosure.

Reason for Selecting the Financing Method

Taking into account the design of the New Share Subscription Warrants (as described in "1. Reason for Raising Funds through the Issuance of the New Share Subscription Warrants") and the terms of the Warrant Purchase Agreement to be executed with the Allottees, the Company has determined that this scheme represents the optimal financing method at this point in time.

In order to execute the matters described in "2. Purpose and Reason for the Offering," the Company examined a range of methods, including both equity-based financing and debt-based financing. In deciding the method, the Company placed importance on:

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- securing the ability to raise capital and strengthen equity while controlling dilution at its own discretion, and
- ensuring mobility and certainty of financing.

As the background for this Third-Party Allotment, the Company has determined that, if the exercise price of the 8th Warrants is above the stock price, the inclusion of a commitment clause enables rapid financing, while the use of the 9th Warrants—where the Company retains the right to introduce a price adjustment feature—enables flexible financing with reduced impact on the market price.

Based on these considerations, the Company has judged that this scheme represents the most appropriate method of financing at this point in time.

Advantages and Disadvantages of the Warrants

1. Mitigation of Market Impact

- For the 9th Warrants: Staggered and multiple exercises are expected, and if switched to the “price adjustment type,” both the exercise timing and prices would be diversified. This design helps to avoid sudden oversupply of the Company’s shares.
- For the 8th Warrants: The exercise price is adjusted to 90% of the TSE closing price on the final trading day of the week preceding each exercise notice, ensuring diversified exercise prices and timings.
- The floor exercise price is set at JPY 68, representing 50% of the closing price on the trading day immediately prior to the issuance resolution.

2. Upside Potential in Case of Share Price Increase

- For the 9th Warrants: The Company holds the right to switch them into “price adjustment type.” Upon resolution to exercise such right, the exercise price will be adjusted in line with market price. This allows the Company to increase the fundraising amount if the share price exceeds the initial exercise price, while also making financing possible in situations where the market price is below the initial exercise price.

3. Cap on Maximum Number of Shares

- The maximum number of shares to be issued upon exercise of the Warrants is fixed at 55,500,000 shares (33,450,000 shares for the 8th Warrants and 22,050,000 shares for the 9th Warrants), regardless of share price fluctuations. Accordingly, the dilution ratio will not exceed the initially estimated level.

4. Commitment to Exercise

- The 8th Warrants include a commitment clause (as noted in “2. Outline of Financing Method (ii) Commitment Clause”), which obligates exercise in principle within a certain period. This ensures that the Company can secure financing within a relatively short time frame.

5. Flexibility in Capital Policy

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- As the Warrants include an acquisition clause, the Company retains the right to acquire all unexercised Warrants at any time, thus securing flexibility in its capital policy.

1. No Upfront Full Proceeds

- Financing occurs only upon the exercise of Warrants. At issuance, full financing cannot be secured immediately, as proceeds depend on actual exercise by the Warrant holders.

2. Structural Risks

- The 9th Warrants do not include a commitment clause, and therefore may remain unexercised depending on share price movements. In addition, the market sale of shares acquired through the exercise of the 8th or 9th Warrants could exert downward pressure on the Company's share price.

3. Limited Access to Broad Investor Base

- As a third-party allotment scheme, the Warrants are contracted only with designated Allottees. Therefore, the Company does not enjoy the benefit of raising funds from an unspecified number of new investors.

Notes on the New Share Subscription Warrants

The New Share Subscription Warrants entail the following considerations (①–⑤). However, the Company believes that the benefits described above outweigh these potential disadvantages.

1. Exercise Price Adjustment and Dilution

- The 8th Warrants include a price adjustment clause: the exercise price is reset to 90% of the TSE closing price on the final trading day of the week preceding the relevant exercise notice. As a result, shares may be issued below market price, causing dilution.
- Although the 9th Warrants have a fixed exercise price, the Board of Directors may resolve to switch them into "price adjustment type." In such case, the exercise price will be reset to 90% of the TSE closing price on the trading day immediately prior to each exercise effectiveness date. This too could lead to issuance below market price and dilution.

2. Lower Limit on Exercise Price

- The minimum exercise price is set at JPY 68 (50% of the TSE closing price on the trading day immediately prior to the issuance resolution). Depending on market conditions, this floor may restrict full or partial financing through exercise of the Warrants.

3. Fundraising Risk in Declining Market

- In a declining market, the exercise price of the 8th Warrants may be downward adjusted, resulting in proceeds lower than originally anticipated (though never below the floor of JPY 68).

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- For the 9th Warrants, if the market price remains below the initial exercise price, exercise by the Allottees cannot be expected, potentially making financing difficult.

4. Liquidity Risk

- If the liquidity of the Company's shares decreases, it may take longer to complete the financing.

5. Limited Investor Base

- As a third-party allotment scheme, this method does not provide the benefit of raising funds from a broad base of new investors.

Comparison with Other Financing Methods

1. Public Offering of New Shares

- Enables immediate fundraising but also results in immediate dilution, which could directly impact the share price.
- Generally requires one to two months of preparation after financing needs arise, leading to a significant delay between the emergence of funding needs and actual fundraising.

2. Third-Party Allotment of New Shares

- Also allows immediate fundraising but causes immediate dilution.
- In addition, the Allottees may acquire substantial voting rights, potentially affecting shareholder composition and corporate governance.

3. Convertible Bonds with Warrants (CBs) by Third-Party Allotment

- CBs allow for various designs. In general, conversion rights are unrestricted, leaving the Company unable to control dilution.
- In contrast, under the current scheme, the Warrant Purchase Agreement allows the Company to set suspension periods, providing some degree of dilution control.
- Fixed conversion price CBs risk non-conversion if the share price does not exceed the conversion price, undermining capital strengthening.
- CBs with variable conversion prices adjust conversion prices in line with market movements. However, since the total number of shares to be issued cannot be determined until conversion is complete, the direct impact on the share price tends to be larger.

4. Rights Offering

- Two types exist: commitment-type (with underwriting agreement) and non-commitment type.
- Commitment-type rights offerings are rare in Japan, require significant preparation, and entail high issuance costs (e.g., underwriting fees).

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- Non-commitment rights offerings are unsuitable from the perspective of ensuring certainty of financing, as participation by existing shareholders is uncertain.
- Furthermore, the Company cannot currently implement a non-commitment rights issue, as it has recorded recurring losses in the past two years and does not meet TSE's listing standards under Article 304(1)(iii)(a) of the Listing Regulations.

5. Other Types of Warrants by Third-Party Allotment

- Fixed-price warrants cannot be exercised if the market price remains below the exercise price, undermining fundraising objectives.
- Moreover, the Company cannot benefit from any share price increase, as exercise proceeds are capped at the fixed exercise price.

6. Loans, Corporate Bonds, or Subordinated Bonds

- Financing entirely in the form of debt would worsen the Company's financial soundness. Accordingly, such methods were deemed inappropriate for the present financing.

3. Amount of Funds to Be Raised, Use of Proceeds and Expected Timing

(1) Amount of Funds to Be Raised (Estimated Net Proceeds)

- Total proceeds (gross): JPY 6,811,842,000
- Estimated offering expenses: JPY 216,582,551
- Estimated net proceeds: JPY 6,595,259,449

Notes:

1. The "total proceeds" equal the sum of (i) aggregate subscription price of the Warrants and (ii) aggregate consideration contributed upon exercise of the Warrants. The breakdown is:
 - 8th Warrants (subscription): JPY 24,084,000
 - 9th Warrants (subscription): JPY 16,758,000
 - 8th Warrants (upon exercise): JPY 4,080,900,000
 - 9th Warrants (upon exercise): JPY 2,690,100,000
2. Estimated expenses comprise: support for securities registration (JPY 3.5m), survey costs (JPY 0.85m), registration (JPY 0.293m), legal fees (JPY 1.5m), warrant fair-value appraisal (JPY 3.0m), third-party committee fees (JPY 1.2m), EDINET data preparation (JPY 0.99m), and FA fee (JPY 205.249m). *Consumption taxes are excluded.*
 - Reference: FA fee equals 5% of the 8th Warrants' gross funding amount (matches approx. JPY 4,104,984,000 × 5%).

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3. If the exercise price is adjusted, the total proceeds and net proceeds will increase or decrease accordingly. The 9th Warrants have no exercise commitment, so full exercise is not guaranteed. Lack of exercises and/or Company acquisition/cancellation of unexercised warrants would reduce proceeds.

(2) Specific Use of Proceeds

| Use of proceeds | Amount (JPY, m) | Expected timing |
|-------------------------------|-----------------|---------------------|
| Redemption of corporate bonds | 1,000 | Sep 2026 |
| Purchase of Bitcoin (BTC) | 5,595 | Sep 2025 – Sep 2030 |
| Total | 6,595 | — |

- Until disbursement, funds will be held in the Company's bank accounts.
- If any spend precedes warrant exercises, it may be bridge-funded with on-hand cash or borrowings and later replenished with exercise proceeds. If fundraising falls short, the Company may consider additional third-party allotments or borrowings to fund the same uses.

Detail of Uses

(i) Bond redemption (JPY 1.0bn):

- The Company plans to issue zero-coupon, unsecured straight bonds (1st Series) to LCAM on Sep 4, 2025 (principal JPY 1.0bn). Proceeds from that bond are intended for BTC purchases from Sep 2025 onward. The bond matures Sep 4, 2026; redemption funds will be secured via exercises under the Warrants.

(ii) Bitcoin purchases (JPY 5.595bn):

- Entire balance of net proceeds to be used for spot BTC acquisitions under the Crypto Asset Investment Business strategy.
- While a prior resolution capped BTC purchases at JPY 0.5bn, the Company now plans to expand the holding plan up to JPY 9.6bn over time, consistent with a strategy of staged, diversified accumulation.
- Purchases will be made gradually at prevailing market prices via FSA-registered crypto asset exchanges in Japan. Assets will be safeguarded under internal policies; no near-term sales are planned, with BTC positioned as a long-term treasury asset.

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Risk acknowledgement (crypto):

- High price volatility; potential drawdowns in asset valuations.
- Operational/exchange risks (system failures, hacking).
- Regulatory/tax changes that could affect operations.
- Market development/liquidity uncertainties.
Despite these, the Company views BTC as a “quasi-digital gold,” potentially effective for inflation hedging and portfolio diversification, and will strengthen governance and risk management accordingly.

Scale and dilution context:

- Although the financing entails >25% dilution relative to current size, management believes long-term BTC holdings can diversify assets, stabilize the financial base, and support sustainable growth—benefits that outweigh short-term dilution.

4. Reasonableness of the Use of Proceeds

The proceeds will be allocated to spot BTC purchases within the Crypto Asset Investment Business, aiming to enhance corporate value and financial stability over the medium to long term. While crypto assets involve volatility, operational, regulatory, and liquidity risks, BTC is increasingly recognized as a distinct asset class. From the perspectives of inflation hedging and diversification, the Company considers BTC an appropriate element of its financial strategy.

Accordingly, management believes the contemplated use of proceeds under the Warrant financing is reasonable and in the best interests of existing shareholders, supporting revenue/profit improvement and a more resilient capital structure.

5. Reasonableness of the Terms and Conditions

(1) Basis for Judging the Terms as Reasonable and Specific Details

The Company engaged Astar Consulting, Inc. (Address: 3-19-13 Nishi-Azabu, Minato-ku, Tokyo; Representative: Shingo Mihira, President & CEO)—an independent third-party valuation firm with no material interests in the Company or the Allottees—to evaluate the Warrants, taking into account the Warrant terms and the key provisions of the contemplated Purchase Agreements with the Allottees.

Given Astar’s expertise and track record in warrant valuation, the firm selected an appropriate pricing methodology after comparing standard approaches (e.g., Black–Scholes, binomial) and determined that a Monte Carlo simulation would most appropriately reflect the Warrant terms and the Purchase Agreements’ conditions.

Key valuation assumptions (Evaluation Date: August 15, 2025)

- Common inputs considered: market environment and expected exercise behavior of the Allottees.

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- 8th Series Warrants (with exercise price adjustment and exercise commitment):
Share price: JPY 135; Initial exercise price: JPY 122; Floor price: JPY 68; Dividend yield: 0.0%; Risk-free rate: 0.916%; Stock volatility: 137.02%; market volume.
Assumes LCAO, MAP246 and BEMAP continue exercising in quantities sufficient to complete exercises within the commitment period; if, during the commitment period, there are five trading days on which the share price falls below the floor, the commitment is deemed to lapse.
- 9th Series Warrants (with Company election right to switch to price-adjusted type):
Share price: JPY 135; Initial exercise price: JPY 122; Floor price: JPY 68; Dividend yield: 0.0%; Risk-free rate: 1.110%; Stock volatility: 110.20%; market volume.

Based on Astar's valuation results, and following discussions with the Allottees, the Company set the subscription price per Warrant at JPY 72.0 (8th) and JPY 76.0 (9th), each equal to Astar's appraised fair value.

The initial exercise prices were set at JPY 122 for both the 8th and 9th Series, representing a 10% discount to the Company's closing price (JPY 135) on the trading day immediately prior to the Board resolution date (August 15, 2025). The 10% discount for (i) the 8th Series' initial exercise price and (ii) potential adjustments to the 9th Series' exercise price reflects (a) the Allottees' requests within the scope permitted by the JSDA "Guidelines on Third-Party Allotments" (April 1, 2010) and (b) recent share price conditions—downward trend over the past six months with a wide trading range of JPY 22 to JPY 422—which warranted a reasonable discount in light of downside risk.

Both Warrant series include exercise price adjustment mechanisms to avoid significant deviation from market levels and thereby support practical and executable financing.

- The 8th Series incorporates a commitment clause to ensure steady exercises and mitigate the risk that exercises stall due to a mismatch between market price and exercise price.
- The 9th Series allows the Company, when necessary for funding, to switch to an adjusted-exercise-price type, enabling flexibility to reflect market conditions.

In all cases, post-adjustment exercise prices are linked to market prices for a reference date prior to each adjustment, thereby avoiding arbitrary price setting. Accordingly, the Company judges the adjusted exercise prices to be fair and reasonable.

Since Astar's fair values were derived using commonly accepted methods (Monte Carlo simulation) and explicitly reflect factors that could influence fair value, and since the subscription prices equal the appraised values agreed with the Allottees, the issuance prices do not constitute a favorable (advantageous) issuance and are appropriate and fair.

Further, the Audit & Supervisory Committee (one full-time director and two outside directors under the Companies Act) expressed the view that, considering the Warrant terms and Astar's valuation results, the conditions are not particularly favorable to the Allottees and the issuance is lawful.

(2) Basis for Judging the Issuance Size and Dilution as Reasonable

If fully exercised, a total of 55,500,000 shares (voting rights: 555,000) will be issued. Using the number of issued shares as of March 31, 2025 (141,593,749 shares; total voting rights: 1,415,311), the dilution ratio is 39.20% (voting rights basis: 39.21%). As the allotted voting rights exceed 25% of total voting rights, this constitutes a large-scale third-party allotment.

The Company has examined this scale of dilution and concluded that allocating the proceeds to the growth uses

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described earlier will strengthen and expand its business foundation and enhance corporate and shareholder value, making the dilution reasonable. Market liquidity is also notable: the average daily trading volume over the past six months was 20,913,728 shares, indicating adequate liquidity relative to the maximum shares to be delivered.

To ensure objectivity, the Company established a Third-Party Committee comprising Naoki Koido, Attorney-at-law (Central Law Office), Yoshihiko Fuchibe (Outside Director & Audit and Supervisory Committee member), and Hidekazu Kanbayashi (Audit and Supervisory Committee member). The Committee issued its opinion dated August 15, 2025 (see “9. Corporate Conduct—Procedures”) confirming the necessity and reasonableness of the financing.

In sum, while dilution will occur, the Company believes that deploying the proceeds as planned will more than offset such dilution through strengthened operations and improved corporate value; therefore, the scale of dilution is reasonable.

6. Reasons for Selecting the Allottees, etc.

(1) Outline of the Allottees

① LCAO

- Name: Long Corridor Alpha Opportunities Master Fund
- Address: P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman, KY1-1104, Cayman Islands
- Legal form: Exempted limited liability company under Cayman Islands law
- Purpose: Investment
- Formation date: March 11, 2013
- Total committed capital: Approx. USD 338 million (as of December 31, 2024)
- Investors / ratios / overview: Long Corridor Alpha Opportunities Feeder Fund, 100%
- General partner / investment manager: Long Corridor Asset Management Limited
 - Address: 26th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
 - Representative: Director: James Tu
 - Business: Investment
 - Capital: HKD 8,427,100 (JPY 158 million)
- Domestic agent in Japan: Not applicable.
- Relationship with the Company: None.

② MAP246

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- Name: MAP246 Segregated Portfolio, a segregated portfolio of LMA SPC
- Address: 190 Elgin Avenue, George Town, Grand Cayman, KY1-9008, Cayman Islands
- Legal form: Segregated Portfolio of a Segregated Portfolio Company under Cayman Islands law
- Purpose: Investment
- Formation date: August 11, 2019
- Total committed capital: Not disclosed (see Note).
- Investors / ratios / overview: Not disclosed (see Note).
- General partner / investment manager: Long Corridor Asset Management Limited
 - Address: 26th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
 - Representative: Director: James Tu
 - Business: Investment
 - Capital: HKD 8,427,100 (JPY 158 million)
- Domestic agent in Japan: Not applicable.
- Relationship with the Company / with GP / with domestic agent: None.

③ BEMAP

- Name: BEMAP Master Fund Ltd.
- Address: Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands
- Legal form: Exempted limited liability company under Cayman Islands law
- Purpose: Investment
- Formation date: January 25, 2017
- Total committed capital: Not disclosed (see Note).
- Investors / ratios / overview: Not disclosed (see Note).
- General partner / investment manager: Long Corridor Asset Management Limited
 - Address: 26th Floor, Three Exchange Square, 8 Connaught Place, Central, Hong Kong
 - Representative: Director: James Tu
 - Business: Investment
 - Capital: HKD 8,427,100 (JPY 158 million)
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- Domestic agent in Japan: Not applicable.

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- Relationship with the Company / with GP / with domestic agent: None.

④ KAYLEO

- Name: KAY LEO BROTHERS LIMITED
- Registered office: Suite 3, Global Village, Jivan's Complex, Mont Fleuri, Mahe, Seychelles
- Representative / title: DIRECTOR Rozliana Chu Binti Rozmee
- Business: Holding, trading and management of marketable securities and related activities
- Capital: USD 100 (JPY 14,670)
- Incorporation: November 5, 2013
- Issued shares: 100 shares
- Fiscal year-end: December
- Employees: 0
- Principal customers / banks: None
- Major shareholders / ownership: Rozliana Chu Binti Rozmee 100%
- Relationship with the Company:
 - Capital relationship: Voting rights ownership ratio 6.58% (Number of shares held: 99,317,156).
 - Personnel / business / related party status: None.
- Financials for the past three fiscal years (USD): Not disclosed.

⑤ Mr. Misaki

- Name: Yuta MISAKI
- Address: Shinagawa-ku, Tokyo
- Occupation: Representative Director, Misaki Holdings, Inc. (Address: 2-14-4 Kita-Aoyama, Minato-ku, Tokyo; Business: E-commerce support)
- Relationship with the listed company: None.
 - Note: Mr. Yuta Misaki, who serves as the Company's Head of Crypto Asset Business Development Office (employee), held 6,502,100 shares of the Company as of end-March 2025 (voting rights ownership ratio 4.59%), but he has since sold these shares as confirmed at present.

Notes

1. Unless otherwise stated, the above information is as of August 15, 2025.

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2. For MAP246 and BEMAP, the total contributions, principal investors and their ratios are not disclosed. According to Mr. Kenichiro Nishi, Japan Representative of Long Corridor Global Asset Management (acting as Investor Advisor to LCAM, a Hong Kong institutional investor managing LCAO/MAP246/BEMAP under discretionary contracts), disclosure consent was not obtained due to confidentiality obligations under NDAs between MAP246/LCAM/BEMAP.
3. Regarding KAYLEO's financial condition for the past three fiscal years, disclosure consent was not obtained despite confirmation with KAYLEO; therefore, figures are not provided.

(2) Reasons for Selecting the Allottees

The Company views the procurement of funds and capital as an urgent management issue and examined methods that enable agile financing. In selecting the prospective allottees, we engaged with multiple operating companies and investor candidates. After ensuring their understanding of our business overview, strategy, financial position, and operating environment, we considered those who agreed to support our financing. Among them, the following candidates—who understood our growth strategy, management policies, and long-term goals—were shortlisted.

① LCAO

Upon considering underwriters with a domestic investment track record and a commitment feature, our FA (Nagatacho Legal Advisor Co., Ltd.) introduced LCAM (Long Corridor Asset Management) as an institutional investor having the analytical capability to fully understand our environment and policies and likely to propose terms most desirable for our needs. LCAM specifically proposed the issuance of the Warrants by third-party allotment to LCAO, MAP246, and BEMAP, each managed by LCAM under a discretionary mandate.

LCAO is a Cayman exempted limited liability investment vehicle managed by LCAM and has sufficient capacity to cover the amount we seek to raise. Under LCAM's proposal, LCAO has a robust track record in equities, expressed understanding of our business, and makes investment decisions based on fundamentals. As a friendly pure financial investor with no intent to be involved in management, LCAO is deemed an appropriate allottee.

② MAP246

LCAM also proposed an allotment of the Warrants to MAP246, a segregated portfolio within a Cayman segregated portfolio company managed by LCAM under a discretionary mandate, characterized by a flexible investment style. MAP246 has experience investing in Japanese companies and, as a friendly pure financial investor with no intention to engage in management, is considered aligned with our financing policy.

③ BEMAP

Similarly to LCAO and MAP246, BEMAP is a Cayman vehicle managed by LCAM on a discretionary basis with experience across multiple asset classes including equities. BEMAP places emphasis on providing equity-like capital from a mid- to long-term perspective and has made clear its stance as a pure investor without managerial involvement. We therefore consider BEMAP an appropriate, stable and friendly shareholder.

As confirmed through a hearing with Mr. Kenichiro Nishi, Japan Representative of Long Corridor Global Asset Management (Investment Advisor to LCAM), LCAM is a Hong Kong-based multi-strategy fund whose main funding sources include fund-of-funds managing U.S. pensions and university endowments. In addition to Hong Kong, LCAM has a base in Tokyo, covering major Asian markets with a platform investing in various asset classes centered on equities, conducting fundamental analysis of investee companies, maintaining flexibility in investment structures, and acting as a friendly pure financial investor with no managerial involvement.

④ KAY LEO BROTHERS LIMITED

KAY LEO BROTHERS LIMITED ("KAYLEO") was formerly a non-listed parent-type shareholder. As disclosed in "Notice Regarding Changes in Major Shareholders and the Largest Major Shareholder as well as Other

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Affiliated Companies” dated May 2, 2025, pursuant to the large shareholding report filed on May 1, 2025, KAYLEO disposed of 15.35% of our common shares; its holding decreased from 21.93% to 6.58%, and it is no longer a major shareholder, the largest major shareholder, nor another affiliated company. KAYLEO conducts investment business in Asia, and its Director Ms. ROZLIANA has shown strong interest in our policy and financial strategy in the crypto-asset field we are newly pursuing.

After detailed explanations of our crypto-asset investment business and financing policy, and through discussions with our Representative Director, KAYLEO expressed understanding of our mid- to long-term vision and initiatives to enhance corporate value and agreed to subscribe for this third-party allotment. With a swift decision-making structure and certain payment capability, KAYLEO is expected to respond nimbly and stably to initial funding needs in our crypto-asset investment business. We therefore selected KAYLEO as an allottee.

⑤ Mr. Yuta Misaki

Mr. Misaki is an entrepreneur and influencer with a track record across D2C and media businesses, possessing extensive experience in business growth and marketing support. He has shown strong interest in our crypto-asset focus and clearly supports our new financial strategy. Leveraging his sizable follower base and entrepreneurial influence, we expect multifaceted support for brand recognition and entry into new business domains.

Following meetings with our Representative Director, both parties deepened mutual understanding and agreed to aim for mid- to long-term corporate value enhancement through his participation as an allottee in this third-party allotment.

Regarding his involvement: while the Company considered hiring talent with crypto-asset expertise as we examined full-scale entry into that field, Mr. Misaki was introduced by Certified Public Accountant Mr. Hajime Nose as a candidate with relevant experience and external communication capability. After internal checks on any conflicts of interest, we determined he was suitable to lead our crypto-asset business launch and promotion, and he was appointed Head of the Crypto Asset Business Development Office on April 24, 2025.

Given the above, we selected LCAO, MAP246, BEMAP, KAYLEO, and Mr. Misaki as appropriate allottees.

(3) Holding Policy of the Allottees

① LCAO, MAP246 and BEMAP

There is no arrangement for continued holding or deposit of shares to be acquired upon exercise of the Warrants. The post-exercise policy is pure investment with a short-term holding purpose. From the perspective of fulfilling fiduciary duties to their investors, they plan to dispose of shares as appropriate—taking into account market conditions—primarily through market sales while striving to minimize adverse impacts on the share price; this was verbally confirmed by our Representative Director, Mr. Hisanaga.

The Company intends to enter into a Purchase Agreement with LCAO, MAP246 and BEMAP including, among others, the following:

- A. Pursuant to TSE Listing Regulations Article 434(1) and Enforcement Rules Article 436(1)–(5), in principle, if the number of shares to be delivered upon exercise of the 8th Warrants within a single calendar month would exceed 10% of the number of listed shares as of the payment date of the 8th Warrants, the Company shall not allow exercises for the excess portion (“Excess Exercise”).
- B. LCAO, MAP246 and BEMAP agree not to conduct exercises falling under Excess Exercise except during or upon:
 - (a) a publicly announced merger, share exchange or share transfer, etc. leading to delisting of the relevant shares, from announcement until completion or announcement of non-completion;
 - (b) a public tender offer announced for the Company, from announcement until completion or announcement of withdrawal;
 - (c) designation of the shares as Securities Under Supervision or Securities to be Delisted on an exchange, from designation until removal;
 - (d) where the exercise price of the 8th Warrants is not less than the exchange closing price on the

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resolution date (subject to fair and reasonable adjustments for stock splits, consolidations or gratis allotments).

Further, prior to each exercise, they shall confirm with the Company that the exercise does not constitute an Excess Exercise.

- C. If transferring any of the 8th Warrants, they shall procure the transferee to assume obligations equivalent to those concerning Excess Exercise, and ensure downstream transferees do likewise.

In addition, any transfer of the 8th Warrants requires approval of our Board of Directors under the Purchase Agreement. If a request to transfer all or part of the 8th Warrants is made, we will confirm the transferee's profile, payment source for exercises, and holding policy post-exercise; only if deemed appropriate will approval be granted, and any approval will be disclosed. As of now, there is no plan to transfer the 8th Warrants; this was verbally confirmed by our Representative Director, Mr. Hisanaga.

② KAYLEO

There is no arrangement for continued holding or deposit. KAYLEO has confirmed that it intends to retain a certain number of shares mid- to long-term, but, beyond the level necessary to fund further exercises, may conduct market sales. Sales will be carried out as appropriate, considering market conditions, with efforts to minimize adverse impacts on the share price; this was verbally confirmed by our Representative Director, Mr. Hisanaga.

③ Mr. Yuta Misaki

There is no arrangement for continued holding or deposit. Mr. Misaki has confirmed that he intends to retain a certain number of shares mid- to long-term, but, beyond the level necessary to fund further exercises, may conduct market sales. Sales will be carried out as appropriate, considering market conditions, with efforts to minimize adverse impacts on the share price; this was verbally confirmed by our Representative Director, Mr. Hisanaga.

Since Mr. Misaki has been an employee since June 1, 2025, any market sale of shares acquired upon exercise of the 9th Warrants will be conducted with due consideration for market impact and in compliance with insider-trading regulations. In line with our internal rules (Regulations on Management of Insider Information and Prevention of Insider Trading), Mr. Misaki has been orally re-instructed by the Representative Director to: (i) report any material non-public facts; (ii) refrain from trading our securities until such facts are disclosed; (iii) comply with any Company prohibition instructions regarding trading; and (iv) report any trading of our securities to the Company.

The Company will continue periodic notifications and internal training for officers and employees to ensure strict management of insider information.

(4) Verification of the Existence of Assets Required for the Allottees' Payments

① LCAO, MAP246 and BEMAP

For LCAO, the Company obtained (i) audited financial statements (FY2024) by Ernst & Young confirming cash and cash equivalents on the balance sheet, and (ii) prime broker balance certificates covering July 1–3, 2025, evidencing assets supporting LCAO's holdings. We also received a commitment letter from LCAO confirming its funding commitment.

Similarly, for MAP246, the Company confirmed (i) audited financial statements (FY2024) by Grant Thornton and (ii) prime broker balance certificates for July 1–3, 2025, and received a commitment letter confirming funding.

For BEMAP, the Company confirmed (i) audited financial statements (FY2024) by Deloitte & Touche LLP and (ii) prime broker balance certificates for July 2–4, 2025.

In addition, the Company confirmed with Mr. Kenichiro Nishi, Japan Representative of Long Corridor Global Asset Management (Investment Advisor to LCAM), that no material changes occurred in the assets of LCAO and MAP246 after the dates of the above balance certificates.

Accordingly, we judge there is no issue regarding the assurance of funds necessary for payment for the issuance of the Warrants and for their exercise by these allottees.

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② KAY LEO BROTHERS LIMITED (KAYLEO)

The Company obtained financial statements for the past three fiscal years (FY2022–FY2024) and a balance certificate as of July 31, 2025, and determined that KAYLEO has sufficient funds to pay the total issue price (aggregate subscription price) of the Warrants on the payment date. While the balance certificate does not cover the entire amount potentially required to exercise the 9th Warrants in full, KAYLEO plans to repeat a process of exercising Warrants, selling the shares acquired upon exercise, and using the sale proceeds to fund further exercises.

Accordingly, we judge there is no issue regarding the assurance of funds necessary for payment for the issuance of the Warrants and for their exercise by KAYLEO.

③ Mr. Yuta Misaki

The Company obtained copies of bank deposit statements dated August 4, 2025 and securities account balance statements (custody/deposits), and determined that Mr. Misaki has sufficient funds to pay the total issue price (aggregate subscription price) of the Warrants on the payment date. While the documents do not cover the entire amount potentially required to exercise the 9th Warrants in full, Mr. Misaki plans to repeat a process of exercising Warrants, selling the shares acquired upon exercise, and using the sale proceeds to fund further exercises.

Further, since Mr. Misaki has been an employee of the Company since June 1, 2025, any market sale of shares acquired upon exercise of the 9th Warrants will be conducted with due consideration of market impact and in compliance with insider trading regulations. In accordance with the Company's internal "Regulations on the Management of Insider Information and Prevention of Insider Trading," our Representative Director, Mr. Hisanaga, has orally reconfirmed with Mr. Misaki that he must (i) report material non-public facts; (ii) refrain from trading Company securities until such facts are disclosed; (iii) comply with any Company instructions prohibiting trading; and (iv) report any trading of Company securities to the Company.

Accordingly, we judge there is no issue regarding the assurance of funds necessary for payment for the issuance of the Warrants and for their exercise by Mr. Misaki.

(5) Substance of the Allottees

The Company has received confirmation letters from each prospective allottee stating that they have no transactional or capital relationships with any antisocial forces. We also confirmed that no related persons, officers, or voting unitholders have any relationship with antisocial forces.

Separately, we engaged an independent third-party credit investigation firm, Riskpro Inc. (2-11-8 Shiba-Daimon, Minato-ku, Tokyo; Representative Director: Hitoshi Koitabashi), to investigate whether the allottees are influenced by antisocial forces.

① LCAO, MAP246 and BEMAP

We requested the third-party firm to investigate LCAO, MAP246, BEMAP, LCAM, and their investors and directors. The firm reported no findings indicating that any of them are antisocial forces or have relationships with such forces.

② KAYLEO

We requested the third-party firm to investigate KAYLEO's officers, investors, and related persons. The firm reported no findings indicating that any of them are antisocial forces or have relationships with such forces.

③ Mr. Yuta Misaki

We requested the third-party firm to investigate whether Mr. Misaki has any relationship with antisocial forces. The firm reported no findings.

Based on the above credit investigations, we obtained responses confirming that none of the allottees' related persons, officers, or voting unitholders are influenced by antisocial forces. In addition, as our own due diligence, we conducted oral confirmations and internet searches, and confirmed there are no news articles, posts, or

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rumors indicating links or influence by antisocial forces regarding the allottees' shareholders or investors. We therefore concluded that the allottees have no ties with antisocial forces. A confirmation to this effect has been submitted to the Tokyo Stock Exchange.

(6) Stock Lending Agreement

In connection with the issuance of the Warrants, KAY LEO BROTHERS LIMITED, a shareholder of the Company, plans to enter into a stock lending agreement with LCAO with respect to a portion of its holdings of the Company's common stock (term: August 18, 2025 – September 4, 2028; number of shares: 5,000,000; lending fee: 0% per annum; collateral: none).

Under the lending agreement, LCAO covenants not to sell or otherwise dispose of the loaned shares for any purpose other than hedging, and only within the number of shares to be delivered upon exercise of the 8th Warrants.

7. Major Shareholders and Shareholding Ratios After the Third-Party Allotment

Before Allotment (as of March 31, 2025)

- KAY LEO BROTHERS LIMITED: 21.94%
- Yuta Misaki: 4.59%
- Moritoshi Shinada: 1.63%
- SBI SECURITIES Co., Ltd.: 1.14%
- Nobuyoshi Mori: 1.07%
- Mitsubishi UFJ e-Commerce Securities Co., Ltd.: 0.97%
- Kimiko Maeda: 0.90%
- Yujie Yang: 0.89%
- Shinji Takeichi: 0.71%
- Jianhua Qian: 0.70%

After Allotment

- KAY LEO BROTHERS LIMITED: 24.64%
- Long Corridor Alpha Opportunities Master Fund: 12.43%
- Yuta Misaki: 4.82%
- BEMAP Master Fund Ltd.: 3.55%
- MAP246 Segregated Portfolio: 1.78%
- Moritoshi Shinada: 1.17%
- SBI SECURITIES Co., Ltd.: 0.82%
- Nobuyoshi Mori: 0.77%

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- Mitsubishi UFJ e-Commerce Securities Co., Ltd.: 0.70%
- Kimiko Maeda: 0.64%

Notes:

1. The pre-allotment shareholding ratios are based on the numbers of shares on the shareholders' register as of March 31, 2025.
2. Post-allotment ratios are calculated by dividing each holder's voting rights by the sum of (i) total voting rights as of March 31, 2025 (1,415,311) and (ii) the increase of 555,000 voting rights from the issuance of common shares upon exercise of the Warrants.
3. "Ratios of voting rights held to total voting rights" before and after allotment are rounded to the nearest 0.001.
4. As LCAO, MAP246, and BEMAP intend pure investment for short-term holding, the major shareholder composition may change immediately after issuance.
5. A report of changes to the large shareholding report made public on May 7, 2025 states that Music Corporation Co., Ltd. held the shares below as of April 25, 2025; however, as we cannot verify the beneficial share count as of March 31, 2025, it is excluded from the above list.
 - Name: Music Corporation Co., Ltd.
 - Address: 1-4-5 Azabujuban, Minato-ku, Tokyo
 - Number of shares: 12,422,874 (Ownership ratio 8.77%)
6. A report of changes to the large shareholding report made public on June 16, 2025 states that Global Energy Co., Ltd. held the shares below as of June 9, 2025; however, as we cannot verify the beneficial share count as of March 31, 2025, it is excluded from the above list.
 - Name: Global Energy Co., Ltd.
 - Address: 2-1-6 Higashi-Shinbashi, Minato-ku, Tokyo
 - Number of shares: 9,317,156 (Ownership ratio 6.58%)
7. A change report to the large shareholding report made public on May 1, 2025 confirms that KAY LEO BROTHERS LIMITED disposed of 15.35% of the Company's common shares it held, reducing its stake from 21.93% to 6.58%, and thus it ceased to be a major shareholder and the largest principal shareholder and other related company.
8. Although Mr. Yuta Misaki held 6,502,100 shares (4.59% of voting rights) as of the end of March 2025, we have confirmed that he has since sold those shares.

9. Outlook

We believe that allocating the funds raised through the issuance and exercise of the

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Warrants to the uses described in “3. Amount of Funds to Be Raised, Uses and Expected Timing of Expenditure (2) Specific Uses” will contribute to further medium- to long-term business expansion, improved profitability, and a stronger financial base.

As stated therein, the amount and timing of procurement will depend on exercise progress. We will determine the amounts and timing of disbursements by use category in light of actual exercise. If expenditures within the current fiscal year require a revision to our earnings forecast, we will promptly disclose such revision.

9. Matters Concerning Procedures under Corporate Behavior Guidelines

Because the dilution rate is 25% or more, the Tokyo Stock Exchange's Listing Regulations require the Company to obtain (i) an opinion from an independent third party or (ii) confirmation of shareholder intent.

Given that, unlike a new share issue, this financing does not immediately cause dilution, and that convening an extraordinary shareholders' meeting would take approximately two months and entail non-trivial costs, the Company decided—after comprehensive consideration—to obtain an opinion from a third-party committee reasonably independent from management regarding the necessity and appropriateness of this third-party allotment.

Accordingly, we established a third-party committee (the “Committee”) composed of three members independent to a reasonable extent from management: Mr. Naoki Koido, Attorney-at-Law (Central Law Office), Mr. Yoshihiko Fuchibe (Outside Director and Audit & Supervisory Committee Member), and Mr. Hidekazu Kanbayashi (Audit & Supervisory Committee Member). We obtained the Committee's written opinion dated August 15, 2025. A summary follows.

(Summary of Opinion)

1. Conclusion

The necessity and appropriateness of this third-party allotment are recognized; it is deemed reasonable, and the Company is deemed to be in compliance with the corporate behavior guidelines for large-scale third-party allotments.

2. Reasons

(1) Necessity of the Allotment

- The Company recorded net loss for FY2025 and continues to lack a strong earnings base in FY2026 Q1; expansion into crypto assets/Web3 is positioned as a medium- to long-term growth initiative.
- The Company has decided to hold BTC spot long-term, allocating all proceeds from Warrant exercises (other than a portion to redeem the corporate bond) to BTC purchases for reasons including: (i) strategic asset mix in light of financial/technological change; (ii) inflation resilience and financial stability; (iii) portfolio diversification and efficiency; and (iv) contribution to corporate and shareholder value.
- Use of funds (¥6,595 million): (i) Bond redemption: ¥1,000m (Sep 2026); (ii) BTC purchases: ¥5,595m (Sep 2025–Sep 2030).
- The plan aims at stable value enhancement through financial base strengthening and asset diversification, not short-term speculation. After reviewing documents and explanations (subscription agreement, securities registration statement, press releases), the Committee finds the need for financing recognized.

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(2) Necessity of Choosing a Third-Party Allotment

- Borrowings or straight bonds would entirely increase liabilities and further impair financial soundness; public offerings or rights offerings face timing and stock price impact concerns, and a non-commitment rights issue is not available given the Company's status; a commitment rights offering is immature domestically.
- The chosen design (with commitment and price-adjustment features) offers mobility/probability of funding while avoiding one-time large dilution.
- Lower limit at 50% of the prior day's close and fixed maximum number of shares, with acquisition clauses to curb over-dilution, are appropriate.

(3) Appropriateness of Terms

- Selecting A-STAR Consulting as an independent valuer is reasonable; methodology (Monte Carlo), assumptions, and inputs are not unreasonable.
- Exercise price: ¥122 (10% discount to ¥135 prior close) for both 8th and initial 9th Warrants; discounts within JSDA guidelines and justified by volatility and recent price declines.
- Price-adjustment clauses tie revisions to market prices, avoiding arbitrariness; the overall design balances incentives with fairness.
- Therefore, pricing is not a favorable issue requiring a special shareholders' resolution.

(4) Reasonableness of Allottee Selection

- LCAO, MAP246, BEMAP: introduced via the Company's FA; capacity verified; no antisocial ties; pure investment, short-term policy with efforts to minimize market impact; constraints to avoid exceeding 10% per calendar month mitigate control/price concerns.
- KAYLEO: no longer a major/related shareholder; capacity verified; intends partial medium- to long-term holding while selling shares as needed to fund further exercises; no antisocial ties.
- Mr. Yuta Misaki: supportive of strategy; marketing reach; capacity verified; intends partial medium- to long-term holding and staged sales; insider-trading compliance measures in place; no antisocial ties.

Selection process and outcome are reasonable.

(5) Compliance with Guidelines for Large-Scale Third-Party Allotments

- Dilution: 39.20% of shares (voting rights 39.21%) based on 141,593,749 shares (1,415,311 voting rights) as denominator. While "large-scale," it remains far below the 300% zone generally regarded as unacceptable.
- Given financing needs, uses, liquidity (6-month average daily volume 20,913,728 shares), and procedure (third-party opinion in lieu of shareholders' meeting), the Company is in compliance.

10. Recent Performance and Equity Finance

(1) Consolidated Results for the Past Three Fiscal Years

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| | FY2023 | FY2024 | FY2025 |
|--|---------------|---------------|---------------|
| Net sales (¥ thousands) | 1,360,625 | 1,544,385 | 634,428 |
| Operating income (¥ thousands) | (117,222) | (278,896) | (292,075) |
| Ordinary income (¥ thousands) | (93,423) | 282,397 | (295,594) |
| Profit attributable to owners of parent (¥ thousands) | (105,516) | 426,423 | (96,734) |
| EPS (¥) | (0.75) | 3.01 | (0.68) |
| Dividend per share (¥) | — | — | — |
| Net assets per share (¥) | 18.58 | 21.26 | 20.28 |

Note: Figures in parentheses indicate negative amounts. (¥ thousands) = amounts are presented in thousands of yen.

Note: From FY2025 the Company no longer prepares consolidated financial statements; therefore FY2025 figures shown above for consolidated items represent non-consolidated figures.

(2) Current Number of Issued Shares and Potential Shares (as of March 31, 2025)

- Issued shares: 141,593,749 (100%)
- Potential shares at current conversion/exercise prices: —
- Potential shares at lower-limit conversion/exercise prices: —
- Potential shares at upper-limit conversion/exercise prices: —

(3) Equity Finance in the Past Three Years

- None.

(4) Recent Share Price Performance

(i) Fiscal year-end levels (past three years)

- FY2023: Open ¥36 / High ¥37 / Low ¥23 / Close ¥25

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- FY2024: Open ¥25 / High ¥27 / Low ¥20 / Close ¥25
- FY2025: Open ¥24 / High ¥129 / Low ¥19 / Close ¥116

(ii) Last six months (2025)

- Feb: Open 21 / High 27 / Low 20 / Close 25
- Mar: Open 25 / High 129 / Low 24 / Close 116
- Apr: Open 113 / High 117 / Low 67 / Close 70
- May: Open 70 / High 91 / Low 65 / Close 78
- Jun: Open 80 / High 422 / Low 75 / Close 315
- Jul: Open 310 / High 311 / Low 110 / Close 123

(iii) Stock price on the business day before the board resolution date

- August 15, 2025: Open ¥124 / High ¥137 / Low ¥119 / Close ¥135

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Appendix 1

Es Science Co., Ltd. Terms of Issuance for the 8th Series New Share Subscription Rights

1. **Name of the Warrants**
“Es Science Co., Ltd. 8th Series New Share Subscription Rights” (the “**Warrants**”).
2. **Total Amount of Payment for the Warrants**
JPY 24,084,000.
3. **Application Date**
September 4, 2025.
4. **Allotment Date and Payment Date**
September 4, 2025.
5. **Method of Offering**
By way of third-party allotment, allotted as follows:
 - Long Corridor Alpha Opportunities Master Fund: **234,150** units
 - MAP246 Segregated Portfolio: **33,450** units
 - BEMAP Master Fund Ltd.: **66,900** units
6. **Type and Number of Shares Underlying the Warrants**
 - (1) The aggregate number of shares deliverable upon exercise shall be **33,450,000** shares of the Company’s common stock (the “**Underlying Shares**”). Each Warrant corresponds to **100** shares (the “**Allotted Shares per Warrant**”). If adjusted pursuant to items (2)–(5) below, the total number of Underlying Shares shall be adjusted accordingly.
 - (2) Upon a stock split, gratis allotment, or reverse split of common shares (collectively, “**Stock Split, etc.**”), the Allotted Shares per Warrant shall be adjusted as:
7. **Adjusted Allotted Shares = Pre-adjustment Allotted Shares × Split/Allotment/Consolidation Ratio**

Fractions less than one (1) share shall be rounded down.

(3) If the Exercise Price (as defined in 9.(2)) is adjusted under Section 11 (excluding adjustments due to Stock Split, etc.), the Allotted Shares per Warrant shall be:

$$\text{Adjusted Allotted Shares} = \text{Pre-adjustment Allotted Shares} \times (\text{Pre-adjustment Exercise Price} / \text{Post-adjustment Exercise Price})$$

Fractions less than one (1) share shall be rounded down. “Pre-/Post-adjustment Exercise Price” are as set in Section 11.

(4) The effective date for the adjusted Allotted Shares per Warrant shall be the same date on which the corresponding post-adjustment Exercise Price becomes effective pursuant to Sections 11.(2), 11.(5), and 11.(6).

(5) When making such adjustment, the Company shall notify each holder of the Warrants (the “Warrant Holder”) in writing by the day prior to the effective date of the adjusted Allotted Shares per Warrant of: the occurrence and reason for adjustment, the pre- and post-adjustment Allotted Shares, and the effective date and other necessary matters. If prior notice is impracticable in the case set forth in Section 11.(2)⑤ or otherwise, notice shall be given promptly after the effective date.
8. **Total Number of Warrants**
334,500 units.

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9. **Payment per Warrant**

JPY 72.0 per Warrant (aggregate: JPY 24,084,000).

10. **Consideration Payable Upon Exercise**

(1) Consideration shall be cash in an amount equal to the Exercise Price multiplied by the Allotted Shares per Warrant.

(2) The cash amount per one (1) share of common stock deliverable upon exercise (the “**Exercise Price**”) shall be **JPY 122** initially, subject to revision and adjustment under Sections 10 and 11.

11. **Exercise Price Revision**

From **September 16, 2025**, if on any date a notice of exercise request specified in Section 16.(1) is given (the “**Revision Date**”), the Exercise Price shall be revised as follows: the price equivalent to **90%** of the closing price of the Company’s common stock in regular trading on the Tokyo Stock Exchange (or, if no close, the most recent close) on the last trading day of the week immediately preceding the week containing the Revision Date (the “**Revision Base Date**”), rounded up to the first decimal place (the “**Revision Base Price**”), shall replace the Exercise Price if the Revision Base Price is at least JPY 0.1 higher or lower than the Exercise Price in effect immediately prior to the Revision Base Date (the “**Revised Exercise Price**”). If any Exercise Price adjustment under Section 11 occurs between the Revision Base Date and the Revision Date, such change shall be taken into account in calculating the Revised Exercise Price. “**Trading day**” means a day when trading is conducted on the TSE, unless otherwise stated.

Provided, if the calculation results in a Revised Exercise Price below **JPY 68** (the “**Floor Price**”, subject to adjustment *mutatis mutandis* under Section 11), the Revised Exercise Price shall be **JPY 68**.

12. **Adjustments to the Exercise Price**

(1) If, after issuance of the Warrants, the number of outstanding common shares changes or may change due to any of the events in (2) below, the Exercise Price shall be adjusted using the following formula (the “**Exercise Price Adjustment Formula**”):

13. Adjusted Exercise Price

14. = Pre-adjustment Exercise Price ×

15. (Outstanding Shares + New/Disposed Shares × Paid-in per Share / Market Price)

16. / (Outstanding Shares + New/Disposed Shares)

17. (2) **Cases for adjustment and effective dates:**

① If new common shares are issued, or treasury shares are disposed of (including gratis allotment), at a paid-in amount per share below Market Price (excluding issuances upon acquisition/convertible/exercisable securities, or when shares are delivered via corporate split, share exchange, or merger):

→ Apply the Adjusted Exercise Price from the payment date (or the effective date for gratis allotment), or, where a record date is set for allotment rights, from the day after such record date.

② In case of stock split:

→ Apply from the day after the record date of the split.

③ If acquisition/convertible/exercisable securities (including those attached to bonds with warrants) or other rights to receive common shares at below Market Price are issued (including gratis allotment) (excluding stock options granted to directors, auditors, or employees):

→ Deem all such securities/rights acquired or exercised at initial prices, compute via the Formula, and apply from the day after the payment/allotment date (or, if a record date is set, from the day after that record date).

④ If common shares are delivered, below Market Price, in exchange for the acquisition of acquirable shares or acquirable warrants (including those attached to bonds with warrants):

→ Apply from the day after the acquisition date. If an adjustment under ③ was already made, reflect that in the calculation.

⑤ Notwithstanding ①–③, if a record date is set and the effectiveness is subject to subsequent approval (e.g., shareholders’ or board resolution), then apply from the day after such approval. For exercise requests between the day after the record date and the approval date, the number of shares to

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be delivered shall be:

Shares to Deliver = Shares otherwise deliverable during such period × (Exercise Price / Adjusted Exercise Price)

Fractions less than one (1) share shall be rounded down.

(3) No adjustment shall be made if the difference between the calculated Adjusted Exercise Price and the Pre-adjustment Exercise Price is less than JPY 0.1. If a later adjustment is required, the Pre-adjustment Exercise Price in the Formula shall be replaced by the amount reduced by such prior difference.

(4) Calculation conventions:

① Compute to the second decimal place in yen, rounding the second decimal.

② “**Market Price**” means the simple average of the closing prices in regular trading on the TSE for the **30 trading days** (excluding days without a close) starting **45 trading days** prior to the first day the Adjusted Exercise Price applies; compute to the second decimal place in yen, rounding the second decimal.

③ “**Outstanding Shares**” means, as of the record date (if any) or otherwise one month before the first day of application of the Adjusted Exercise Price, the total number of issued common shares excluding treasury shares then held by the Company. In case of ② (stock split), “New/Disposed Shares” excludes shares allotted to the Company’s own holdings.

(5) In addition to (2), the Company may, after consultation with Warrant Holders, make necessary adjustments if:

① Adjustments are required due to consolidation of shares, capital reduction, corporate split, share exchange, merger, or share delivery;

② Other events arise that change or may change the number of outstanding common shares and necessitate adjustment;

③ Multiple adjustment events occur contemporaneously and Market Price used for one event must consider the impact of another.

(6) Notwithstanding (2), if the first application date of an Adjusted Exercise Price under (2) coincides with a Revision Date under Section 10, the Company shall make necessary adjustments to the Exercise Price and the Floor Price.

(7) When making an adjustment, the Company shall notify Warrant Holders by the day prior to the effective date of: the reason for adjustment, the pre- and post-adjustment Exercise Prices, the effective date, and other necessary matters; if prior notice is impracticable (including the case in 11.(2)⑤), notice shall be given promptly after the effective date.

18. Exercise Period

From **September 5, 2025** to **September 4, 2028** (if the last day is not a trading day, the preceding trading day). However, exercise requests cannot be made during:

① Any period the book-entry transfer institution deems necessary to suspend exercise;

② A period (not exceeding one month) the Company notifies at least one month in advance as necessary to suspend exercises in order to implement a Reorganization under Section 15.

19. Other Conditions to Exercise

Partial exercise of a single Warrant is not permitted.

20. Acquisition of the Warrants by the Company

If so resolved by the Board of Directors, the Company may, on or after the day following the payment date, and in accordance with Companies Act Article 273(2) (and Article 274(3) if acquiring only a portion), acquire all or part of the outstanding Warrants on the acquisition date specified by the Board by paying an amount equal to the payment amount per Warrant; notice or public announcement shall be made at least two weeks prior. If acquiring only part, selection shall be made by lot or other reasonable means.

21. Issuance of Replacement Warrants upon Reorganization

If the Company conducts a **Reorganization** (merger where the Company is absorbed; incorporation-type merger where the Company is dissolved; absorption-type or incorporation-type company split where the Company is the splitting company; share exchange where the Company becomes a wholly owned subsidiary; share transfer where the Company becomes a wholly owned subsidiary; or share

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delivery where the Company becomes a wholly owned subsidiary), then immediately before the effective date of the Reorganization, the surviving/incorporated/succeeding/parent company, as applicable (each, a “**Reorg Party**”), shall deliver to each Warrant Holder new warrants on the following basis:

- (1) **Number of new warrants:** reasonably adjusted based on the number of Warrants held and the terms of the Reorganization; fractions less than one (1) unit shall be rounded down.
- (2) **Type of underlying shares:** the same class of shares of the Reorg Party.
- (3) **Number of shares per new warrant:** reasonably adjusted considering the Reorganization; fractions less than one (1) share shall be rounded up.
- (4) **Consideration upon exercise:** reasonably adjusted; fractions less than JPY 0.1 shall be rounded up.
- (5) **Other terms:** the exercise period, conditions, acquisition clause, treatment on reorganization, non-issuance of certificates, and increases in capital and capital reserve upon exercise shall be determined by reference to Sections 12–15, 17, and 18.

22. Method of Submitting Exercise Requests

- (1) To exercise, during the Exercise Period, the Warrant Holder shall notify the exercise request acceptance office in Section 21 of all required particulars.
- (2) The Holder shall transfer in cash the full amount of the consideration to the bank account designated by the Company at the place of payment handling in Section 22.
- (3) An exercise request becomes effective on the date when (i) all required particulars are received at the acceptance office and (ii) the full cash consideration is credited to the designated account.
- (4) No withdrawal of an exercise request is permitted after submission in accordance with this Section.

23. No Issuance of Warrant Certificates

No physical warrant certificates will be issued.

24. Increases in Capital and Capital Reserve upon Share Issuance by Exercise

Upon issuance of shares by exercise, the amount to be added to stated capital shall be one-half of the maximum amount of increase in capital, etc. calculated pursuant to Article 17(1) of the Regulation on Corporate Accounting (fractions less than JPY 1 shall be rounded up), and the remainder shall be added to capital reserve.

25. Method of Delivering Shares

Upon the exercise request becoming effective, the Company shall deliver shares by book-entry: recording an increase in the Holder's balance in the book-entry transfer account at the transfer institution or account management institution designated by the Holder.

26. Basis for Calculating the Payment Amount and Exercise Consideration

Considering the terms herein and in the subscription agreement with the allottees, and with reference to a valuation using a **Monte Carlo simulation** (a generally used pricing model) based on certain assumptions (stock price, volatility, liquidity, and assumed exercise behaviors of the Company and allottees), the payment per Warrant is set at **JPY 72.0**. The consideration upon exercise is as in Section 9, with the initial Exercise Price set at **JPY 122**.

27. Exercise Request Acceptance Office

Stock Transfer Agency Department, **Sumitomo Mitsui Trust Bank, Limited**

28. Place of Payment Handling

Sumitomo Mitsui Banking Corporation, Marunouchi Branch

29. Application of the Act on Book-Entry Transfer of Corporate Bonds and Shares

The Warrants constitute book-entry subscription rights to shares under the Act on Book-Entry Transfer of Corporate Bonds and Shares and are subject in full to such Act. Handling shall follow the Business Regulations on Book-Entry Transfer of Shares, etc. and related rules of **Japan Securities Depository Center, Inc. (JASDEC)**.

30. Name and Address of the Transfer Institution

Japan Securities Depository Center, Inc. (JASDEC)

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7-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo

31. Miscellaneous

- (1) If amendments to the Companies Act or other laws necessitate substitutions or other measures regarding these terms, the Company may take the necessary measures.
- (2) Matters necessary for the issuance of the Warrants not otherwise provided herein shall be delegated to the President & CEO.
- (3) The issuance of the Warrants is conditioned upon the effectiveness of the Securities Registration Statement under the Financial Instruments and Exchange Act.

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Appendix2

Es Science Co., Ltd. Terms of Issuance for the 9th Series New Share Subscription Rights

1. **Name of the Rights**
“Es Science Co., Ltd. 9th Series New Share Subscription Rights” (the “**Warrants**”).
2. **Total Amount of Payment for the Warrants**
JPY 16,758,000.
3. **Application Date**
September 4, 2025.
4. **Allotment Date and Payment Date**
September 4, 2025.
5. **Method of Offering**
By way of third-party allotment, allotted as follows:
 - **KAY LEO BROTHERS LIMITED:** 175,000 units
 - **Yuta Misaki:** 45,500 units
6. **Type and Number of Underlying Shares, or Method of Calculation**
 - (1) The underlying shares shall be the Company's common stock; the aggregate number shall be **22,050,000** shares (the “**Underlying Shares**”). Each Warrant corresponds to **100** shares (the “**Allotted Shares per Warrant**”). If adjusted under items (2) or (3) below, the aggregate number shall be adjusted in line with the post-adjustment Allotted Shares.
 - (2) If the Exercise Price (as defined in 9.(2)) is adjusted pursuant to Section 10, the Allotted Shares per Warrant shall be adjusted as follows (fractions less than one (1) share are rounded down). “Pre-/Post-adjustment Exercise Price” are as defined in Section 11.
— **Adjusted Allotted Shares = Pre-adjustment Allotted Shares × (Pre-adjustment Exercise Price / Post-adjustment Exercise Price)**
 - (3) The effective date of the adjusted Allotted Shares shall be the same date on which the corresponding post-adjustment Exercise Price becomes effective under Sections 11.(2) and 11.(5).
 - (4) Upon adjusting the Allotted Shares, the Company shall notify each holder of the Warrants (the “**Warrant Holder**”) by the day prior to the effective date, stating the reason for adjustment, the pre- and post-adjustment Allotted Shares, and the effective date and other necessary matters; if prior notice is impracticable, notice shall be given promptly after the effective date.
7. **Total Number of Warrants**
220,500 units.
8. **Payment per Warrant**
JPY 76.0 per Warrant.
9. **Consideration Payable Upon Exercise**
 - (1) Consideration shall be cash in an amount equal to the Exercise Price multiplied by the Allotted Shares per Warrant. Any fraction of less than one yen in the result shall be rounded up.
 - (2) The cash amount per one (1) share of common stock deliverable upon exercise (the “**Exercise Price**”) shall be **JPY 122**, subject to adjustment under Section 10.
10. **Revision of the Exercise Price**
 - (1) When necessary for financing, on and after the date six months from the allotment date (on and after **March 4, 2026**), the Company may revise the Exercise Price by resolution of its Board of Directors. Upon such resolution, the Company shall promptly notify the Warrant Holders, and from the second trading day following the date of such notice (or an earlier date if agreed between the Company and the Warrant Holders) until the end of the period set forth in Section 12, and subject to item (2) below, the Exercise Price shall be revised to **90%** of the closing price of the Company's common stock in regular trading on the Tokyo Stock Exchange on the trading day immediately preceding each revision date (or, if no close, the most recent close), computed to the third decimal place in yen and rounded up at the third decimal place.
“**Trading day**” means a day on which trading is conducted on the Tokyo Stock Exchange; provided, however, that any day on which any trading halt or trading restriction (including temporary restrictions) applies to the Company's common stock shall not be deemed a trading day.
“**Revision Date**” means, for each revision, the effective date of the exercise request under Section 17 after the Company has resolved to revise the Exercise Price. The Exercise Price may also be adjusted pursuant to these Terms. The Company may not adopt such resolution or give such notice in the following cases:
 - ① Where there exists any material fact regarding the Company's business, etc. as set forth in Article

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166(2) of the Financial Instruments and Exchange Act that has not been publicly disclosed under Article 166(4);

② Where twelve months have not elapsed since the previous notice of Exercise Price revision.

(2) The Exercise Price shall not be lower than **JPY 68** (subject to adjustment under item (3) of this Section). If the calculation in (1) results in a price below the floor, the Exercise Price shall be the floor price.

11. Adjustments to the Exercise Price

(1) After the allotment date, if any of the events in item (2) occurs or may occur causing a change in the number of issued common shares, the Exercise Price shall be adjusted in accordance with the following formula (the “**Exercise Price Adjustment Formula**”):

— **Adjusted Exercise Price = Pre-adjustment Exercise Price × (Outstanding Shares + Delivered Shares × Paid-in per Share / Market Price) / (Outstanding Shares + Delivered Shares)**

(2) **Cases for adjustment and effective dates:**

① If new common shares are issued or treasury shares are disposed of (including gratis allotment) at a paid-in amount below Market Price (excluding issuance upon exercise of subscription rights to shares (including those attached to bonds with warrants), acquisition of acquirable shares, exercise of other rights to receive shares, and delivery of shares upon corporate split, share exchange, or merger):

→ Apply the adjusted price from the payment date (the last day of the payment period, if set; or the effective date, in the case of gratis allotment), or, if a record date is set for allotment rights, from the day after such record date.

② In case of stock split:

→ Apply from the day after the record date for the split.

③ If acquirable shares providing for delivery of common shares at a paid-in amount below Market Price, or new share subscription rights (including those attached to bonds with warrants) exercisable at a paid-in amount below Market Price, are issued or granted:

→ Deem that all such rights are exercised under their initial conditions, compute via the Formula, and apply from the payment date (or allotment date for subscription rights), or (for gratis allotment) from the effective date; provided, if a record date is set, apply from the day after such record date.

④ If common shares are delivered, below Market Price, in exchange for acquisition of acquirable shares or acquirable subscription rights (including those attached to bonds with warrants):

→ Apply from the day after the acquisition date.

⑤ Notwithstanding ①–③, if a record date is set and effectiveness is subject to subsequent approval by a corporate body (e.g., shareholders’ or board resolution), apply from the day after such approval. For exercise requests made between the day after the record date and the approval date, the number of shares to be delivered shall be:

— **Shares to Deliver = (Pre-adjustment Exercise Price – Post-adjustment Exercise Price) × (Shares otherwise deliverable during such period) / Post-adjustment Exercise Price**

Fractions of less than one (1) share shall be rounded down.

(3) No adjustment shall be made if the difference between the calculated post-adjustment and pre-adjustment Exercise Prices is less than **JPY 1**. If a later adjustment is required, replace the pre-adjustment price in the Formula with the amount reduced by such prior difference.

(4) **Conventions:**

① Compute to the second decimal place in yen and round down at the second decimal.

② “**Market Price**” means the simple average of the closing prices in regular trading on the TSE for the **30 trading days** (excluding days without a close) starting **45 trading days** prior to the first day the adjusted price applies; compute to the second decimal place in yen and round down at the second decimal.

③ “**Outstanding Shares**” means, as of the record date (if any) or otherwise one month before the first day of application, the total number of issued common shares excluding treasury shares. In the case of 11.(2)⑤, the number of Delivered Shares used in the Formula shall exclude shares allotted to the Company’s own holdings as of the record date.

(5) In addition to item (2), the Company shall make necessary adjustments if:

① required due to consolidation of shares, reduction of capital, company split, share transfer, share exchange, or merger;

② otherwise required due to events that change or may change the number of outstanding common shares;

③ multiple adjustment events occur contemporaneously and the Market Price used for one event must reflect the impact of another.

(6) When making an adjustment, the Company shall notify Warrant Holders by the day prior to the

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effective date of: the reason, the pre- and post-adjustment prices, the effective date, and other necessary matters; if prior notice is impracticable (including 11.(2)⑤), notice shall be given promptly after the effective date.

12. **Exercise Period**

From **September 5, 2025 to September 4, 2030**.

13. **Other Conditions to Exercise**

Partial exercise of a single Warrant is not permitted.

14. **Acquisition of the Warrants by the Company**

(1) On and after the allotment date, by giving notice or public announcement to Warrant Holders at least **14 days** before the date separately determined by the Board of Directors (the “**Acquisition Date**”), the Company may acquire all or part of the then-outstanding Warrants on the Acquisition Date at a price equal to the issue price per Warrant (the “**Acquisition Call Right**”). If acquiring only part, selection shall be made by lot or other reasonable means.

(2) If the Company is to conduct a merger (where the Company is dissolved), become a wholly owned subsidiary through share exchange or share transfer, or if the Company’s common stock is to be delisted from the TSE, then, upon **15 trading days’** prior notice in accordance with Companies Act Article 273, on the date specified by the Board, the Company shall acquire all Warrants held by Warrant Holders (excluding the Company) at a price equal to the payment amount per Warrant. Notwithstanding any other provision herein, the Company’s notice to acquire Warrants shall not be effective if it would cause any information desired by the Warrant Holders regarding such acquisition to constitute undisclosed material information under Article 166(2) of the Financial Instruments and Exchange Act, unless the Company discloses such acquisition.

15. **Issuance of Replacement Warrants upon Reorganization**

If the Company conducts a **Reorganization** (absorption-type merger where the Company is absorbed; incorporation-type merger where the Company is dissolved; absorption-type or incorporation-type company split where the Company is the splitting company; share exchange where the Company becomes a wholly owned subsidiary; share transfer where the Company becomes a wholly owned subsidiary; or share delivery where the Company becomes a wholly owned subsidiary), then immediately before the effective date of the Reorganization, the surviving/incorporated/succeeding/parent company, as applicable (each, a “**Reorg Party**”), shall deliver to each Warrant Holder new subscription rights to shares on the following basis:

(1) **Number of new rights:** reasonably adjusted based on the number of Warrants held and the terms of the Reorganization; fractions less than one (1) unit shall be rounded down.

(2) **Type of underlying shares:** the same class of shares of the Reorg Party.

(3) **Number of shares per right:** reasonably adjusted; fractions less than one (1) share shall be rounded up.

(4) **Consideration upon exercise:** reasonably adjusted; fractions less than **JPY 0.1** shall be rounded up.

(5) **Other terms:** the exercise period, conditions, acquisition clause, treatment on reorganization, non-issuance of certificates, and increases in capital and capital reserve upon exercise shall be determined by reference to Sections **12–16, 18, and 19**.

16. **Issuance of Warrant Certificates**

No physical warrant certificates will be issued for these Warrants.

17. **Increases in Capital and Capital Reserve upon Share Issuance by Exercise**

Upon issuance of shares by exercise, the amount to be added to stated capital shall be one-half of the maximum amount of increase in capital, etc. calculated pursuant to Article 17(1) of the Regulation on Corporate Accounting (fractions less than **JPY 1** shall be rounded up), and the remainder shall be added to capital reserve.

18. **Method of Submitting Exercise Requests**

(1) To exercise, during the period in Section 12, the Warrant Holder shall notify the exercise request acceptance office in Section 19 of all required particulars.

(2) The Holder shall transfer in cash the full amount of the consideration to the bank account designated by the Company at the place of payment handling in Section 20.

(3) An exercise request becomes effective on the date when (i) all required particulars are received at the acceptance office and (ii) the full cash consideration is credited to the designated account.

(4) No withdrawal of an exercise request is permitted after submission in accordance with this Section.

19. **Exercise Request Acceptance Office**

Stock Transfer Agency Department, **Sumitomo Mitsui Trust Bank, Limited**

20. **Place of Payment Handling**

Sumitomo Mitsui Banking Corporation, Marunouchi Branch

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21. Basis for Calculating the Payment Amount and Exercise Consideration

With reference to results from a generally used pricing model (Monte Carlo simulation), the payment per Warrant is set at **JPY 76.0**. The amount payable upon exercise is as set forth in Section 9, and the initial Exercise Price is **JPY 122**.

22. Method of Delivering Shares

Upon the exercise request becoming effective, the Company shall deliver shares by book-entry, recording an increase in the Holder's balance in the book-entry transfer account at the transfer institution or account management institution designated by the Holder.

23. Application of the Act on Book-Entry Transfer of Corporate Bonds and Shares

The Warrants constitute book-entry subscription rights to shares under the Act on Book-Entry Transfer of Corporate Bonds and Shares and are subject in full to such Act. Handling shall follow the Business Regulations on Book-Entry Transfer of Shares, etc. and related rules of **Japan Securities Depository Center, Inc. (JASDEC)**.

24. Name and Address of the Transfer Institution

Japan Securities Depository Center, Inc. (JASDEC)
7-1 Nihonbashi Kabuto-cho, Chuo-ku, Tokyo

25. Miscellaneous

- (1) If amendments to the Companies Act or other laws necessitate substitutions or other measures regarding these terms, the Company may take the necessary measures.
- (2) Each of the foregoing items is conditioned upon the effectiveness of the filing under the Financial Instruments and Exchange Act.
- (3) Matters necessary for the issuance of the Warrants not otherwise provided herein shall be delegated to the President & CEO.