METAPLANET

Q&A Regarding the Amendment of the Articles of Incorporation

August 1, 2025

Please refer to the disclosure document dated August 1, 2025, titled "Notice Regarding Partial Amendment to the Articles of Incorporation and Filing of Shelf Registration for Issuance of Perpetual Preferred Shares" for details.

Question	Answer
Why is the total number of authorized shares after the increase set at 2.723 billion?	• As of July 18, 2025, the total number of issued shares of the Company is approximately 680 million. When including all potential shares such as stock acquisition rights, the total number of potential shares reaches approximately 1.332 billion. On the other hand, the current number of authorized shares is approximately 1.610 billion, leaving the Company with a remaining issuance capacity of around 278 million shares. • The Company intends to actively pursue equity financing as part of its "Bitcoin Strategy," which aims to acquire 210,000 BTC by the end of 2027. In light of this, we are proposing to increase the number of authorized shares to approximately 2.723 billion shares—the maximum allowed under the Companies Act, which permits up to four times the number of issued shares. • If this proposal is approved, the Company's remaining share issuance capacity will significantly expand from the current 278 million shares to approximately 1.391 billion shares. This will also enable the issuance of preferred shares, which is being proposed separately.

Question	Answer
Would the increase in the total number of authorized shares be detrimental to common shareholders?	• We recognize that the expansion of the total number of authorized shares raises a valid concern—that the future issuance of new shares may dilute the ownership percentage of existing shareholders. • However, we have established “BTC Yield” as a key management indicator that quantitatively demonstrates the growth of our Bitcoin Treasury strategy. BTC Yield is defined as the rate of change in the number of BTC held by the Company divided by the fully diluted number of outstanding common shares. Through the continuous improvement of this metric, we have strived to create corporate value that exceeds the impact of dilution. • In fact, during past financing rounds, we have successfully increased our BTC holdings at a pace that exceeded the growth in the number of outstanding shares, resulting in a significant rise in BTC Yield. • Going forward, while maintaining flexibility in capital raising, we will continue to accumulate and hold BTC at a pace that exceeds dilution, thereby enhancing the economic value per share and driving long-term corporate value.
What are preferred shares?	• Preferred shares are a class of stock that carry preferential rights over common shares in terms of dividends and distribution of residual assets. • Specifically, when a company distributes profits, it first pays the promised dividends to preferred shareholders before distributing any remaining profits to common shareholders. Similarly, in the event of liquidation, preferred shareholders have the right to receive distributions of remaining assets before common shareholders. • On the other hand, unlike common shares, preferred shares often do not carry voting rights at shareholder meetings, or those rights may be limited. For companies, preferred shares serve as a means of raising capital while minimizing the dilution of common shares.

Question	Answer
What is the purpose and background of issuing preferred shares?	• As part of our Bitcoin Treasury Strategy, the Company has decided to begin preparations to enable the issuance of preferred shares backed by Bitcoin. The goal is to enhance flexibility in capital policy and diversify financing options. • Specifically, we plan to define multiple classes of preferred shares in our Articles of Incorporation, with variations in dividend terms and the presence or absence of conversion rights. This would allow us to offer a range of investment options tailored to both domestic and international investors. • In Japan, more than half of household financial assets are concentrated in cash and deposits, leaving few options to hedge against inflation or the declining purchasing power of the yen. Furthermore, unlike in Western markets, Japan lacks a well-developed preferred share market. We believe that introducing Bitcoin-backed preferred shares represents a pioneering effort to fill this gap. • The preferred shares we are considering will be designed to offer a stable fixed dividend yield, making them suitable for income-oriented investors. Depending on the terms, we also aim to attach conversion rights into common shares, making them an attractive option for growth-oriented investors as well. • This structure draws inspiration from the preferred share schemes of Nasdaq listed Strategy (MSTR), which is at the forefront of the Bitcoin Treasury movement. However, we intend to tailor the design to our own capital policy and the diverse risk-return preferences of our investor base. • In principle, the funds raised through these instruments will be used immediately to acquire Bitcoin, allowing us to expand our BTC NAV (Bitcoin Net Asset Value) while minimizing dilution of common shares. Through this approach, we aim to maximize BTC per share and BTC Yield. • Please note that this amendment to the Articles of Incorporation is intended to establish the institutional framework necessary for the future issuance of preferred shares, and no issuance has been finalized at this time.

Question	Answer
Why is the amendment to the Articles of Incorporation regarding preferred shares being made at this time?	• On June 6, 2025, the Company announced its “Bitcoin Plan 2025–2027,” which sets forth a key objective of holding at least 210,000 BTC by the end of 2027. Until now, we have primarily raised funds for Bitcoin acquisitions through the issuance of stock acquisition rights (commonly referred to as MS warrants). However, as we look to further accelerate our Bitcoin purchases, we believe it would be desirable to utilize not only common shares but also preferred shares as a means of financing. • In light of this, and in addition to the expansion of the authorized number of common shares (so-called authorization limit) approved at the Annual General Meeting of Shareholders this past March, we are now proposing an additional expansion of this authorization capacity to support our future capital policy. We believe it is appropriate to clearly explain our intention to issue preferred shares in the future and to seek shareholder approval on this matter. • Accordingly, we are submitting a proposal to establish provisions in our Articles of Incorporation regarding preferred shares at this time. • We respectfully ask our shareholders to consider and understand the Company’s growth strategy, and to make an informed decision on both proposals.

Question	Answer
There are two types of Preferred Shares- Class A and Class B—but what is the difference?	• Class A is being considered as a “non-convertible (bond-like)” preferred share, designed as a stable yield product without conversion rights into common shares. • Class B, on the other hand, is being considered as a “convertible” preferred share, equipped with an option to convert into common shares under certain conditions, allowing investors to potentially benefit from capital gains if the stock price rises in the future. • In other words, Class A is designed with a focus on stability, while Class B aims to balance both stability and growth potential. Both are envisioned as perpetual preferred shares with no maturity date.
What are the characteristics of Class A?	The specific details will be examined going forward, but Class A is being considered as a “bond-like” preferred share with fixed dividends, and is expected to have the following design features: 1. Unlike common shares, which do not plan to pay dividends, Class A will provide dividend payments to investors 2. Since it has no conversion rights, it does not pose any dilution risk to common shares 3. It is intended to be structured as a product that offers investors a stable yield, backed by Bitcoin assets
What are the characteristics of Class B?	The details are yet to be finalized, but Class B is being considered as a convertible preferred share with the following design features: 1.While providing a fixed dividend, it can be converted into common shares if the stock price exceeds a certain threshold 2.The conversion price will be set higher than the current stock price, so the shares are expected to remain as preferred shares for the time being 3.It is intended to be structured for investors seeking both stable income and future growth potential

Question	Answer
Is there a possibility of disadvantages for common shareholders?	• For common shareholders, preferred shares come with the disadvantage that dividends and residual assets in the event of company liquidation are prioritized over those of common shares. However, by using the capital raised through preferred shares to purchase BTC, there is potential for enhanced shareholder value through the expansion of the Company's BTC Net Asset Value (BTC NAV). Over the medium to long term, if the expected annual growth rate of the BTC price exceeds the preferred dividend rate, the excess return will accrue to common shareholders. • Based on the view that the expected future appreciation of BTC outweighs the outflow of company assets through preferred dividends, we have begun considering the issuance of preferred shares. • In particular, regarding the proposed design of Class B, there is a possibility of dilution for common shareholders upon conversion. However, we are considering setting a high premium on the conversion price, limiting conversions to situations where the stock price has risen sufficiently—thus ensuring that existing shareholders also benefit. • As for common shares, we intend to continue prioritizing BTC acquisition over dividend payments.
Will the preferred shares be listed?	• At this time, it has not been decided. Listing preferred shares would require prior consultation with the stock exchange followed by a formal listing examination. However, such consultations have not yet been initiated. Therefore, even if we were to pursue a listing, there is a possibility that the preferred shares may not be approved for listing.
What type of issuance structure is being considered?	• The specific details have not been determined at this time, but as of August 1, we have registered the issuance of both Class A and Class B Preferred shares. The maximum offering amount is 555 billion JPY (277.5 billion JPY for each class), with an issuance registration period of two years. We plan to promptly disclose the details once they are finalized.

Question	Answer
Will the preferred shares be allocated to existing shareholders?	• The specific offering method has not been determined at this time. We plan to promptly disclose the details once they are finalized.
What is the dividend yield of the preferred shares?	• For both Class A and Class B, the proposed amendment to the Articles of Incorporation sets the maximum dividend rate at an annual rate of 6%. However, the final terms—including the calculation method—will be determined based on market conditions, interest rate environment, and investor demand.
Is the dividend burden manageable, and will the financial risk increase?	• As for the source of dividend payments, we anticipate using revenue from our Bitcoin income-generating operations, as well as potentially allocating a portion of capital raised through common equity offerings. • That said, our current policy is to cap the total issuance amount of preferred shares at 25% of BTC NAV (Bitcoin Net Asset Value), in order to ensure prudent financial risk management. This approach is designed to keep total dividend payments at a limited level and prevent excessive cash outflows. • For example, if the total issuance of preferred shares is capped at 25% of BTC NAV and the annual dividend rate is 6%, the BTC held by the Company would be equivalent to 66 years' worth of dividend payments—indicating a strong ability to sustain stable dividend distributions. • Additionally, since the preferred shares are designed to have no maturity date, they differ from conventional debt instruments, and we believe the refinancing risk is therefore limited.

Question	Answer
What happens if the Company is unable to pay dividends?	• For both Class A and Class B, if preferred dividends are not paid, they are expected to accumulate and carry over to subsequent fiscal years. The planned dividend payment priority will be in the order of Class A, followed by Class B, and then common shares.
What would be the impact if the price of BTC were to drop sharply?	• Both Class A and Class B are designed as perpetual preferred shares with no maturity date. Therefore, we believe that a sharp drop in the price of BTC at a specific point in time is unlikely to trigger refinancing risk or force the Company to sell its BTC holdings. • Additionally, we plan to manage the outstanding balance of preferred shares with an upper limit of 25% of BTC NAV. This structure is based on the assumption that even if the price of BTC were to decline by 75%, the value of the BTC assets backing the preferred shares would still be preserved at that level. • Through this design, we believe the preferred shares can be positioned as financial instruments that offer moderate risk and return—while suppressing downside risk more effectively than common shares.
What is the difference between the total number of authorized shares and the total number of authorized class shares?	• The total number of authorized shares refers to the maximum number of shares the Company is allowed to issue in the future, including both common and preferred shares. The Company cannot issue shares in excess of this total amount. • On the other hand, the total number of authorized class shares refers to the issuance limits set for each specific class of shares. This means setting individual caps, such as the maximum number of Class A preferred shares, the maximum number of Class B preferred shares, and the maximum number of common shares.

Question	Answer
Why is the issuance registration being conducted?	• Our company places a strong emphasis on transparency with respect to the capital markets. The planned issuance of preferred shares, which we are currently exploring, is part of our broader initiative to help foster the development of a new capital market framework within Japan. • We intend to draw on market feedback—taking cues from the evaluation of Strategy Corp.'s preferred shares in the U.S. as a precedent—while engaging in careful and flexible design discussions with investors, underwriters, stock exchanges, and financial authorities. • By proceeding with the issuance registration at this stage, we aim to facilitate constructive dialogue through transparent information disclosure and deepen engagement with our stakeholders. Should there be any developments regarding the preferred share structure, we plan to promptly amend the contents of the registration statement accordingly.
What is the meaning of the amounts stated in the issuance registration statement?	• The amounts stated in the issuance registration statement represent the maximum possible offering amounts and may differ from the actual amounts to be issued. We plan to disclose the specific terms and amounts once they have been determined.