



Fiscal Year Ending March 2026 First Quarter (Interim Period) Financial Results (Japanese GAAP) (Non-consolidated)

November 14, 2025

Listed Company Name S Science Company, Ltd. Stock Exchange Tokyo Stock Exchange
 Ticker code 5721 URL <http://www.s-science.jp>
 Representative: (title) Representative Director & President (name) Kenko Hisanaga
 Contact person: (title) General Manager of General Affairs Department (name) Kunihiro Kosa TEL: 03-3573-3721
 Scheduled date for submitting semi-annual report: November 14, 2025
 Scheduled date for starting dividend payment: -
 Preparation of supplementary financial results materials: No.
 Holding financial results briefings: No.

(Amounts less than one million yen are rounded down)

1. Second quarter (interim period) results for the fiscal year ending March 2026 (from April 1, 2025, to September 30, 2025)

(1) Operating results (cumulative)

(Percentages indicate change rate compared to the third quarter period of the previous fiscal year)

	Sales		Operating profit		Ordinary profit		Interim net income	
	JPY	%	JPY	%	JPY	%	JPY	%
Interim period of fiscal year ending March 2026	359	—	△162	—	△265	—	△267	—
Interim period of fiscal year ended March 2025	—	—	—	—	—	—	—	—
	Interim net income per share		Diluted interim net income per share					
	JPY		JPY					
Interim period of fiscal year ending March 2026	△1.86		—					
Interim period of fiscal year ended March 2025	—		—					

(Note) While we disclosed consolidated financial results up until the second quarter of the fiscal year ended March 2025, we have begun disclosing non-consolidated financial results from this fiscal year. Therefore, we do not disclose operating results (cumulative) for the second quarter (interim period) of the fiscal year ended March 2025 or the year-on-year change rate for the second quarter of the fiscal year ending March 2026.

(2) Financial condition

	Total assets	Net assets	Equity ratio
	JPY million	JPY million	%
Interim period of fiscal year ending March 2026	7,632	4,390	57.06
Fiscal year ended March 2025	3,006	2,871	95.49

(reference)	equity capital	Second quarter of fiscal year ending March 2026	4,354	JPY million
		Fiscal year ended March 2025	2,871	JPY million

2. Cash dividends

	Annual dividends per share				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total
	JPY	JPY	JPY	JPY	JPY
Fiscal Year ended March 2025	—	0.00	—	0.00	0.00
Fiscal Year ending March 2026	—	0.00			
Fiscal Year ending March 2026 (Forecast)			—	0.00	0.00

(Note) Revision of dividend forecast from the most recently announced: No

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

3. Forecast of financial results for the fiscal year ending March 31, 2026 (from April 1, 2025, to March 31, 2026)

(Percentages indicate the rate of change compared to the same period of the previous fiscal year)

	Net sales		Operating profit		Ordinary profit		Net income		Net income per share
	JPY	%	JPY	%	JPY	%	JPY	%	JPY
Full Year	—	—	—	—	—	—	—	—	—

(Note) Revisions to the most recently announced earnings forecast: No

The earnings forecast for the fiscal year ending March 31, 2026 is not provided as there are many uncertain factors that need to be considered at this time to make a reasonable calculation.

The Company plans to disclose the forecast as soon as it becomes possible to make a reasonable calculation.

※ Notes

(1) Application of accounting procedures specific to the preparation of interim financial statements : No.

(2) Changes in accounting policies, changes in accounting estimates, and restatements

① Changes in accounting policies due to revisions to accounting standards, etc. : No.

② Changes in accounting policies other than those listed in ① : No.

③ Changes in accounting estimates : No.

④ Restatement : No.

(3) Number of issued shares (common stock)

① Total number of issued shares at the end of the fiscal year (including treasury shares)	Interim period of FY ending March 2026	155,854,749 shares	FY ended March 2025	141,593,749 shares
② Number of treasury shares at the end of the fiscal year	Interim period of FY ending March 2026	2,360 shares	FY ended March 2025	2,167 shares
③ Average number of shares during the period (interim period)	Interim period of FY ending March 2026	143,628,726 shares	Interim period of FY ended March 2025	141,591,582

※ The second quarter (interim) financial results summary is not subject to review by a certified public accountant or an auditing firm.

※ Explanation of the appropriate use of earnings forecasts and other special notes

The performance forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and on certain assumptions that the Company considers to be reasonable, and the Company does not guarantee that they will be achieved. Actual results may differ significantly due to various factors. For matters related to the above forecasts, please refer to "1. Qualitative information regarding the interim financial results (3) Explanation of future forecasts such as performance forecasts" on page 3 of the attached document.

○Table of Contents for attached materials

1.	Qualitative information regarding the current interim financial results.....	2
(1)	Explanation of business results.....	2
(2)	Explanation of financial position.....	2
(3)	Explanation of future forecasts such as performance forecasts.....	3
(4)	Important matters related to the going concern assumption.....	3
2.	Interim Financial Statements and Key Notes.....	4
(1)	Interim balance sheet.....	4
(2)	Interim income statement.....	6
(3)	Notes regarding quarterly financial statements.....	7
(4)	Notes regarding interim financial statements.....	8
	(Notes regarding the going concern assumption)	8
	(Notes in the event of significant changes in the amount of shareholders' equity)	8
	(Changes in accounting policies)	8
	(Notes to segment information, etc.)	8
	(Significant subsequent events)	9

1. Qualitative information regarding the interim financial results

(1) Explanation of business results

During the first half of the fiscal year under review on a cumulative basis, the Japanese economy continued to show signs of gradual recovery amid continued improvements in the employment and income environment. However, the outlook remains uncertain due to concerns about an economic recession caused by the impact of U.S. trade policy, concerns about the impact of continued price increases on personal consumption, prolonged geopolitical risks, and fluctuations in political and financial capital markets around the world.

Under these circumstances, our business performance for the second quarter was as follows: sales of JPY 359 million, an operating loss of JPY 162 million, an ordinary loss of JPY 265 million, and a quarterly net loss of JPY 267 million.

Please note that as we have transitioned to non-consolidated financial statements since the third quarter of the previous fiscal year, we have not prepared quarterly consolidated financial statements and therefore have not conducted a comparative analysis.

Furthermore, no comparisons of segment performance with the previous fiscal year have been made.

Segment performance was as follows:

(Nickel Business)

Due to declines in LME prices and sales volumes, sales revenue was JPY 295 million.

(Real Estate Business)

Sales were JPY 5 million, as only rental income was recorded.

(Education Business)

There were no sales.

(Smart DX Solutions Business)

Revenue was JPY 500,000.

(Crypto Asset Business)

This is a business that started in July 2025 and based on the market value of the crypto assets held as of the end of September, we recorded a crypto asset valuation gain of JPY 59 million as sales.

(2) Explanation of financial position

Status on Assets, Liabilities, and Net Assets

(Assets)

Regarding assets at the end of the current interim accounting period, current assets increased by JPY 4,624 million compared to the end of the previous fiscal year to JPY 7,537 million, mainly due to an increase in cash and deposits and crypto assets held by the company.

Non-current assets increased by 0.7 million yen compared to the end of the previous fiscal year to JPY 94 million.

(Liabilities)

Current liabilities at the end of this interim accounting period increased by JPY 3,181 million compared to the end of the previous fiscal year, to JPY 3,215 million. This was mainly due to an increase in corporate bonds which are scheduled to mature within one year.

Non-current liabilities decreased by JPY 75 million compared to the end of the previous fiscal year to JPY 26 million, mainly due to a decrease in the reserve for directors' retirement benefits.

(Net Assets)

Net assets at the end of this interim period increased by JPY 1.519 billion compared to the end of the previous fiscal year to JPY 4.390 billion. This was mainly due to an increase in capital and capital reserves due to the exercise of stock acquisition rights.

Status on cash flow

As of the third quarter of the previous fiscal year, the Company has transitioned to non-consolidated financial statements as there are no longer any consolidated subsidiaries that should be included in the scope of consolidation. Therefore, while we prepared consolidated financial statements for the previous interim accounting period, we have only prepared individual financial statements for the current fiscal year. Therefore, we have not made a comparison of status on our cash flow with the previous fiscal year.

The balance of cash and cash equivalents (hereinafter referred to as "funds") at the end of the current interim accounting period was JPY 3,778 million.

(Cash flows from operating activities)

Net cash used in operating activities during the current interim period was JPY 3,181 million. This was primarily due to an increase in crypto assets held by the company.

(Cash flows from investing activities)

The decrease in cash flows from investing activities at the end of this current interim period was negligible.

(Cash flows from financing activities)

Net cash provided by financing activities during the current interim period totaled JPY 4.8 billion, primarily due to the issuance of corporate bonds.

(3) Explanation of future forecasts such as performance forecasts

There are no changes to the full-year forecast for the fiscal year ending March 2026, which was announced on May 14, 2025.

We are not disclosing this amount at this time as there are many uncertain factors that prevent us from making a reasonable calculation.

We will disclose the amount as soon as a reasonable calculation becomes possible.

(4) Important matters related to the going concern assumption

In the previous fiscal year, we recorded an operating loss and negative operating cash flow, and the operating loss continues in this interim accounting period, so there are important events that affect our going concern assumption.

However, in order to improve this situation, we raised funds in the fiscal year ending March 2023, and in the fiscal year ending March 2024, we achieved significant profits from securities management, and we were able to raise funds sufficiently, so we do not recognize any uncertainty.

Therefore, we have determined that there is no need for a note regarding the going concern assumption.

2. Interim Financial Statements and Key Notes

(1) Interim balance sheet

(unit: JPY thousand)

	Previous fiscal year (ended March 31, 2025)	Interim period of current fiscal year (September 30, 2025)
(Assets)		
Current assets		
Cash and deposits	1,761,709	3,379,388
Deposits	418,794	418,791
Notes receivable	21,047	16,110
Accounts receivable	92,815	78,312
Electronically recorded monetary claims	48,395	59,992
Crypto assets held by the Company	-	3,059,101
Real estate for sale	351,071	351,071
Goods and products	210,231	111,222
Prepaid expenses	3,361	3,361
Accounts receivable	500	490
Unrefunded corporate taxes, etc.	8	4
Unrefunded consumption taxes, etc.	83	-
Other	4,590	59,704
Allowance for doubtful accounts	△38	△38
Total current assets	2,912,570	7,537,513
Non-current assets		
Investments and other assets		
Investment securities	1,377	1,417
Capital investments	900	900
Security deposits and guarantees	62,785	62,785
Long-term loans	2,400	2,400
Membership rights	19,308	19,308
Long-term accounts receivable	31,812	31,812
Other	12,870	13,628
Allowance for doubtful accounts	△37,412	△37,412
Total investments and other assets	94,041	94,839
Total non-current assets	94,041	94,041
Total assets	3,006,612	7,632,353
(Liabilities)		
Current liabilities		
Accounts payable	8,868	15,251
Other accounts payable	9,367	12,402
Accrued expenses	3,252	2,968
Corporate bonds due within one year	-	3,116,226
Accrued income taxes	5,055	39,291
Unpaid consumption tax, etc.	-	695
Advance payments	-	20,000
Unearned revenue	387	2,956
Deposits	2,256	1,669
Bonus reserve	4,090	3,690
Total current liabilities	33,277	3,215,151
Non-current liabilities		
Provision for retirement benefits	13,885	21,535
Provision for directors' retirement benefits	86,310	3,295
Security deposits received	1,800	1,800
Deferred tax liabilities	332	308
Asset retirement obligations	26,938	26,938
Total liabilities	135,605	3,242,090

(Unit: JPY thousand)

	Previous fiscal year (ended March 31, 2025)	First quarter of current fiscal year (June 30, 2025)
(Net assets)		
Shareholders' equity		
Capital	100,000	975,797
Capital surplus		
Other capital surplus	2,597,570	2,597,570
Total capital surplus	2,597,570	3,473,368
Retained earnings		
Other retained earnings		
Retained earnings carried forward	172,924	△94,779
Total retained earnings	172,924	△94,779
Treasury stock	△94	△114
Total shareholders' equity	2,870,400	4,354,271
Valuation and translation adjustments, etc.		
Total shareholders' equity	606	670
Total valuation and conversion adjustments	606	670
Stock acquisition rights	-	35,321
Total net assets	2,871,007	4,390,263
Total liabilities and net assets	3,006,612	7,632,353

(2) Interim income statement

	(Unit: JPY thousand)
	Interim period of current fiscal year (from April 1, 2025 to September 30, 2025)
Sales	359,733
Cost of sales	272,020
Gross profit	87,713
Selling, general and administrative expenses	250,675
Operating loss (Δ)	$\Delta 162,962$
Non-operating income	
Interest income received	4
Dividend income received	22
Other	290
Total non-operating income	318
Non-operating expenses	
Bond interest	6,154
Loss on bond redemption	85,071
Stock acquisition rights issuance costs	11,618
Other	0
Total non-operating expenses	102,844
Ordinary loss (Δ)	$\Delta 265,489$
Interim net loss before taxes (Δ)	$\Delta 265,489$
Corporate, local, and business taxes	2,215
Total corporate taxes, etc.	2,215
Interim net loss (Δ)	$\Delta 267,704$

(3) Interim cash flow statement

(Unit: JPY thousand)

Interim period of current fiscal year (from April 1, 2025 to September 30, 2025)	
Cash Flows from Operating Activities	
Net Loss Before Taxes (△)	△265,489
Interest and Dividend Income Received	△27
Interest on Bonds	6,154
Loss on Bond Redemption	85,071
Stock acquisition rights issuance costs	11,618
Increase/decrease in retirement benefit liabilities (△ indicates a decrease)	7,650
Increase/decrease in reserve for directors' retirement benefits (△ indicates a decrease)	△83,015
Increase/decrease in accounts receivable (△ indicates an increase)	7,842
Increase/decrease in accounts payable (△ indicates a decrease)	6,382
Increase/decrease in treasury crypto assets (△ indicates an increase)	△3,059,101
Increase/decrease in inventory (△ indicates an increase)	98,847
Increase/decrease in advance payments (△ indicates an increase)	△56,108
Increase/decrease in accounts receivable (△ indicates an increase)	9
Increase/decrease in deposits (△ indicates an increase)	2
Increase/decrease in accounts payable (△ indicates a decrease)	3,037
Increase/decrease in accrued expenses (△ indicates a decrease)	△283
Increase/decrease in deposits (△ indicates a decrease)	△586
Increase/decrease in advances received (△ indicates a decrease)	20,000
Increase/decrease in unreceived or unpaid consumption tax (△ indicates a decrease)	778
Increase/decrease in unpaid corporate taxes (△ indicates a decrease)	37,076
Other	3,329
Subtotal	△3,176,809
Interest and dividends received	23
Income taxes paid	△5,050
Cash flows from operating activities	△3,181,837
Cash flows from investing activities	
Other	△758
Cash flows from investing activities	△758
Cash flows from financing activities	
Proceeds from issuance of corporate bonds	4,750,000
Expenses from redemption of corporate bonds	△1,725,000
Proceeds from issuance of stock	1,741,168
Proceeds from issuance of stock acquisition rights	34,130
Expenses from purchase of treasury stock	△19
Dividends paid	△2
Cash flows from financing activities	4,800,275
Exchange rate changes on cash and cash equivalents	-
Increase/Decrease in Cash and Cash Equivalents (△ indicates decrease)	1,617,679
Cash and Cash Equivalents at Beginning of Period	2,160,848
Cash and Cash Equivalents at End of Interim Period	3,778,527

(4) Notes regarding interim financial statements

(Notes regarding the going concern assumption)

Not applicable

(Notes in the event of significant changes in the amount of shareholders' equity)

Significant changes in shareholders' equity for the current interim period (April 1, 2025 to September 30, 2025)

During the current interim accounting period, our capital and capital reserves increased by JPY 7,001,000 each due to the issuance of new shares in connection with the partial exercise of paid stock options (stock acquisition rights) issued to the director as the 7th stock acquisition rights.

Furthermore, new shares were issued in response to the partial exercise of the 8th Series Stock Acquisition Rights by Long Corridor Alpha Opportunities Master Fund, MAP246 Segregated Portfolio, a segregated portfolio of LMASPC, and BEMAP Master Fund Ltd., resulting in an increase in capital and capital reserves of JPY 868,796,000 each.

(Changes in accounting policies)

Not applicable.

(Notes to segment information, etc.)

【Segment information】

I Current interim accounting period (from April 1, 2025 to September 30, 2025)

1. Information on the amount of sales and profit or loss by reportable segment

(Unit: JPY thousand)

	Reportable segment					Other (Note) 1	Total
	Nickel Business	Crypto Asset Business	Real Estate Business	Education Business	Smart DX Solution Business		
Sales to external customers	295,042	59,101	5,068	—	521	—	359,733
Total	295,042	59,101	5,068	—	521	—	359,733
Segment profit or segment loss (Δ)	4,343	57,070	Δ8,263	Δ6,292	Δ18,392	—	28,465

(Note) 1. The "Other" category is a business segment which is not included in the reportable segments.

2. Difference between the total amount of profit or loss for each reportable segment and the amount recorded in the interim income statement, and the main details of the difference (matters related to adjustments)

(Unit: JPY thousand)

Profit	Amount
Reportable segment total	28,465
Company-wide expenses (note)	Δ191,428
Operating loss (Δ) on interim income statement	Δ162,962

(Note) Company-wide expenses are mainly general and administrative expenses that are not attributable to any reportable segment.

3. Matters related to changes in reporting segments, etc

Our company's segments were previously divided into five: "Nickel Business," "Real Estate Business," "Education Business," "Smart DX Solutions Business," and "Other." However, with the launch of the new "Crypto Asset Business" in July 2025, we have decided to add this new business and change to six segments. In addition, the "Renovation-related business," which was included in the reportable segments in the previous interim consolidated accounting period, has been eliminated since October 2024, as all shares of Nagomi Design Co., Ltd., an affiliated company that operates the "Renovation-related business," were sold to LIEH Co., Ltd.

(Significant subsequent events)

(Change in use of funds due to early redemption of part of corporate bonds)

1. Regarding the Securities Registration Statement submitted on August 18, 2025 and the Amended Securities Registration Statement submitted on August 21, 2025, "Part 1, Securities Information, Section 1, Offering Terms and Conditions, 3. Use of Proceeds from the New Issuance (2) Use of Proceeds", they were revised in the timely disclosure on September 5, 2025, and have been revised again in the timely disclosure on October 10, 2025, as follows:

- (1) Reasons for the change: Initially, the funds raised through this third-party allotment were planned to be used only for the redemption of the first series of unsecured straight bonds (private placement bonds). However, the bondholders subsequently requested early redemption in accordance with the terms of the contract. Based on this, we have redeemed the first series of unsecured straight bonds (private placement bonds) and partially redeemed the second series of unsecured straight bonds (private placement bonds) in advance, as stated in the "Regarding Changes in Use of Proceeds Following Early Redemption of the First Series of Unsecured Straight Bonds (Private Placement Bonds) and Partial Early Redemption of the Second Series of Unsecured Straight Bonds (Private Placement Bonds)" dated September 5, 2025.

Subsequently, as announced in the "Notice Regarding the Issuance of the Fourth and Fifth Series of Unsecured Straight Bonds (Private Placement)" dated September 26, 2025, we issued new fourth and fifth series of unsecured straight bonds (private placement) (total amount of JPY 2 billion), securing the funds necessary to promote our cryptocurrency investment business. In the cryptocurrency market, the supply and demand structure has changed since the halving and capital inflows from institutional investors via ETFs continue, raising expectations for an increase in asset values in the medium to long term. Given these market conditions, we have determined that it is important for us to acquire Bitcoin flexibly in a manner that does not rely solely on yen-denominated assets in our core cryptocurrency investment business, thereby enhancing both our financial soundness and asset value.

Based on this, at the Board of Directors meeting held today, the Company resolved to redeem early the entire amount of the second and third unsecured straight corporate bonds (private placements) and a portion of the fourth unsecured straight corporate bonds (private placements), in accordance with the terms of the contract. This is expected to lighten the future redemption burden by reducing the outstanding balance of corporate bonds, and to further promote the early exercise of stock acquisition rights. Taking these circumstances and mechanisms into consideration, the Company has decided to change the use of the funds raised through this third-party allotment as follows:

In addition, Section 2 (9) "Other Special Provisions" of the "Notice Concerning the Setting of an Issuance Limit (Maximum JPY 10 Billion) for Straight Corporate Bonds (Private Placement Bonds) and the Execution of a Memorandum of Understanding Regarding Underwriting" dated August 18, 2025, clearly states that when funds are paid to the Company through the exercise of stock acquisition rights, those funds will be used preferentially to redeem the corporate bonds.

The bonds were issued with a face value of JPY 1 billion and a paid-in amount of JPY 950 million, reflecting a risk premium based on the Company's creditworthiness and the market environment. This is a common method of issuing discounts, and the contractual terms stipulate that the full-face value must be repaid upon redemption. This difference is essentially considered to be the equivalent of interest, and for our company it has the same nature as interest charges.

In addition, the Company has already secured the necessary funds (total of JPY 2 billion) for its cryptocurrency investment business through the issuance of its 4th and 5th unsecured straight corporate bonds (private placement bonds). Therefore, although the funds paid in through the exercise of the stock acquisition rights will not be directly allocated to the cryptocurrency investment itself, they will be used to redeem the corporate bonds by backing up the cryptocurrency investment funds that have been raised in advance. As a result, we believe that financial risks will be reduced and transparency in the use of funds will be ensured, which will ultimately lead to increased shareholder value.

Therefore, by linking the exercise of stock acquisition rights with the redemption of bonds, the purpose is to ensure transparency of funds and financial soundness, and it is a mechanism that reduces the risk of fund recovery for bondholders and promotes the smooth exercise of stock acquisition rights for the Company. This system allows the entire process, being "exercise of stock acquisition rights → funds to the company → redemption of corporate bonds" to be carried out automatically based on the contract.

As described above, ensuring financial transparency and soundness by linking the exercise of stock acquisition rights with the redemption of corporate bonds is essential for stabilizing our financial base and clarifying the use of funds, thereby enabling us to take advantage of opportunities to purchase cryptocurrencies at the appropriate time. We believe that this will contribute to the interests of our existing shareholders by improving our corporate value in the medium to long term.

However, given that this series of early redemptions has resulted in earlier redemptions than initially anticipated, the Company plans to review the redemption terms of future corporate bonds through discussions with the allottees. Specifically, we will continue to consider ways to further enhance the transparency and fairness of corporate bond issuance conditions, such as rationally adjusting the method for calculating the discount amount

in the event of early redemption by using a daily pro rata calculation, etc. This will ensure flexibility in our fundraising while maintaining an appropriate balance between the interests of both shareholders and bondholders.

(2) Changes

The changes to the use of funds are as follows (changes are underlined):

(Before change)

Specific use of funds	Amount (JPY million)	Scheduled timing of disbursement of funds
①Redemption of corporate bonds	<u>1,725</u>	<u>September 2026</u>
②Purchase of Bitcoin (BTC)	<u>4,870</u>	September 2025～ September 2030
Total	6,595	

(After change)

Specific use of funds	Amount (JPY million)	Scheduled timing of disbursement of funds
①Redemption of corporate bonds	<u>3,325</u>	<u>October 2026</u>
②Purchase of Bitcoin (BTC)	<u>3,270</u>	September 2025～ September 2030
Total	6,595	

※ The unredeemed second series of unsecured straight corporate bonds (private placement bonds) of JPY 275 million was redeemed early. The third series of unsecured straight corporate bonds (private placement bonds) of JPY 1 billion was redeemed early in its entirety. The fourth series of unsecured straight bonds (private placement bonds) will be redeemed early, amounting to JPY 325 million out of JPY 1 billion.

2. Regarding Securities Registration Statement filed and "Part 1 Securities Information, Section 1 Offering Details, 3. Use of Proceeds from the New Issuance, (2) Use of Proceeds" in the amended securities registration statement submitted on August 21, 2025, this was changed in the timely disclosures on September 5, 2025, and October 10, 2025, and was further changed in the timely disclosure on October 24, 2025, as follows:

- (1) Reason for the change: Initially, the proceeds from this third-party allotment were planned to be used only for the redemption of the first series of unsecured straight bonds (private placement bonds). However, the bondholders subsequently requested early redemption in accordance with the terms of the agreement. In light of this, we have redeemed the first series of unsecured straight bonds (private placement bonds) and partially redeemed the second series of unsecured straight bonds (private placement bonds) in advance, as stated in the "Regarding Changes in Use of Proceeds Following Early Redemption of the First Series of Unsecured Straight Bonds (Private Placement Bonds) and Partial Early Redemption of the Second Series of Unsecured Straight Bonds (Private Placement Bonds)" dated September 5, 2025.

Subsequently, as announced in the "Notice Regarding the Issuance of the Fourth and Fifth Series of Unsecured Straight Corporate Bonds (Private Placement Bonds)" dated September 26, 2025, we issued new Fourth and Fifth Series of Unsecured Straight Corporate Bonds (Private Placement Bonds) (total amount of JPY 2 billion), securing the funds necessary to promote our cryptocurrency investment business. In the cryptocurrency market, the supply and demand structure has changed since the halving and capital inflows from institutional investors via ETFs continue, raising expectations for an increase in asset values in the medium to long term. Given these market conditions, we have determined that it is important for us to acquire Bitcoin flexibly in a manner that does not rely solely on yen-denominated assets in our core cryptocurrency investment business, thereby enhancing both our financial soundness and asset value.

Based on this, at the Board of Directors meeting held today, the Company resolved to redeem part of the already issued fourth series of unsecured straight bonds (private placement bonds) early as a flow of funds pursuant to the terms of the contract. This is expected to lighten the future redemption burden by reducing the outstanding balance of corporate bonds, and to encourage the early exercise of stock acquisition rights.

Taking these circumstances and mechanisms into consideration, the Company has decided to change the use of the funds raised through this Third-Party Allotment as follows:

In addition, Section 2 (9) "Other Special Provisions" of the "Notice Concerning the Setting of an Issuance Limit (Maximum JPY 10 Billion) for Straight Corporate Bonds (Private Placement Bonds) and the Execution of a Memorandum of Understanding Regarding Underwriting" dated August 18, 2025, clearly states that when funds are paid to the Company through the exercise of stock acquisition rights, those funds will be used preferentially to redeem the corporate bonds.

The bonds were issued with a face value of JPY 1 billion and a paid-in amount of JPY 950 million, reflecting a risk premium based on the Company's creditworthiness and the market environment. This is a common method of

issuing discounts, and the contractual provisions stipulate that the full face value must be repaid upon redemption. This difference is essentially regarded as interest, and for us, it has the same nature as interest charges.

In addition, the Company has already secured the necessary funds (total of JPY 2 billion) for its cryptocurrency investment business through the issuance of its 4th and 5th unsecured straight corporate bonds (private placement bonds). Therefore, although the funds paid in through the exercise of the stock acquisition rights will not be directly allocated to the cryptocurrency investment itself, they will be used to redeem the corporate bonds by backing up the cryptocurrency investment funds that have been raised in advance. As a result, we believe that financial risks will be reduced and transparency in the use of funds will be ensured, which will ultimately lead to increased shareholder value.

Therefore, by linking the exercise of stock acquisition rights with the redemption of bonds, the purpose is to ensure transparency of funds and financial soundness, and it is a mechanism that reduces the risk of fund recovery for bondholders and promotes the smooth exercise of stock acquisition rights for the Company. This system allows the entire process, being "exercise of stock acquisition rights → funds to the company → redemption of corporate bonds" to be carried out automatically based on the contract.

As described above, ensuring financial transparency and soundness by linking the exercise of stock acquisition rights with the redemption of corporate bonds is essential for stabilizing our financial base and clarifying the use of funds, thereby enabling us to take advantage of opportunities to purchase cryptocurrencies at the appropriate time. We believe that this will contribute to the interests of our existing shareholders by improving our corporate value in the medium to long term.

However, in this series of early redemptions, the exercise request was made in accordance with the contractual provisions while discussions with the allottee were ongoing, resulting in the redemption occurring earlier than initially expected. Based on this, we plan to review the redemption terms of future bonds through discussions with the allottee. Specifically, we will continue to consider ways to further enhance the transparency and fairness of corporate bond issuance conditions, such as rationally adjusting the method for calculating the discount amount in the event of early redemption by using a daily pro rata calculation, etc. This will ensure flexibility in our fundraising efforts while maintaining an appropriate balance between the interests of both shareholders and bondholders.

(2) Changes

The changes to the use of funds are as follows (changes are underlined):

(Before change)

Specific use of funds	Amount (JPY million)	Scheduled timing of disbursement of funds
①Redemption of corporate bonds	<u>3,325</u>	<u>October 2026</u>
②Purchase of Bitcoin (BTC)	<u>3,270</u>	September 2025～ September 2030
Total	6,595	

(After change)

Specific use of funds	Amount (JPY million)	Scheduled timing of disbursement of funds
①Redemption of corporate bonds	<u>3,900</u>	<u>October 2026</u>
②Purchase of Bitcoin (BTC)	<u>2,695</u>	September 2025～ September 2030
Total	6,595	

※ As for the fourth series of unsecured straight bonds (private placement bonds), we have decided to redeem JPY 575 million of the unredeemed amount of JPY 675 million in advance.

(Obtaining Bitcoin) Overview of Purchasing Bitcoin

On October 2, 2025, the Company purchased an additional JPY 2 billion in Bitcoin using funds raised from the exercise of the 8th stock acquisition rights issued through the 8th and 9th stock acquisition rights through third-party allotment on August 18, 2025.

(Exercise of the 8th Stock Acquisition Rights)

The Company exercised a large amount of the 8th Series Stock Acquisition Rights (hereinafter referred to as the "Stock Acquisition Rights") issued by the Company on September 4, 2025, to Long Corridor Alpha Opportunities Master Fund, MAP246 Segregated Portfolio, a segregated portfolio of LMA SPC, and BEMAP Master Fund Ltd., during the period from October 1 to November 14, 2025. The details are as follows:

Name of issue		Science Co., Ltd. 8th Stock Acquisition Rights
1 .	Number of Shares Delivered from October 1, 2025	15,575,200 shares
2 .	Number of stock acquisition rights exercised since October 1, 2025 and exercise ratio of total issued stock acquisition rights	155,752 units (Percentage of total issued stock acquisition rights: 334,500 units: 46.56%)
3 .	Number of outstanding stock acquisition rights as of October 1, 2025	192,910 units (19,291,000 shares)
4 .	Number of unexercised stock acquisition rights as of November 14, 2025	37,158 units (3,715,800 shares)

※ The percentage of the total number of issues is rounded to the third decimal place.

5. Exercise status from October 1, 2025

Exercise date	Number of shares to be issued		Exercise price (JPY)	Number of stock acquisition rights exercised (units)
	New share (shares)	Transfer of treasury stock (shares)		
October 1 (Wed.)	—	—	176.4	—
October 2 (Thu.)	—	—	176.4	—
October 3 (Fri.)	—	—	176.4	—
October 6 (Mon.)	—	—	151.2	—
October 7 (Tue.)	—	—	151.2	—
October 8 (Wed.)	—	—	151.2	—
October 9 (Thu.)	—	—	151.2	—
October 10 (Fri.)	10,622,000	—	151.2	106,220
October 14 (Mon.)	—	—	157.5	—
October 15 (Wed.)	—	—	157.5	—
October 16 (Thu.)	—	—	157.5	—
October 17 (Fri.)	—	—	157.5	—
October 20 (Mon.)	—	—	117.0	—
October 21 (Tue.)	—	—	117.0	—
October 22 (Wed.)	—	—	117.0	—
October 23 (Thu.)	—	—	117.0	—
October 24 (Fri.)	4,953,200	—	117.0	49,532
October 27 (Mon.)	—	—	141.3	—
October 28 (Tue.)	—	—	141.3	—
October 29 (Wed.)	—	—	141.3	—
October 30 (Thu.)	—	—	141.3	—
October 31 (Fri.)	—	—	141.3	—

(Note) The exercise status does not include the number of shares issued through the exercise of stock acquisition rights from November 1, 2025 to the submission date of this semi-annual report.