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To Whom It May Concern

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Explanation Regarding the Gratis Allotment of Stock Acquisition Rights (Unlisted) to Shareholders (Q&A)

As announced in the "Notice Regarding the Gratis Allotment of Stock Acquisition Rights (Unlisted)" published on August 6, 2024, we have prepared a Q&A document explaining the gratis allotment of stock acquisition rights to shareholders (hereinafter referred to as "this matter"). We kindly ask our shareholders to refer to the above press release disclosed separately, and to understand and consider this matter when making your decisions.

1. Regarding the Basic Mechanism of the Gratis Allotment of Unlisted Stock Acquisition Rights to Shareholders

Question	Answer
Q1－1 Please tell us about the overview of the gratis allotment of stock acquisition rights (unlisted) to shareholders.	A1－1 The gratis allotment of stock acquisition rights (unlisted) to shareholders is one of the financing methods for a corporation, where stock acquisition rights for common shares are allocated to shareholders. In this case, one stock acquisition right is allocated for each share of the company's common stock, and exercising one stock acquisition right results in the issuance of one share of the company's common stock. The company has set September 5, 2024, as the record date (hereinafter referred to as the "record date") to determine the shareholders who will receive the allotment of stock acquisition rights. On this record date, stock acquisition rights will be granted free of charge to shareholders according to their shareholding ratio. During the exercise period, if the stock acquisition rights are exercised and the exercise price (the amount payable per stock acquisition right upon exercise, which is ¥555) is paid, the company's common stock will be issued. In this gratis allotment of stock acquisition rights, the number of shares per stock acquisition right is one, and since the company's share unit is 100 shares, if fewer than 100 stock acquisition rights are exercised, the resulting number of shares issued will be less than one unit.

Q1－2 How does the gratis allotment of stock acquisition rights (unlisted) to shareholders differ from public offerings or third-party allotments?	A1－2 The gratis allotment of stock acquisition rights (unlisted) to shareholders differs from typical public offerings or third-party allotments in that stock acquisition rights are allocated to existing shareholders according to the number of shares of the company's common stock they hold. This allows existing shareholders to decide whether to acquire additional shares of the company's common stock.
Q1－3 What is the difference between the gratis allotment of stock acquisition rights (unlisted) to shareholders and a rights offering?	A1－3 The major difference is whether the allocated stock acquisition rights are listed on a financial instruments exchange (securities exchange). Unlike a rights offering, the stock acquisition rights allocated through the gratis allotment of stock acquisition rights (unlisted) to shareholders will not be listed on a financial instruments exchange (securities exchange). In the case of the gratis allotment of stock acquisition rights (unlisted) to shareholders, the opportunity to sell the allocated stock acquisition rights is essentially limited. Therefore, shareholders who receive the stock acquisition rights must choose either to exercise them or let them expire.
Q1－4 What are stock acquisition rights?	A1－4 Stock acquisition rights are rights that allow the holder (the stock acquisition rights holder) to receive newly issued shares or treasury shares from the issuing company by exercising the rights during the exercise period and paying the exercise price (¥555 per stock acquisition right). For detailed information on the exercise price, exercise period, and other specifics of these stock acquisition rights, please refer to our "Notice Regarding the Gratis Allotment of Stock Acquisition Rights (Unlisted)" dated August 6, 2024.

Q1－5 What options are available to stock acquisition rights holders after receiving the allocation of these rights?	A1－5 Once the stock acquisition rights are allocated, the holders generally have two main options: ① Exercise the Stock Acquisition Rights: ② Do Not Exercise the Stock Acquisition Rights: ①By exercising the rights, holders can acquire the company's common stock by paying the exercise price (¥555 per share) into the company's account at GMO Aozora Net Bank, Ltd. (For more details, please refer to "3. About Exercising the Stock Acquisition Rights" below). ②If the rights are not exercised during the general investor exercise period (from September 6, 2024, inclusive, to October 15, 2024), the company will acquire all remaining stock acquisition rights on October 16, 2024. Consequently, holders will not be able to obtain the company's common stock. These are general options available to holders after the allocation of stock acquisition rights. Whether to exercise the rights or let them expire is entirely up to the holders' own investment decisions. The company cannot provide any investment advice regarding the stock acquisition rights. Shareholders should refer to the "Notice Regarding the Gratis Allotment of Stock Acquisition Rights (Unlisted)" published on August 6, 2024, the securities registration statement dated August 6, 2024, available on EDINET (URL: EDINET (edinet-fsa.go.jp)), and the prospectus related to these stock acquisition rights (expected to be mailed to each stock acquisition rights holder around September 18, 2024). Please make investment decisions at your own responsibility.
Q1－6 What options are available for shareholders holding less than a unit of stock?	A1－6 In the gratis allotment of stock acquisition rights to shareholders, stock acquisition rights are allocated at the rate of one right per share of the company's common stock, even for holdings of less than the unit of 100 shares. The stock acquisition rights can be exercised from a single unit, allowing shareholders to acquire common stock by exercising the rights. However, since one stock acquisition right grants one share of common stock, exercising these rights may result in acquiring less than a unit of stock (for example, exercising 10 stock acquisition rights to acquire 10 shares of common stock). Please note that shares below a unit have restricted voting rights and limited market tradability. Shareholders with less than a unit of stock can request the company to buy back these shares under Article 192 of the Companies Act. For specific procedures, please refer to "Q3-9: What should I do if I hold less than one unit (100 shares) after exercising the rights?"

Q1－7 Can you explain the reason and basis for setting the exercise price of these stock acquisition rights?	A1－7 As described in "5. Reasonableness of the Issuance Conditions" in the "Notice Regarding the Gratis Allotment of Stock Acquisition Rights (Unlisted)" published on August 6, 2024, the exercise price for each stock acquisition right is set at ¥555. This exercise price reflects a 17% discount from the closing price of our common stock on the Tokyo Stock Exchange on August 5, 2024, the business day before the resolution to issue the stock acquisition rights. However, since the stock acquisition rights are allocated through a gratis allotment, shareholders receiving these rights will not directly experience economic gains or losses from the setting of the exercise price. Therefore, the exercise price is primarily determined based on the total amount to be raised and the allocation ratio (the number of stock acquisition rights allocated per share of common stock held by each shareholder and the number of shares per stock acquisition right). Specifically, the allocation ratio is set at 1:1:1 (one stock acquisition right per share of common stock held, and one share per stock acquisition right). The exercise price is set below the market price to facilitate easy exercise, considering the number of shares expected to be issued upon exercise and the likelihood of exercise.
Q1－8 Please explain the outline of the ex-rights date for our common stock due to the gratis allotment of stock acquisition rights.	A1－8 The ex-rights date is September 4, 2024. However, since these stock acquisition rights are unlisted, the Tokyo Stock Exchange will not adjust the reference price limits under the "Rules on Restrictions on the Trading Unit Price." Meanwhile, the share price of our common stock may be affected by dilution due to the increase in the number of potential shares resulting from the issuance of these stock acquisition rights.
Q1－9 Will the major shareholders exercise these stock acquisition rights?	A1－9 We have not confirmed the intentions of our major shareholders.
Q1－10 If our common stock is issued simultaneously through the exercise of these stock acquisition rights, won't the stock value be significantly diluted?	A1－10 As described in the "Reason and Conditions for the Acquisition of Own Stock Acquisition Rights" section under "1. Summary of Offering 1 (2) Contents of the Stock Acquisition Rights" in the securities registration statement submitted on August 6, 2024, the stock acquisition rights are subject to acquisition clauses. The company will acquire all remaining stock acquisition rights (partial acquisition is not allowed) without compensation on October 16, 2024. Existing shareholders who do not exercise their stock acquisition rights within the general investor exercise period may not be able to fully offset the economic disadvantages caused by the dilution of the economic value per share.
Q1－11 Please explain the handling of margin transactions (rights processing, prohibition of cash settlement, etc.) for our common stock.	A1－11 Under the current system, in principle, common stock purchased on margin cannot receive a gratis allotment of stock acquisition rights because the name on the account will differ from that of the shareholder who made the purchase. For details regarding various treatments related to margin transactions, please contact your securities company.

Q1－12 What will be the treatment of cumulative investment in our common stock and mini stocks?	A1－12 For the treatment of cumulative stock investment and mini stock investment, please contact your securities company.
Q1－13 Are there any restrictions on the allotment and exercise of these stock acquisition rights by foreign resident shareholders?	A1－13 The offering of these stock acquisition rights has not been registered or filed in any jurisdiction outside Japan, nor is there any plan to do so. Consequently, foreign resident shareholders may face restrictions on exercising or reselling these stock acquisition rights due to applicable securities laws and other regulations. Foreign resident shareholders (excluding qualified institutional investors not subject to such restrictions under applicable foreign laws) must be aware of these points. Additionally, U.S. resident shareholders (as defined in Rule 800 of the U.S. Securities Act of 1933) are prohibited from exercising these stock acquisition rights.
Q1－14 What are the benefits of stock acquisition rights?	A1－14 If you exercise the stock acquisition rights and receive new shares, you can benefit from any increase in the market value of those shares above the exercise price.
Q1－15 There are cases where stock acquisition rights are listed, such as "rights offerings," which I think would be more beneficial to shareholders. Was this method considered?	A1－15 There are two types of rights offerings: commitment-type and non-commitment-type, both of which involve listing stock acquisition rights that shareholders can buy and sell. However, our company has recorded operating losses in past years and does not meet the issuance criteria for non-commitment-type rights offerings. As for the commitment-type, the underwriting costs are prohibitively high, making this method impractical.
Q1－16 Why did you choose the method of allotting to shareholders?	A1－16 We believe that strengthening our financial foundation through capital enhancement by allowing shareholders to exercise their stock acquisition rights will contribute to the future increase in our group's corporate value, and ultimately enhance shareholder value. Therefore, we ask for the understanding and support of our shareholders.
Q1－17 What is the difference between units and shares for stock acquisition rights?	A1－17 Stock acquisition rights are measured in "units." When issuing stock acquisition rights, we decide how many shares will be issued upon the exercise of one unit. The exercise of stock acquisition rights is done in "units," not in "shares." This time, each stock acquisition right allotted to shareholders will be designed to issue one share upon exercise.
Q1－18 The issue price is stated as free of charge, but does this mean there is no financial burden when acquiring the shares?	A1－18 The stock acquisition rights themselves are allotted free of charge (there is no cost to shareholders). However, if you exercise this right to acquire shares, you will need to pay the exercise price per share. The exercise price has been set at ¥555, discounted from the average closing price of ¥577 for our common stock over the past six months (from February 22, 2024, to August 2, 2024) to encourage shareholders to exercise their rights.

2. Allotment of Stock Acquisition Rights

Question	Answer
Q2－1 How many stock acquisition rights will be allotted per share owned?	A2－1 One stock acquisition right will be allotted for each share of our common stock held by shareholders as recorded in the final shareholder register on the record date. Each stock acquisition right, when exercised, entitles the holder to one share of common stock.
Q2－2 How can I receive the gratis allotment of stock acquisition rights?	A2－2 The record date for the allotment of stock acquisition rights is September 5, 2024. If you are recorded in the final shareholder register as of this date, you will automatically receive the gratis allotment of stock acquisition rights without any special procedures. The last trading day for our common stock with rights to receive the stock acquisition rights is September 3, 2024. Since the stock acquisition rights are allotted free of charge, no payment is required to receive them. (However, if you choose to exercise the stock acquisition rights, you will need to remit the exercise price to our deposit account at GMO Aozora Net Bank, Ltd.)
Q2－3 Will stock acquisition rights certificates be issued, and how can I confirm the allotment of these rights?	A2－3 Stock acquisition rights certificates will not be issued for these stock acquisition rights. Typically, on the effective date of the stock acquisition rights allotment, September 6, 2024, we plan to send a notice regarding the stock acquisition rights allotment to each shareholder listed in the final shareholder register as of the record date, September 5, 2024. Please check this document to confirm your allotment.
Q2－4 Will shareholders who hold shares in a special account receive the stock acquisition rights?	A2－4 Stock acquisition rights will also be allotted for shares recorded in a special account (maintained by Sumitomo Mitsui Trust Bank, Limited) and will be recorded in the stock acquisition rights register in the same way as the shares. However, stock acquisition rights recorded in a special account cannot be exercised while remaining in that account. For specific exercise procedures, please contact Sumitomo Mitsui Trust Bank. *Note: A "special account" is an account opened by the issuing company with a financial institution, such as a trust bank (typically the shareholder registry administrator), to protect the rights of shareholders who hold stock certificates not deposited with the Japan Securities Depository Center (JASDEC) following the dematerialization of stock certificates. This differs from a "specific account" under the tax system, which aims to simplify tax reporting for shareholders by having securities companies calculate capital gains or losses and prepare an annual transaction report.
Q2－5 What documents will be sent, when, and to where after the gratis allotment of the stock acquisition rights?	A2－5 Around September 18, 2024, we plan to send the notice regarding the stock acquisition rights allotment and other related documents to the address of each shareholder listed in the final shareholder register as of the record date, September 5, 2024.

Q2－6 Will stock acquisition rights be allotted for treasury shares?	A2－6 According to Article 278, Paragraph 2 of the Companies Act, stock acquisition rights will not be allotted for treasury shares held by the company.

3. Regarding the Exercise of the Stock Acquisition Rights

Question	Answer
Q3－1 If I exercise the stock acquisition rights, how many shares will I receive?	A3－1 Each stock acquisition right entitles you to receive one share of our common stock. However, since the unit of our common stock is 100 shares, you may end up with shares that are less than one unit (for example, if you exercise 50 stock acquisition rights, you will receive 50 shares of our common stock). In such cases, these shares, being less than one unit, will have restricted voting rights and limitations on market trading. Please note that shareholders with shares less than one unit can request the company to buy back these shares based on Article 192 of the Companies Act. For detailed procedures, please refer to "Q3-9 What should I do if I end up holding shares less than one unit (100 shares) as a result of exercising the rights?" below.

Q3－2 What procedures should I follow to exercise the stock acquisition rights?	A3－2 You can acquire our common shares by paying the exercise price with the stock acquisition rights during the general investor rights exercise period. ①If exercising the rights: (1) If you wish to exercise the stock acquisition rights, please fill in the necessary information on the exercise request form specified by the company, sign and seal it, and submit (or mail) it to the exercise request reception location (IR Japan, Inc.) by the last day of the exercise period. Additionally, by the last day of the exercise period, please transfer the exercise price to the payment handling location specified in (2) (GMO Aozora Net Bank, Ltd.). The exercise request will take effect when the notification required for processing the exercise request has been received and the payment of the exercise price has been confirmed by the last day of the exercise period. Please note that it may take a few days (4-5 days) for the notification required for processing the exercise request to be received and the payment of the exercise price to be confirmed at the exercise request reception location. Therefore, please ensure you have enough time to complete the procedures. （2）Transfer of Stock Acquisition Rights Exercise Funds (This is the procedure for shareholders.) Please transfer the exercise price (555 yen per stock acquisition right, and 555 yen to acquire one share) to the company's designated account at GMO Aozora Net Bank, Ltd. (2) Transfer of Stock Acquisition Rights Exercise Funds (This is the procedure for shareholders.) Please transfer the exercise price (555 yen per stock acquisition right, and 555 yen to acquire one share) to the company's designated account at GMO Aozora Net Bank, Ltd. (3) The shareholder registry administrator will verify the transferred exercise price and the content of the exercise request form. (4) The shares acquired through the exercise of rights will be recorded in the securities account specified by the shareholder. (5) New Stock Record In principle, after completing the procedures in (1) and (2), the common shares acquired through the exercise of the stock acquisition rights will be newly recorded in the securities account of the exercising stock acquisition right holders on the sixth business day after the exercise request form and payment have been confirmed. However, please check with your brokerage firm, as the start date may differ. ②If not exercising the rights No specific procedure is necessary. After the general investor rights exercise period ends, the company will acquire the unexercised stock acquisition rights without consideration according to the acquisition clause. No compensation will be provided by the company for this acquisition.

Q3－3 Can a portion of multiple stock acquisition rights held (for example, 600 out of 1,000) be exercised?	A3－3 Since the exercise of these stock acquisition rights is possible in units of one, it is possible for each holder of multiple stock acquisition rights to exercise only a portion of their rights in units of one. Therefore, for example, a holder of 1,000 stock acquisition rights can choose to exercise only 600 of them. However, once the rights are exercised, any remaining unexercised stock acquisition rights cannot be exercised. Note that for each stock acquisition right, the number of common shares of our company intended as the target is one share, and the unit number of shares for our company is 100 shares. As a result, exercising the rights may lead to acquiring less than a unit of shares (for example, exercising 50 stock acquisition rights to obtain 50 common shares of our company). In such cases, please be aware that shares less than one unit will have restricted voting rights and will also be restricted from market trading. However, shareholders with less than one unit can request the company to purchase their shares based on Article 192 of the Companies Act. For specific procedures, please refer to the section "Q3-9 What should be done if you end up holding less than one unit (100 shares) due to the exercise of rights?" It is stipulated in Item 11 of the issuance terms for these stock acquisition rights that "a part of one stock acquisition right cannot be exercised." This means that you cannot exercise only a part of one stock acquisition right (for example, 0.5 of a stock acquisition right), but it does not prohibit exercising only a portion of multiple stock acquisition rights in units of one.
Q3－4 Can a part of one stock acquisition right (for example, one unit) be exercised?。	A3－4 According to Item 11 of the issuance terms for these stock acquisition rights, it is stipulated that "a part of one stock acquisition right cannot be exercised." Therefore, a part of one stock acquisition right (for example, one stock acquisition right) cannot be exercised. However, as mentioned earlier, this does not mean prohibiting the exercise of, for example, 600 out of 1,000 rights.
Q3－5 Until when can the stock acquisition rights be exercised?	A3－5 The exercise period for these stock acquisition rights is from September 6, 2024 (inclusive), to November 5, 2024 (inclusive). However, since these stock acquisition rights are subject to an acquisition clause, and our company will acquire them on October 16, 2024, the period during which shareholders who received the initial free allotment can exercise their rights is until October 15, 2024. The period required for processing exercise requests may vary depending on your securities company. Please be sure to inquire with your securities company regarding the time required to process exercise requests and the exercise procedures.
Q3－6 When will I receive the shares?	A3－6 It is understood that six business days after the exercise request form and other documents are submitted to the shareholder registry administrator and the payment is confirmed, the balance of the company’s common shares will be recorded in each holder's securities account, and trading will be possible.

Q3－7 What are the transaction fees and other costs incurred by exercising the stock acquisition rights?	A3－7 There are generally no direct costs associated with exercising the stock acquisition rights. However, shareholders will be responsible for any fees related to transferring the exercise funds and other costs specified in the exercise request form.
Q3－9 What should I do if I end up holding shares less than one unit (100 shares) as a result of exercising the rights?	A3－9 You can request the company to buy back the shares you hold that are less than one unit (100 shares). For specific procedures, if you hold the shares in a securities account, please contact your brokerage firm. If the shares are held in a special account, please contact your brokerage firm or Sumitomo Mitsui Trust Bank.

4. Tax Treatment and Related Matters

In this section, we present our views regarding the tax treatment of these stock acquisition rights as they pertain to individuals.

However, both individuals and corporations are requested to confirm the tax treatment of these stock acquisition rights and the handling of securities accounts on their own responsibility, with the help of professionals such as tax accountants, your securities company, and the relevant tax office.

Additionally, please note that the applicable laws concerning the tax treatment of these stock acquisition rights may differ for foreign residents. Therefore, foreign residents are advised to consult with legal or tax professionals about the laws applicable to their situation.

Question	Answer
Q4－1 What are the tax implications at the time these stock acquisition rights are allotted and when they are exercised?	A4－1 We believe that no tax liability arises either at the time these stock acquisition rights are allotted or when they are exercised. Additionally, the acquisition cost of the stock acquisition rights obtained through the free allotment is generally considered to be zero yen.
Q4－2 What will be the acquisition cost of the new common shares of our company obtained through the exercise of these stock acquisition rights?	A4－2 In the case of exercising stock acquisition rights obtained through a free allotment, the acquisition cost will be calculated as the 'payment amount per share upon exercising the rights' multiplied by the 'number of shares obtained through the exercise of the rights.'

(For Reference) Regarding This Schedule

Item	Schedule	Remarks
Last purchase date with rights for the gratis allotment of the stock acquisition rights	September 3, 2024	If you intend to acquire new common shares of our company to receive the gratis allotment of these stock acquisition rights, you must make the purchase by two business days before the record date.
Record date for shareholders entitled to the gratis allotment of the stock acquisition rights	September 5, 2024	If you are listed or recorded in the final shareholder register on the record date, you can receive the free allotment of these stock acquisition rights without any special procedures.
Effective date of the gratis allotment of these stock acquisition rights	September 6, 2024	The stock acquisition rights received through the free allotment can be legally exercised. However, the actual procedure can be carried out only after you receive the exercise request form (from September 21, 2024, onwards)
Stock Acquisition Rights Allotment Notice 1. Scheduled Sending Date 2. Expected Arrival Date	1. Around September 18, 2024 2. Around September 21, 2024	The shareholder allotment notice and other documents related to these stock acquisition rights will be sent to the address registered with the securities company or other institution where each shareholder conducts transactions. Please note that the free allotment of these stock acquisition rights will occur before the arrival of this notice.
Exercise period for rights related to stock acquisition rights by general investors	From September 6, 2024, to October 15, 2024	For those stock acquisition rights holders who wish to exercise their rights, please note that, in principle, you must complete the necessary procedures by the end of business hours on October 15, 2024.
Acquisition date of remaining stock acquisition rights	October 16, 2024	
Transfer date to specific investors	From October 16, 2024 to November 5, 2024	
Exercise period for rights by specific investors	From October 16, 2024 to November 5, 2024	

[For Questions and Inquiries Other Than the Above]
Please make inquiries through our website.
Contact - Metaplanet Inc.
Metaplanet Inc.

[Notice]

This document is a public announcement concerning the issuance of the 11th stock acquisition rights by our company and is not created for the purpose of soliciting investments to specific individuals. For investment decisions related to the exercise, trading, or forfeiture of these stock acquisition rights, we kindly ask shareholders and investors to make decisions at their own risk after thoroughly reading the "Notice on the Gratis Allotment of Stock Acquisition Rights (Unlisted)" published on August 6, 2024, and the securities registration statement regarding these stock acquisition rights submitted on August 6, 2024 (including any subsequent corrections, if any) (URL: EDINET (edinet-fsa.go.jp)).

Please note that this document is not an invitation to subscribe for or purchase securities outside of Japan. The issuance of the aforementioned stock acquisition rights has not been registered under the securities laws and other regulations outside Japan (including the U.S. Securities Act of 1933), nor is there any intention to register.

In the United States, securities may not be offered or sold unless registered under the U.S. Securities Act of 1933 or exempt from registration.