

May 20, 2024

Company: Metaplanet Inc.  
Representative: Representative Director  
Simon Gerovich  
(TSE Standard 3350)  
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Notice of share consolidation and partial amendment to the Articles of Association (increase in the number of authorized shares)

The Board of Directors of the Company has resolved at its meeting held today to submit proposals regarding a share consolidation and partial amendments to the Articles of Incorporation (including an increase in the number of authorized shares) to the extraordinary general meeting of shareholders scheduled to be held on Friday, June 28, 2024 (hereinafter referred to as "the Extraordinary General Meeting of Shareholders"), as outlined below.

1. Share consolidation

(1) Purpose of the share consolidation

As of today, the Company has 162,513,487 shares outstanding and the share price is 35 yen as of 17 May 2024 (Friday). Compared to other companies listed on the Standard Market of the Tokyo Stock Exchange, the number of shares is significantly higher, while the share price is significantly lower.

As a result, each one-yen change in the share price results in a fluctuation of several percent, which can easily lead to volatility in the share price. A share consolidation would reduce this volatility and reduce the bid offer spread which we believe would help improve liquidity and reduce the cost of trading.

Secondly, Rule 445 of the Securities Listing Regulations stipulates that the minimum investment unit should be 50,000 yen, but it is currently well below this figure, and we wish to bring the investment unit closer to the above desirable level to maintain trust among market participants.

In addition, in managing shares and shareholders, each shareholder incurs share-related administrative costs, including the management of the shareholder register, and in some cases the current investment unit is not sufficient to cover the above costs. This is partly to make it easier for each shareholder to invest in a unit of investment that is commensurate with the share-related administrative costs.

Furthermore, dividends are paid in units of one yen per share, and the share consolidation procedure also allows for a more flexible dividend policy to be adopted.

For these reasons, it has now been decided to implement a stock consolidation, whereby 10 shares are consolidated into one share. The ratio of the stock consolidation has been carefully determined in order to minimize the number of shareholders who will be negatively affected as a result of the stock consolidation.

The following table shows the most recent major share issuances with regards to how the number of shares has increased:

Share Issue Period	Number of Shares Issued	Background	Published in Price
Feb 2023	57,500,000	The capital increase by third-party allotment with a payment date of 8 February 2023 increased the total number of shares issued by 57,500,000, the capital by 575 million yen and the capital reserve by 575 million yen.	20 Yen
Apr 2024	47,821,300	Exercise of the 9th Stock Acquisition Rights	20 Yen

(2) Details of the consolidation

(i) Type of shares to be consolidated: ordinary shares

(ii) Method and ratio of consolidation: as of 31 July 2024, the number of shares held by shareholders will be consolidated at a ratio of 1 share for every 10 shares held.

(3) Number of shares to be reduced as a result of the consolidation

Total number of shares issued before the consolidation (as of today)	162,513,487 shares
Number of shares to be reduced by the consolidation	146,262,13 shares
Total number of shares issued after the consolidation	16,251,348 shares

(4) Total number of shares authorized after the consolidation

Total number of shares authorized before the consolidation (as of today)	228,237,948 shares
Total number of shares authorized after the consolidation (before the approval of below “2. Partial amendment to the Articles of Association (Total number of shares authorized to be issued)”) )	22,823,794 shares

(5) Shareholder structure

The composition of shareholders, based on the register of shareholders as of 8 May 2024, is as follows:

	Number of Shareholders (%)	Number of Share Held (%)
Total number of shareholders	16,017 (100%)	162,513,487 (100%)
Shareholders holding less than 100 shares	3,621 (22.6%)	102,120 (0.1%)
Shareholders holding 100 shares or more but less than 1,000 shares	7,179 (44.8%)	2,059,639 (1.3%)
Shareholders holding 1,000 shares or more	5,216 (32.6%)	160,329,713 (98.6%)
Treasury shares	—	22,015 (0.0%)

(6) Treatment of Fractional Shares

As a result of this stock consolidation, shareholders holding fewer than 10 shares will be deemed to hold less than one share. In such case, in accordance

with the provisions of the Company Law, these shares will be disposed of collectively or repurchased as treasury stock, and the proceeds will be distributed to shareholders who have incurred fractional shares, proportionally to the fraction.

(7) Treatment of shares less than one unit

As a result of the share consolidation, 7,179 shareholders (44.8% of all shareholders) holding between 100 and 1,000 shares will become new holders of less than one unit of shares according to the register of shareholders as of 8 May 2024 and will lose their trading opportunities on the stock exchange market and voting rights at shareholders' meetings.

Although such shareholders will be inconvenienced by the procedures at securities companies, they will be able to maintain their unit status through additional purchases and enjoy the benefits of share liquidity.

In addition, shareholders have two options to request the sale and purchase of their shares at market price, and shareholders do not lose money as a result of the share consolidation.

Shareholders who are holders of less-than-one-unit shares may request the Company to sell them the number of shares that, together with the number of less-than-one-unit shares held by the shareholder, would constitute one unit, pursuant to Article 194(1) of the Companies Act and the Articles of Association of the Company.

They may also request the Company to purchase their own odd-lot shares in accordance with Article 192(1) of the same Act.

(8) Conditions for the share consolidation

The share consolidation is subject to the approval of the proposal for the share consolidation in a special resolution at the Extraordinary General Meeting of Shareholders and a partial amendment to the Articles of Association (total number of shares authorized for issue).

(9) Adjustment of the exercise price per share of subscription rights

In connection with the Share Consolidation, the exercise price per share of the warrants issued by the Company will be adjusted as follows after 31 July 2024.

Type	Exercise value before adjustment	Adjusted exercise price
9 <sup>th</sup> Series of Stock Acquisition Rights	20 円	200 円
10 <sup>th</sup> Series of Stock Acquisition Rights	10 円	100 円

2. Partial amendment to the Articles of Association (Total number of shares authorized to be issued)

(1) Reason for the amendment to the Articles of Association

Pursuant to Article 182(2) of the Companies Act, it is deemed that the Articles of Association have been amended to the effect that the total number of authorized shares of the Company shall be reduced to 22,823,794 shares, subject to the approval of the stock consolidation and the effect thereof. This total number of authorized shares will be newly set at 65,000,000 shares, and Article 6 of the current Articles of Association will be amended to reflect this point in the Articles of Association. The increase in the number of authorized shares is set within a

possible limit in order to prepare for the possibility of issuing additional shares in the future.

(2) Details of the changes

The changes are as follows.

The underlined parts indicate changes.

Existing Articles of Incorporation	Modification Proposal
(Total number of shares authorized) Article 6 The total number of authorized shares of the Company shall be <u>228,237,948</u> .	(Total number of shares authorized) Article 6 The total number of authorized shares of the Company shall be <u>65,000,000</u> .

(3) Schedule

Friday 28 June 2024 (Plan)	Extraordinary General Meeting
Thursday 1 August (Plan)	Effective Date

3. Partial amendment to the Articles of Association (Change of purpose (current Articles of Association, Chapter 1, Article 2))

(1) Reasons for the proposal

The Company has decided to take on the challenge of new business opportunities in view of the future scope of business and development into new fields, and therefore, it is proposed to add a business purpose to Article 2 (Purpose) of the current Articles of Association and to renumber 27 to 29 in line with the new establishment.

(2) Details of the changes

The changes are as follows.

Underlined parts indicate changes.

Existing Articles of Incorporation	Modification Proposal
Chapter1: General Provision (Objectives) Chapter 2 Purpose of the Company is to carry on the following businesses and to control and manage the business activities of the following companies and foreign companies by owning shares or interests in them	Chapter1: General Provision (Objectives) Chapter 2 (Same as present)
1.~26. (Omission of the article) (Newly created)  (Newly created)  (Newly created)  <u>27. ~ 29.</u> (Omission of the article)	1.~26. (Same as present) <u>27. Investing in, holding and managing Bitcoin</u> <u>28. Asset management using Bitcoin</u> <u>29. General work related to and associated with Bitcoin</u> <u>30.~32.</u> (Articles 27 to 29 of the present Articles of Association as at present, after moving the number of issues down by three.)

4. Schedule

Extraordinary General Meeting of Shareholders for Amendments to the Articles of Incorporation: Friday, June 28, 2024 (planned)

Effective Date of Amendments to the Articles of Incorporation: Friday, June 28, 2024  
(planned)

Appendix.

FAQ regarding Stock Consolidation

Q1: What is a stock consolidation?

A1: A stock consolidation is an action stipulated in the Companies Act whereby a number of shares are combined into a smaller number of shares. At this time, the Company plans to consolidate 10 shares into one share.

Q2: What will happen to shareholders' shareholdings and voting rights?

A2: The number of shares held by shareholders after the reverse stock split will be the number of shares held multiplied by 1/10 (any fractional shares will be rounded down). The number of voting rights will be one voting right for every 10 shares held after the consolidation. Specifically, the number of shares held and the number of voting rights will be as follows:

	Before taking effect		After taking effect		
	Total of Outstanding Shares	Number of Voting Rights	Number of Shares Held	Number of Voting Rights	Fractional Shares
Ex (i)	10,000	100	1,000	10	Nil
Ex (ii)	1,000	10	100	1	Nil
Ex (iii)	100	1	10	Nil	Nil
Ex (iv)	5	Nil	0	Nil	0.5

\*If a stock consolidation results in fractional shares of less than one share (as in example (iv) above), all fractional shares will be disposed of by the Company in a lump sum or purchased as treasury shares, and the proceeds will be paid to the shareholders who hold the fractional shares in proportion to their fractional shareholding.

\*It is also possible to avoid fractional shares (as in example (iv) above) or shares of less than one unit (as in examples (iii) and (iv) above) resulting from a stock consolidation by using the buyback or additional purchase system for shares of less than one unit before the stock consolidation comes into effect. It is also possible to prevent the creation of less than one unit of shares (as in example (iii) and (iv)). For specific procedures, please contact the securities company with which the shareholder has dealings or the administrator of the Company's shareholder register as described below.

Q3: The stock consolidation will reduce the number of shares held by the company, but will this affect the value of the assets?

A3: The stock consolidation will result in shareholders owning one tenth of the company's shares, but the company's assets and capital status will not change before or after the stock consolidation. Therefore, apart from changes in the stock market and other factors, the asset value of the company's shares held by shareholders will not be affected by the stock consolidation. The share price after the stock consolidation will theoretically be 10 times the price before the stock consolidation.

Q4: How can fractional shareholders be avoided?

A4: It is possible to avoid the creation of fractional shares by using the buyback or additional purchase system for odd-lot shares before the stock consolidation takes effect (31 July 2024). For specific procedures, please contact the securities company with which the shareholder is in contact.

Q5: A stock consolidation will result in shares less than one unit. Can I buy back or purchase additional shares after the stock consolidation?

A5: After a stock consolidation, it is still possible to use the buyback or additional purchase system for shares of less than one unit. For specific procedures, please contact the securities company with which the shareholder has transactions.

**Q6. What is the investment unit (minimum investment amount)?**

A6. assuming, for example, a closing price of 35 yen on the Tokyo Stock Exchange as of 17 May 2024, the investment units before and after the reverse stock split are as follows:

Before consolidation 35 yen/share x 100 shares = 3,500 yen

After reverse stock split 350 yen/share x 100 shares = 35,000 yen

\*The share price will theoretically increase by a factor of 10 following the reverse stock split.

**Q7. What is the specific schedule for the future?**

A7. The specific schedule is planned as follows:

(i) Monday 20 May 2024 Resolution by the Board of Directors

(ii) Friday, 28 June 2024 (plan) Date of resolution of the Extraordinary General Meeting of Shareholders

(iii) Wednesday, 31 July 2024 (plan) Effective date of the share consolidation and the amendment to the Articles of Association (Article 6).

**Q8: Do the shareholders themselves have to follow any procedures?**

A8: No special procedures are required. Please contact your securities company for specific procedures when using the "purchase of shares less than one unit" or "additional purchase of shares less than one unit" system.

**-Further Enquiries-**

If you have any questions about the stock consolidation, please contact the securities company with which you have an account or the shareholder register administrator below.

**-Shareholder Register Administrator-**

2-8-4 Izumi, Suginami-ku, Tokyo, Japan

Stock Transfer Agency Department, Sumitomo Mitsui Trust Bank, Limited

Telephone number: 0120-782-031 (toll-free)

Hours: 9:00-17:00 (except Saturdays, Sundays and public holidays)