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December 15, 2025

To whom it may concern

Company Name	S Science Company, Ltd.
(Ticker code: 5721 Standard Market of Tokyo Stock Exchange)	
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Inquiry	General Manager of General Affairs Department
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Explanation regarding the free allocation of stock acquisition rights (unlisted) to shareholders (Q&A)

At the Board of Directors meeting held on December 12, 2025, the Company decided to allocate stock acquisition rights to all shareholders listed or recorded in the Company's final shareholder register on the record date of December 31, 2025.

Therefore, in order to help our shareholders better understand the "Notice regarding the gratis issuance of stock acquisition rights (unlisted) through a shareholder allotment" announced today, we have prepared and hereby announce the attached "Explanation (Q&A) regarding the gratis issuance of stock acquisition rights (unlisted) to shareholders."

Explanation regarding the free allocation of stock acquisition rights (unlisted) to shareholders (Q&A)

1. What are stock acquisition rights?

The right to receive new shares from the issuing company.

2. What are the merits of stock acquisition rights?

If you exercise your stock acquisition rights and receive new shares, and the market value of those shares exceeds the exercise price, you will have the benefit of being able to enjoy the difference.

3. What is the free allocation of stock acquisition rights (unlisted) to shareholders?

The free allocation of stock acquisition rights (unlisted) to shareholders is one of the methods used by corporations to raise funds, in which stock acquisition rights for the purpose of common stock are allocated to shareholders. In this case, one Stock Acquisition Right will be allocated for each common share of the Company, and 2.5 common shares of the Company will be issued upon the exercise of one Stock Acquisition Right. The Company has set December 31, 2025 (Wednesday) as the record date for determining the shareholders to whom the Stock Acquisition Rights will be allocated, and will grant the Stock Acquisition Rights free of charge to shareholders as of the record date in proportion to the number of shares they hold. If the Stock Acquisition Rights are exercised during the exercise period and payment is received for the exercise price (the closing price of the Company's common stock on December 30, 2025 (Tuesday) multiplied by 0.5), the Company will issue common shares.

4. How does the free allocation of stock acquisition rights (unlisted) to shareholders differ from public offerings and third-party allotments?

Compared to a typical public offering or third-party allotment of new shares, the free allotment of stock acquisition rights (unlisted) to shareholders has the advantage that stock acquisition rights are allocated in proportion to the number of common shares of the Company held by existing shareholders, allowing existing shareholders to decide whether or not to acquire the common shares of the Company. In addition, if all of the allocated stock acquisition rights are exercised, each shareholder's ownership ratio will be equal to or higher than the current ratio.

5. How is the free allocation of stock acquisition rights (unlisted) to shareholders different from a rights offering?

The main difference between a free allocation of stock acquisition rights (unlisted) to shareholders and a rights offering is whether the allocated stock acquisition rights are listed on a financial instruments exchange (stock exchange) or not.

Unlike a rights offering, the stock acquisition rights (unlisted) allocated to shareholders through this free allotment will not be listed on a financial instruments exchange (stock exchange).

When stock acquisition rights (unlisted) are allotted to shareholders free of charge, the opportunity to sell the allotted stock acquisition rights is substantially limited, and therefore, shareholders who have been allotted stock acquisition rights will, in principle, be required to choose either to exercise them or to let them forfeit.

6. There are cases where stock acquisition rights are listed through a "rights offering," and I believe this method would be more beneficial to shareholders. Was this not considered?

Regarding rights offerings, the system is designed so that the period from the record date determining the shareholders eligible for the free allotment to the end of the exercise period is set at within two months, limiting the period during which stock acquisition rights holders can make investment decisions. Furthermore, given that issuance costs tend to be higher than other forms of fundraising, we have determined that a rights offering is not necessarily the best method of fundraising at this time.

7. Why did you choose the shareholder allocation method?

In order for us to further expand our business as a "cryptocurrency treasury company," it is essential that we raise additional funds to support our financial base. Therefore, we believe that strengthening our financial base through capital increases resulting from the exercise of the stock acquisition rights by shareholders who have been allocated these rights will contribute to improving our future corporate value and ultimately to improving shareholder value, and therefore we ask for the understanding and support of our shareholders. Please note that the shareholding ratio of existing shareholders who exercise all of their stock acquisition rights will remain the same or increase as a result of the issuance of the stock acquisition rights. However, considering that existing shareholders who do not exercise their rights will have limited options to avoid the impact of dilution and therefore would be faced with an undesirable dilution of their ownership ratio, the issuance of the stock acquisition rights is subject to a condition precedent that an extraordinary general meeting of shareholders be held to seek the decision of shareholders, and that a resolution be passed to amend the Articles of Incorporation since the current total number of shares that can be issued (authorized quota) will be insufficient. If the resolution to issue the stock acquisition rights or to amend the Articles of Incorporation is rejected at the extraordinary general meeting of shareholders, the stock acquisition rights will not come into effect and the allotment will not be implemented.

8. At what point in time are shareholders eligible to exercise voting rights on the share allotment proposal at the extraordinary general meeting of shareholders?

The record date applies to shareholders as of December 31, 2025 (Wednesday), and shareholders who hold our common stock as of December 31, 2025 (Wednesday) will be required to exercise their voting rights at our extraordinary general meeting of shareholders to be held on February 17, 2026 (Tuesday).

Please note that the final trading date (last day for voting rights) for acquiring the Company's common shares in order to exercise voting rights at this Extraordinary General Meeting of Shareholders will be December 26, 2025 (Friday).

9. Who is eligible for stock acquisition rights?

The shares will be allotted to all shareholders (all shareholders other than our company who are listed or recorded in the final shareholder register as of December 31, 2025 (Wednesday)) as of December 31, 2025 (Wednesday). Please note that the record date is December 31, 2025 (Wednesday).

In addition, no application procedures are required to receive the allocation of stock acquisition rights.

The stock acquisition rights will be automatically allocated to eligible shareholders, but no payment is required for the issuance of the stock acquisition rights.

Please note that the final trading date (last day for rights) for acquiring the Company's common shares in order to acquire the Stock Acquisition Rights will be December 26, 2025 (Friday).

10. What is the difference between "○ units" and "○ shares" in stock acquisition rights?

The unit of stock acquisition rights is "units," and when issuing stock acquisition rights, you can decide how many shares will be issued when one right is exercised.

Stock acquisition rights are exercised in units of "units," not in units of "shares."

The stock acquisition rights that we are allocating to our shareholders this time are designed to issue 2.5 shares when one unit is exercised.

11. The issue price is free, but does that mean there will be no financial burden when acquiring the shares?

The stock acquisition rights themselves are allocated free of charge (there is no cost to shareholders).

However, if you exercise these rights to acquire shares, you will be required to pay the exercise price per share.

The exercise price will be 50% of the closing price of our common stock on December 30th (Tuesday), and we will disclose the exercise price as soon as it is determined.

12. Please explain the details of ex-rights for the Company's common stock resulting from the gratis allotment of stock acquisition rights.

The ex-rights date is December 29, 2025 (Monday). However, because the stock acquisition rights are unlisted stock acquisition rights, the Tokyo Stock Exchange will not adjust the base price related to the price limit due to the ex-rights date in accordance with the "Rules Regarding Bid and Price Limits." On the other hand, the share price of the Company's common stock may be subject to dilution as the issuance of the Stock Acquisition Rights will increase the number of potential latent shares.

13. What is the exercise of rights?

During the exercise period (see 14. "When can I exercise my rights?" below), you can use the stock acquisition rights to acquire our common stock by paying the exercise price (equivalent to 50% of the closing price of our common stock on December 30th (Tuesday) per share).

14. From when can I exercise my rights?

The exercise period is from March 2, 2026 (Monday) to May 29, 2026 (Friday), and during this period, you can exercise your rights by following the prescribed procedures (see 21. "Please tell me the specific procedures for this matter" below).

Please note that during the exercise period of the Stock Acquisition Rights from mid-March to March 31, 2026 (Tuesday), there will be a suspension period for the exercise of the Stock Acquisition Rights due to the end of the fiscal year. During this period, the transfer agent will not process requests for the exercise of the Stock Acquisition Rights.

Please note that the period for accepting exercise requests at securities companies differs from this, so please be sure to inquire directly with your securities company regarding the period for accepting exercise requests and the exercise procedures.

15. How many shares can I acquire for each share I own?

One stock acquisition right will be allocated for each share held, and by exercising that right, common stock will be issued at a ratio of 2.5 shares per stock acquisition right.

However, since the unit number of our common stock is 100 shares, there may be cases where you acquire shares less than one unit as a result of exercising your stock acquisition rights (for example, if you exercise 10 stock acquisition rights, you may acquire 25 shares of our common stock).

In this case, please note that voting rights for shares less than one unit will be restricted and trading in the market will also be restricted. In addition, shareholders who hold shares less than one unit may request the Company to purchase

such shares in accordance with Article 192 of the Companies Act.

Any fractional portion less than one share will be rounded down and no cash adjustment will be made.

16. I currently own 10,000 shares. What will be the number of stock acquisition rights that will be allocated to me and the number of shares that I will acquire if I exercise those rights?

For every 10,000 shares you hold, you will automatically be allocated 10,000 stock acquisition rights. If you exercise all of the stock acquisition rights allocated, you will be able to acquire 2.5 shares per right, so you will be able to acquire 10,000 rights x 2.5 shares = 25,000 shares.

17. Why are you issuing 2.5 common shares per stock acquisition right instead of 1 common share?

The Stock Acquisition Rights are designed so that one Stock Acquisition Right can be used to acquire 2.5 common shares of the Company in order to raise the funds required by the Company. If existing shareholders exercise all of the stock acquisition rights allocated to them, there will be no dilution of their ownership, while although there is a possibility that the ownership ratio may be diluted if some or all of the rights are not exercised, the purpose of the allotment is to raise the funds necessary to avoid a critical situation that could threaten the continuation of the Company's business, and to strengthen the Company's financial base by increasing capital through the exercise of the rights. We ask for the understanding and cooperation of all our shareholders who support our company.

18. I understand that 2.5 common shares can be acquired for each stock acquisition right, but won't this result in a significant dilution of the value of the shares?

The stock acquisition rights will be allocated in proportion to the number of common shares of the Company held by existing shareholders. Therefore, if all allocated stock acquisition rights are exercised, there will be no dilution of the value of the shares held by such shareholders. However, if the stock acquisition rights are not exercised, the value of the shares held by the shareholders may be diluted. Since the stock acquisition rights are unlisted and 2.5 shares of the Company's common stock will be allocated per stock acquisition right, existing shareholders who do not exercise the stock acquisition rights will have limited options to avoid the impact of dilution, and in order to avoid an undesirable dilution of their ownership ratio, the Company has decided to hold an extraordinary general meeting of shareholders to seek the decision of shareholders regarding the issuance of the stock acquisition rights.

19. What is the basis for calculating the exercise price?

The price per common share of the Company to be paid upon exercise of the Stock Acquisition Rights will be the closing price of the Company's common shares in regular trading on the Tokyo Stock Exchange on December 30, 2025 (Tuesday), which is the trading day immediately preceding the record date for the Stock Acquisition Rights (however, if there is no closing price on that day, the trading day immediately preceding that day on which there is a closing price will be used), multiplied by 0.5 (fractions less than JPY 1.0 will be rounded down). Regarding the 50% discount, we considered several discount rate patterns based on the premise that we will provide our existing shareholders, who have supported us for a long time, with an equal investment opportunity at an amount calculated by multiplying the closing price of our common stock in regular trading on the Tokyo Stock Exchange on December 30, 2025 (Tuesday) (rounded down to the nearest yen) by 0.5 (fractions less than JPY 1.0 will be rounded down) taking into consideration both the recent trend in our stock price and the amount of capital required for this offering, and decided that 50% would be optimal, as it would meet the required amount of funds and also contribute significantly to encouraging shareholders to exercise their votes.

20. If I am allocated multiple stock acquisition rights, can I exercise some of them separately?

If multiple stock acquisition rights are allocated, each shareholder may exercise all or part of them individually at their discretion (i.e., it is possible to exercise one of two stock acquisition rights, but it is not possible to exercise only part of one stock acquisition right (for example, 0.5 stock acquisition rights cannot be exercised)). Please note that if you exercise a portion of your options, the remaining unexercised options will be forfeited if not exercised within the exercise period, and will not be able to be exercised after the expiration of the exercise period. Please note that if a shareholder holds accounts with multiple securities companies, they may be required to submit exercise requests via multiple securities companies as a result, but this will not be treated as "partial exercise."

If you request the exercise of your stock through multiple securities companies, any fractional portion of less than one share arising from each request will be rounded down and no cash adjustment will be made.

21. Please tell me the specific procedures for this case.

The stock acquisition rights to be issued this time will be allotted to shareholders listed or recorded in the final shareholder register on the record date, December 31, 2025 (Wednesday), on the effective allotment date determined by the Company, without the shareholders being required to apply for the rights.

For details of the procedures required when requesting the exercise of stock acquisition rights, please refer to 22. "What options will stock acquisition right holders have after receiving the allocation of the stock acquisition rights?" below, and also refer to the attached document to this Q&A for an overview ("The entire process from the free allocation of stock acquisition rights through a shareholder allocation to the exercise of the rights"). Regarding detailed procedures, a Shareholder Allotment Notice (tentative name) will be sent to shareholders who are eligible for the allotment of stock acquisition rights around February 17, 2026 (Tuesday).

22. What options are available to holders of stock acquisition rights after receiving the allotment of stock acquisition rights?

If the Stock Acquisition Rights are allocated, the holder of the Stock Acquisition Rights will have two main options, as listed below.

- ① Exercise the Stock Acquisition Rights
- ② Not exercise the Stock Acquisition Rights

If you select "① Exercise the Stock Acquisition Rights," please transfer the exercise price (the amount required to acquire one share is the closing price of our common stock on December 30, 2025 (Tuesday) multiplied by 0.5) to our deposit account at Sumitomo Mitsui Banking Corporation. (Note: Bank transfer fees will be borne by the shareholder. If the transferred amount is insufficient, the exercise request will be deemed incomplete and will be treated as not having been exercised.) After that, you will acquire the Company's common stock by going through the procedures described in 24. "How can I confirm the shares acquired through the exercise of the Stock Acquisition Rights?" below. Please refer to the Shareholder Allocation Notice (tentative name) sent by our company for the documents required for transferring the exercise fee for stock acquisition rights and requesting the agency for exercising stock acquisition rights.

If you select "② Not to Exercise the Stock Acquisition Rights," the stock acquisition rights will be forfeited (extinguished) and you will not be able to acquire the Company's common stock.

Please note that the above merely indicates the general options available to holders when the stock acquisition rights are allocated, and whether to exercise the stock acquisition rights or allow them to forfeit without exercising them is up to the holder's own investment decision.

The Company cannot provide any investment advice regarding the Stock Acquisition Rights. Therefore, shareholders are requested to make investment decisions regarding the stock acquisition rights at their own risk after referring to the "Notice Concerning the Free Issuance of Stock Acquisition Rights (Unlisted) through Shareholder Allotment" published by the Company today, as well as the Company's securities registration statement dated December 12, 2025 (Friday), which is available for public inspection on EDINET (<https://disclosure2.edinet-fsa.go.jp/>), and the prospectus that the Company will mail to all shareholders recorded in the final shareholder register as of December 31, 2025 (Wednesday) (scheduled to be sent around mid-February 2026).

23. When will the exercise procedures for the Stock Acquisition Rights be completed?

In principle, the exercise procedure for the Stock Acquisition Rights will be completed when the exercise request form arrives at and is accepted at the exercise request acceptance location designated by the Company by business hours on May 29, 2026 (Friday) at the latest, and payment of the exercise price is confirmed by the designated financial institution.

24. How can I confirm the shares I have acquired through the exercise of the Stock Acquisition Rights?

Please make an intermediary request to the securities company handling the stock acquisition rights, etc., and the exercise request form, etc. will be forwarded by your account management institution (securities company, etc.) to the shareholder registry administrator. We understand that around the 10th business day after the day on which the transfer is confirmed, the balance of the Company's common shares to be delivered will be recorded in the securities account of each holder of the stock acquisition rights, and they will then be available for buying and selling. However, the procedures and the time required for them may vary depending on the securities company you do business with, so please be sure to inquire directly with your securities company.

25. What is the tax treatment?

We believe that no tax implications will arise at either the time the stock acquisition rights are allocated or the time the stock acquisition rights are exercised. The acquisition price of the Stock Acquisition Rights acquired through the gratis allotment will, in principle, be 0 yen. The book value of the Company's common shares acquired through the exercise of the Stock Acquisition Rights will be the closing price on December 30, 2025 (Tuesday) multiplied by 0.5. However, tax treatment may differ depending on the individual circumstances of each shareholder, so we ask that shareholders please check with a tax accountant or other professional for themselves.

26. Are there any restrictions on the allocation and exercise of Stock Acquisition Rights by shareholders residing overseas?

The offering of the Stock Acquisition Rights has not been registered or filed in any jurisdiction other than Japan, and there are no plans to do so. Accordingly, foreign resident shareholders may be subject to restrictions on the exercise or resale of the Stock Acquisition Rights pursuant to the securities laws and other laws applicable to them, and therefore foreign resident shareholders (excluding qualified institutional investors, etc. who are not subject to the above restrictions pursuant to the laws and regulations of the foreign countries applicable to such shareholders) should be aware of this point. Please note that U.S. resident shareholders (meaning "U.S. holders" as defined in Rule 800 of the U.S. Securities Act of 1933) will not be able to exercise the Stock Acquisition Rights.

27. What is the procedure for approval of the acquisition of the Stock Acquisition Rights through transfer?

In principle, the Board of Directors of the Company has a policy of not approving the transfer of the Stock Acquisition Rights. However, this does not apply to the acquisition of the Stock Acquisition Rights through a business transfer or company split, or the acquisition of stock acquisition rights allocated in the name of a securities finance company in connection with margin trading by a securities company to which the stock acquisition rights have been transferred, or by a person to whom the stock acquisition rights have been transferred through a securities company, in accordance with the

rules of the stock exchange and the securities finance company, or in other cases where it is deemed necessary. Therefore, shareholders who wish to transfer the Stock Acquisition Rights should submit a document to the Company's Board of Directors stating the name and address of the transferee and the reason for the transfer. Please note that we may inquire about specific circumstances individually and request explanations or the submission of additional materials. If the Board of Directors of our company determines that approval should be granted, we will send you the documents necessary for the procedure.

28. Please explain how margin trading of the Company's common stock is handled (rights processing, handling of prohibitions on actual withdrawal, etc.).

Under the current system, as a general rule, common stock purchased through margin trading is registered in a name different from the individual shareholder who made the purchase, and therefore you will not be able to receive a free allotment of stock acquisition rights.

For details on the various handling procedures related to margin trading, please contact your securities company.

29. What options are available to shareholders who hold less than one unit of shares?

In the gratis allotment of stock acquisition rights to current shareholders, one stock acquisition right will be allotted for each common share of the Company, even if the number of common shares held by them is less than 100, which is the number of shares constituting one trading unit. The stock acquisition rights can be exercised in units of one, and by exercising the stock acquisition rights, the holders can acquire the Company's common shares.

However, since the number of shares issued upon the exercise of one Stock Acquisition Right is 2.5 shares, it is possible that the exercise of one Stock Acquisition Right will result in the acquisition of shares less than one unit (for example, if 50 Stock Acquisition Rights are exercised, 125 shares of the Company's common stock will be acquired). Any fractional shares (less than one share) will be rounded down.

In such cases, please note that not only will voting rights for shares less than one unit be restricted, but market trading will also be restricted.

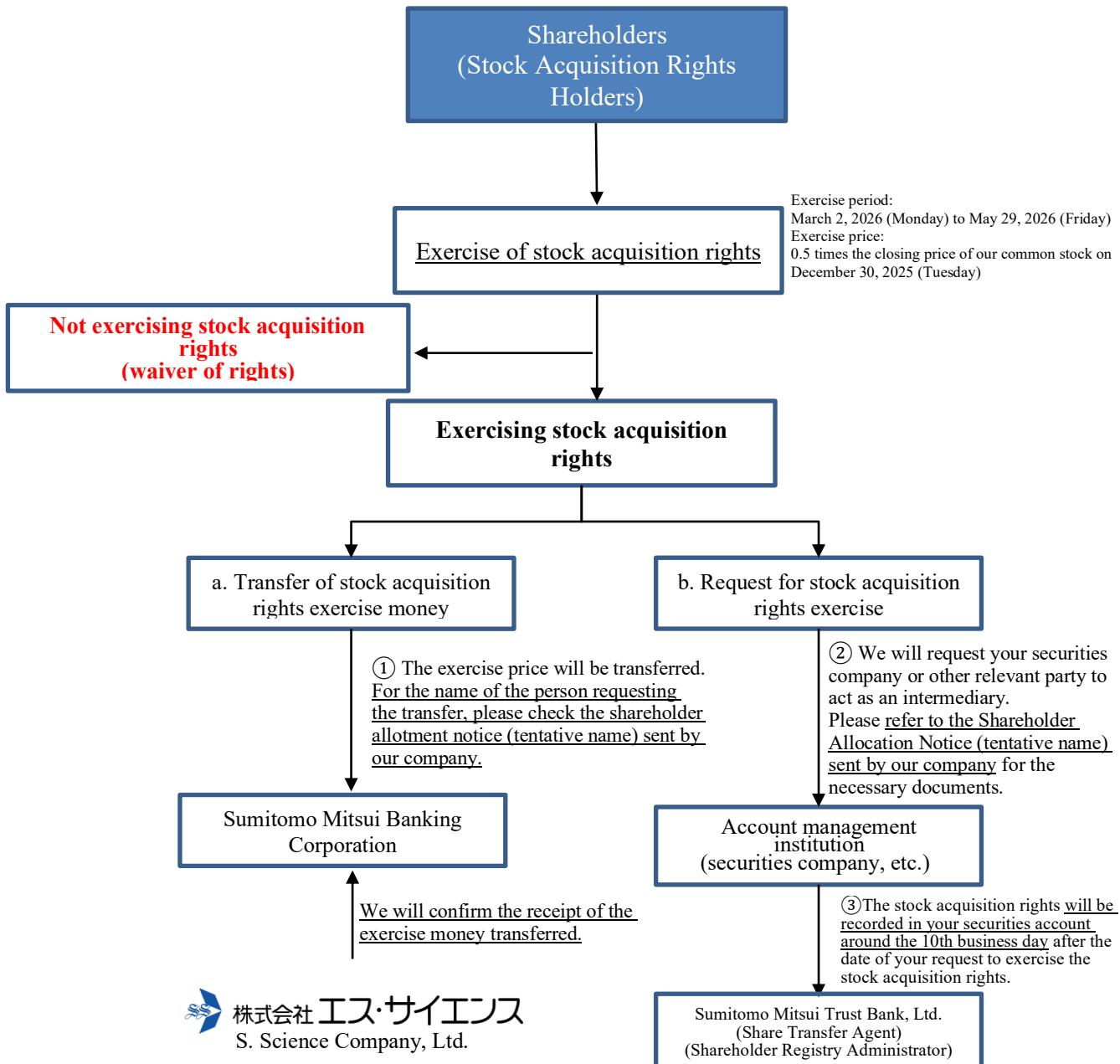
Furthermore, shareholders holding less than one unit may request the Company to purchase their shares less than one unit pursuant to Article 192 of the Companies Act.

30. What should I do if I end up holding less than one unit (100 shares) of stock as a result of exercising my rights?

Shareholders may request the Company to purchase any odd-lot shares of less than 100 shares they hold. If you hold our shares in a securities account, please contact your securities company for specific procedures. If your investments are held in a special account, please contact your securities company and Sumitomo Mitsui Trust Bank.

The entire process from the free allocation of stock acquisition rights through shareholder allotment to the exercise of the rights

The shareholder allotment will provide one stock acquisition right (unlisted) per share free of charge to all shareholders recorded in the final shareholder register as of December 31, 2025 (Wednesday). Shareholders who wish to exercise the stock acquisition rights will need to follow the procedures in the flow below, "a. Transfer of stock acquisition right exercise money" and "b. Request for stock acquisition right exercise agency." However, the exercise of rights is at the discretion of the allotted shareholders and will not be compulsory. (Note) When one stock acquisition right is exercised, 2.5 shares of the Company's common stock will be issued.



< Regarding the purchase system for shares less than one unit >

Shareholders who hold shares less than one unit can request that the Company purchase their shares less than one unit (shares less than 100 shares). If you exercise the stock acquisition rights and your shares are less than one unit, they will also be subject to purchase. If you wish to use this system, please be sure to contact your securities company or other relevant party yourself.

(Note) The above procedures and document names are tentative and are outlines at this time. For details, please refer to the "Notice of Shareholder Allotment (tentative name)" that will be sent to you at a later date. Furthermore, this document is intended to provide information to shareholders and is not intended to solicit the purchase or sale of our shares.

< Contact point >

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