

Supplementary Materials on the Financing Scheme

July 9, 2025

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Purpose and background of the financing scheme

[Our areas of business]

Solving issues that arise when society changes



Launched financial investment business to promote investment and financing relating to cryptoasset investment, stock investment, loan, etc. as described in "Notice Concerning Launch of New Business (Financial Investment Business)" disclosed on November 14, 2024.

[Situation of cryptoassets]

Regulations developed in different countries; market maturing

[US situation]

Since approval of spot Bitcoin ETF in Jan. 2024, participation of institutional investors and holdings by business companies have been increasing

[Japanese regulations]

Financial Services Agency to legally position cryptoassets as financial products

→ **Market participants to further increase**

Issued and exercised the 24th series of stock acquisition rights allotted to EVO FUND on June 4, 2025, and **raised a total of ¥5.9 billion** → **Allotted about ¥4.7 billion for purchase of Bitcoin**

Medium to long-term expansion of service using anticipated blockchain technology

Focus on foreign exchange market trends based on US financial policy trends, geopolitical risks, etc.

Purchased ¥16.7 billion in total so far

Medium to long-term maintenance of asset value by acquisition of cryptoassets

Purpose of the financing scheme **Accumulate cryptoassets**

Overview of the financing scheme

Overview of the 25th series of stock acquisition rights

Transaction details	Stock acquisition rights with adjustable exercise price clause (third-party allotment)
Allottee	EVO FUND
Total number of potential shares	55,000,000 shares (Potential dilution rate: 39.9%)
Total amount of funds raised	Approx. ¥31.5 billion
Issuance resolution date	July 9, 2025
Issuance and payment date	July 25, 2025
Initial exercise price	¥575
Exercise price adjustment	Adjusted to the average closing price over the last 3 trading days x 100% every 3 trading days
Exercise period	From July 28, 2025, to July 28, 2026

4th series of unsecured straight bonds

Transaction details	Unsecured straight bonds (private placement bonds)
Allottee	EVO FUND
Total face value of bonds	¥2,000,000,000
Face value of each bond	¥50,000,000
Issuance resolution date	July 9, 2025
Payment due date	July 11, 2025
Maturation date	July 28, 2026 Funds raised by exercise of the stock acquisition rights will be used for early redemption of the bonds by unit of ¥50 million

Utilizing **zero-discount** warrants and corporate bonds to **raise necessary funds quickly**

Total funds to be raised: About ¥31.5 billion

[Redemption of the 4th series of straight bonds]

The 4th series of straight bonds to be issued on July 11 will be redeemed early every time the stock acquisition rights are exercised. The bonds are resolved upon at the same time as the financing scheme and issued prior to the exercise of the stock acquisition rights, for the purpose of purchasing Bitcoin.

[Investment in Bitcoin]

We will hold a large part of Bitcoin to be purchased with funds raised in the financing scheme for a medium-to-long term and enhance our corporate value through future rises in its asset value. Presence of cryptocurrency is expected to further increase due to new services and economic systems such as NFT (non-fungible tokens) and DeFi (decentralized finance) using blockchain technology in cryptocurrency-related fields.

The total crypto market cap has grown to about ¥400 trillion today. Bitcoin is a major example of cryptocurrency and has a high market cap and liquidity compared to other altcoins. We therefore plan to allot about ¥29,527 million for investment in cryptocurrency (Bitcoin) according to the market situation.

We raised a total of ¥5.9 billion by the issuance and exercise of the 24th series of stock acquisition rights. Among the funds raised, we allotted about ¥4.7 billion for purchase of Bitcoin, and have purchased ¥16.7 billion of cryptocurrency in total so far. Cryptocurrency we hold as of today is as follows.

	Number of coins held	Mark-to-market profit or loss (million yen)
Bitcoin	1,051.56203275 BTC	2,026
Ethereum	901.44672542 ETH	81
Solana	13,920.07255868 SOL	35
Ripple	1,191,204.799501 XRP	8
Dogecoin	2,802,311.99657 DOGE	(2)

Note: Mark-to-market profit or loss is calculated based on the closing price on July 4, 2025 (at 24:00 on July 4, 2025), with the base of book value at the beginning of the fiscal year ending March 31, 2026, added with ¥6,706,450,000 spent for purchasing Bitcoin as of July 4, 2025.



Q&A on the financing scheme

Questions	Answers
How will the raised funds be used?	The funds will be used for redemption of the 4th series of straight bonds and investment in Bitcoin.
Why did you choose this financing scheme?	We judged that the scheme's method and conditions are considerate of profit of existing shareholders and <u>best match the Company's needs as we focus on establishing stable and strong asset protection while ensuring financial flexibility</u> to achieve the scheme's purpose and medium-term management goals. The scheme causes dilution of rights of existing shareholders, but in case of the stock acquisition rights with adjustable exercise price clause, dilution occurs gradually over the exercise period. The scheme is also expected to improve liquidity of the Company's shares and make it easier for the shareholders to dispose of them, which we believe will profit all shareholders in the medium-to-long term.
What are the characteristics of the scheme?	<p>In case of general stock acquisition rights with adjustable exercise price clause, shares are granted with 8–10% discount of the reference stock price. <u>However, in this scheme, the stock acquisition rights are adjusted to 100% of the average closing price over the last three trading days every three trading days.</u> Therefore, there is no discount on the reference stock price, which we believe is a major advantage for existing shareholders.</p> <p>Also, the minimum exercise price is set for the stock acquisition rights, and the adjusted exercise price will not fall below the minimum exercise price. In cases where the stock price goes down, for example below the minimum exercise price, the scheme is designed to prevent excessive supply of the Company's common shares, which can cause a further slump in the stock price.</p> <p>Furthermore, issuance of the 4th series of unsecured straight bonds will help us to speedily raise necessary funds for the purpose, without waiting to raise funds by the stock acquisition rights.</p>
Is there a possibility that the allottee will continue to hold shares acquired by the exercise?	The allottee, EVO FUND, has pure investment purposes and does not intend to hold the Company's common shares, acquired by exercise of the stock acquisition rights, for a long term in principle. EVO FUND will basically sell the shares in the market on its own discretion based on the stock price trends to fulfill its operational responsibility toward the investors, but will always consider the impacts of the sale on the market.
Is there a possibility that the exercise will not complete within the period?	Based on the design of the stock acquisition rights, the allottee is expected to exercise the stock acquisition rights. From such perspective, funding is expected to proceed with certain accuracy.

Q&A on the financing scheme

Questions	Answers
What is the scale of dilution?	The dilution rate is 39.90% (ratio to 137,850,800 shares, total of the Company's 125,350,800 common shares already issued as of March 31, 2025, and 12,500,000 shares issued by complete exercise of the 24th series of stock acquisition rights). The total number of the Company's common shares subject to the stock acquisition rights is 55,000,000, and the maximum number of shares to be issued is limited regardless of stock price trends. Therefore, the dilution rate will not exceed the initial plan.
When will the shares be issued?	The shares will be issued gradually during the period of exercise of the stock acquisition rights from July 28, 2025, to July 28, 2026. When exercising the rights, the allottee will determine the timing and quantity on its own discretion while limiting temporary impacts on the stock price.

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