

March 6,2024

Company name: V-cube, Inc.  
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(Securities code: 3681; Tokyo Stock Exchange, Prime Market)  
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## Notice Concerning Issuing of Shares and Stock Acquisition Rights to Be Issued Through Third-Party Allotment

V-cube, Inc. (the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on March 6, 2024, to issue shares of common stock of the Company (the "Shares") and the 19th series of stock acquisition rights (the "Stock Acquisition Rights" or "SARs") through a third-party allotment (the "Third-Party Allotment"). The allottee of the Third Party Allotment is Long Corridor Alpha Opportunities Master Fund ("LCAO"), an Exempted Company in Cayman with Limited Liability incorporated in the British Cayman Islands, which is managed under a discretionary contract by Long Corridor Asset Management Limited (Hong Kong SFC registration number: BMW115) ("LCAM"), and MAP246 Segregated Portfolio (MAP246), a segregated portfolio of LMA SPC, a Segregated Portfolio Company incorporated in the British Cayman Islands. LCAO and MAP246, individually or collectively, are hereinafter referred to as the "Allottees".

### 1. Overview of offering

#### Outline of the issuance of the Shares

(1) Due date of payment	March 22, 2024
(2) Number of new shares to be issued	1,200,000 ordinary shares
(3) Amount to be paid in per share	280.8 yen per share
(4) Amount of funds to be raised	336,960,000 yen
(5) Method of offering or allotment (the Allottees)	Third-Party Allotment LCAO 960,000 shares MAP246 240,000 shares
(6) Other matters	Each of the above items is subject to the effectiveness of the notification under the Financial Instruments and Exchange Act

#### Outline of the issuance of the Stock Acquisition Rights

(1) Date of allotment	March 22, 2024
(2) Total number of stock acquisition rights	48,000 (100 shares per the SARs)
(3) Issue price	Total amount of 10,512,000 yen (219 yen per the SARs)
(4) Number of potential shares resulting from the issuance	4,800,000 shares (100 shares per the SARs)
(5) Amount of funds to be raised	Total amount of 1,657,872,000yen (Estimated net proceeds 1,610,024,320 yen) (Note) (Breakdown) Amount raised by the issue of SARs: 10,512,000 yen Amount raised by the exercise of the SARs: 1,647,360,000 yen

(6)	Exercise price	343.2 yen per share
(7)	Method of offering or allotment (the Allottees)	Third-Party Allotment LCAO 38,400 shares MAP246 9,600 shares
(8)	Other matters	The Company will enter into the Stock Acquisition Rights Subscription Agreement (the "Subscription Agreement") with the Allottees after the notification under the Financial Instruments and Exchange Act comes into effect. In the Subscription Agreement, the following details will be agreed. (i) The Company may at any time suspend the exercise of all or part of the SARs (the "Exercise Suspension") and The Company may, at any time after the effective date of the Exercise Suspension, permit the Allottees to resume the exercise of all or part of the SARs. (ii) The Company may, in certain cases, acquire the SARs by notifying or publicly notifying the Allottees. (iii) The Allottees may not transfer the SARs without the Company's approval.

(Note) The amount to be raised by the exercise of the SARs is based on the assumption that all SARs are exercised at the initial exercise price. If the exercise price is amended or adjusted, the amount of funds raised will increase or decrease. The amount of funds to be raised will decrease if the SARs are not exercised within the exercise period or if the SARs acquired by the Company are cancelled.

## 2. Purpose and reason for offering

The Company provides visual communication tools and services to realize remote-based communication DX, and products and related services to support the realization of teleworking establishment, mainly in three businesses: Enterprise DX business, Event DX business and Third-place DX business.

The Enterprise DX business supports DX in internal and external communication, mainly for companies and government agencies, and includes general-purpose web conferencing systems, disaster prevention solutions, wearable devices and provision and operational support of software to support the development of embedded video services for client companies. The Event DX business supports online events in a variety of fields, providing seminar delivery software and operational support such as online event design, on-the-day delivery support and post-event data analysis. The Third Place DX business provides and supports the operation of third places different from home and office, mainly by providing "Telecube" to companies and public spaces and developing management and operation systems for work booths in public spaces.

We have been working to solve social issues by discovering new value for an ever-changing society and creating businesses to achieve its mission of "Provide Even Opportunity to Everybody". The global onset of the COVID-19 that began in 2020 has led to major changes in social structures and the rapid spread of remote working, creating new challenges regarding the way people work. Against this backdrop, in addition to the development investments made to date, investments to increase the capacity of personnel and equipment were actively pursued. In June 2021, in order to expand the Event DX business in the United States, the world's largest market, we carried out a business merger with Xyvid, Inc (Xyvid) which operates an online event business similar to ours.

However, although the remote culture is steadily taking root in Japan as restrictions on behavior are eased and economic activity normalizes, fixed costs, mainly labor costs, which expanded to meet the rapid increase in social demand in the COVID-19 pandemic, became a factor that reduced profitability, and management rationalization measures were implemented in 2023, mainly through the buyouts. In addition, the US experienced a sharp swing back from the second half of 2022, resulting in a return from online events to face-to-face events, which led to a continued underachievement of performance against plan.

As a result of the above circumstances, as announced on 14 February 2024 in the "Notice of Extraordinary Loss (Impairment Loss), Reversal of Deferred Tax Assets, Difference between Earnings Forecast and Actual Results, Expected Breach of Financial Covenants, and Reduction of Executive Compensation", the Company recorded a net loss attributable to owners of the parent company in the financial year, mainly due to an impairment of goodwill of consolidated subsidiary Xyvid, resulting in a decrease in consolidated net assets, which is expected to breach the financial covenants in the loan agreements concluded with financial institutions.

In this regard, the Company has further strengthened its cooperation with the financial institutions and has obtained their agreement not to apply the acceleration clause with regard to the breach of the financial covenant in this case. However, in view of the level of outstanding borrowings of JPY 8,483 million and the equity ratio of 5.0% on the consolidated balance sheet at the end of FY2023, we were strongly aware of the need to implement measures to improve the Company's financial position in consultation with financial institutions. On the other hand, in addition

to the need for ongoing R&D investment in order to provide new value offerings in the post-COVID-19, we also recognize the need for investment to meet the growing demand for hybrid events.

Following the management rationalization measures implemented in 2023, the Company will continue with measures for thorough cost reduction, including cost improvement, and selection and concentration on self-developed products, and will rebuild its management base with further improvements in profitability. The current financing will be used to strengthen the financial base for the Group's future growth. By restoring and enhancing corporate value, the Company will strive to maximize the interests of its shareholders and other stakeholders.

### 3. Amount and use of funds to be procured, and scheduled timing of expenditure

#### (1) Amount of funds to be procured

(i)	Total amount to be paid in	1,994,832,000 yen
(ii)	Estimated amount of issuance costs	47,847,680 yen
(iii)	Estimated net proceeds	1,946,984,320 yen

#### (Note)

1. The total amount to be paid in is the sum of the total issue price of the Shares of 336,960,000yen, the total issue price of the SARs of 10,512,000yen and the amount to be paid upon exercise of the SARs of 1,647,360,000yen, which is 1,657,872,000 yen. If the SARs are not exercised within the exercise period, the above estimated net amount may decrease.
2. The estimated amount of issuance costs are the sum of arrangement fees to the securities company, legal fees, fees for calculating the value of the SARs, corporate research fees and other administrative fees (e.g. fees for preparing the securities registration statement, handling bank fees and registration fees for changes).
3. The estimated amount of issuance costs do not include consumption tax.

#### (2) Specific use of funds to be raised

The specific use of the estimated net proceeds 1,946,984,320 yen to be raised by the Third-Party Allotment is planned as follows. Until the funds are used for the following purposes, such funds will be managed in bank deposits.

	Specific use of funds	Amount (Millions of yen)	Scheduled timing of expenditure
(i)	R&D investment funds	590	From Mar.2024 to Dec.2024
(ii)	Reduction of interest-bearing debt to improve financial position	1,276	From Mar,2024 to Dec.2024
(iii)	Funds for capital investment in a hybrid studio	80	Mar.2024
	Total	1,946	

(Note) The order of priority for allocating the Fundraising is (iii), (i) and (ii), in that order.

Details on each of the uses of funds listed in the table above are as follows.

#### (i) R&D investment funds

The company has continuously invested in development, mainly in general-purpose web conferencing and online event products, but in recent years, in addition to these, the company has been developing products specifically for industries and applications that have been further broadened in the impact of the COVID-19. The funds will be used to expand the functionality of the V-CUBE Communication Platform (VCP), which is the main product in the provision of event digital marketing services, as well as to promote DX of events through generation AI and data utilization to provide new value in the post-COVID-19, and to fund R&D investment for new high-value added platforms using advanced technology. The VCP is also a low-code development platform, designed to enable new services to be built in a short development time. Developing products and services with the ability to respond quickly to unforeseen situations, such as the COVID-19, enhances business risk management and sustainability.

#### (ii) Reduction of interest-bearing debt to improve financial position

The balance of borrowings on the Company's consolidated balance sheet at the end of FY2023 was JPY 8,483 million and the equity ratio was 5.0%. In particular, the acquisition of Xyvid in the amount of JPY 3,649 million was refinanced with a syndicated loan in November 2023, but the impairment of goodwill arising from the acquisition of Xyvid and reversal of deferred tax assets resulted in damage to consolidated net assets and a decline

in the equity ratio, and the need to strengthen and stabilize the financial structure arose. The Company intends to use the funds for the reduction in interest-bearing debt to improve its financial position by reducing the interest burden and maintaining a balance between debt and equity.

(iii) Funds for capital investment in hybrid studios

The Company has its own studios, Platinum Studio in Tokyo and Royal Studio in Osaka, for the provision of online events, its main business, but since the post-COVID-19, demand for hybrid events that allow both face-to-face and online participation has increased. In March 2023, the Company acquired the “Evemon” business, the corporate event planning and management business of Tameny Art Works Inc., which specializes in hybrid events. The funds will be used to invest in the refurbishment of some of the existing meeting rooms at the head office, which have seen a decline in utilization due to changes in working style following the COVID-19, into a dedicated hybrid event studio, with the aim of further growing the online events business linked to this business.

4. Views concerning rationality of use of funds

The Company believes that this third-party allotment is a reasonable one that contributes to improving shareholder value. Because the funds raised through the third-party allotment will be used for the purposes described above in "3. Amount and use of funds to be procured, and scheduled timing of expenditure (2) Specific use of funds to be raised" to establish a foundation for future growth and to improve corporate value over the medium to long term.

5. Rationality of issuance conditions, etc.

(1) Basis of calculation and specific details of the amount to be paid in

(i) The Shares

By taking into consideration the share price trend of the Company's shares, stock market trends, the number of shares to be issued as a result of this issuance of shares, and other factors, and upon consultation with the Allottees, the amount to be paid in for the Share Issue is set at 280.8 yen (rounded up to the second decimal place), which is 90% of 312 yen, the closing price of the Company's ordinary shares on the Prime Market of the Tokyo Stock Exchange on March 5, 2024, the trading day immediately preceding the date of the Board of Directors resolution on the Share Issue (hereinafter referred to as the "Closing Price").

The Company believes that, while taking into account the risk of a fall in the share price due to dilution of the shares resulting from the Share Issue and based on the Company's financial situation and performance trends in the previous financial year (FY2023), the Shares Issue will contribute to improve the Company's corporate value and ultimately shareholder value as a means of enabling the Company to raise the necessary funds to achieve further growth in the future while maintaining a sound financial base. .

The amount complies with the JSDA's "Guideline for the Handling of Third-Party Allotments" in which the amount to be paid in is not less than the price on the day immediately preceding the date of the Board resolution multiplied by 0.9. Given the above, the Company considers that the amount paid in is not particularly favorable.

The amount shall be discount of 9.13% on the simple average closing price of 309 yen for the last one month up to the trading day immediately preceding the date of the Board resolution (From Feb.6,2024 to Mar.5,2024), discount of 8.83% on the average closing price of 308 yen for the last three month (From Dec.6,2023 to Mar.5,2024), discount of 17.89% on the average closing price of 342 yen for the last six month (From Sep.6,2023 to Mar.5,2024). (Calculation of discount rate or premium rate is rounded up to second decimal place).

In addition, the Company has received an opinion from the Company's Audit & Supervisory Committee that the amount to be paid in for the Shares is not particularly advantageous to the Allottees and is lawful, as it is based on the market price, which is an objective value representing the value of the Company's ordinary shares, and is calculated in accordance with the JSDA's 'Guidelines for the Handling of Third Party Allotments'.

(ii) The Stock Acquisition Rights

The Company has appointed a third-party valuation institution, Plutus Consulting Co., Ltd. ("Plutus Consulting") (2-5, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo, CEO: Mahito Noguchi) to value the SARs, considering the terms of the SARs issue and the various conditions set out in the Subscription Agreement.

Plutus Consulting has carried out the valuation of the SARs, considering the terms and conditions of issue of the SARs, based on the Monte Carlo simulation, which is a general price calculation model, and making certain assumptions considering the market environment on the valuation reference date (5 March 2024) and the rights exercise behavior of the Company and the Allottees. These assumptions include the exercise price (343.2 yen /share), exercise period (three years), share price of the Company's ordinary shares (312 yen /share), share price volatility of the Company's ordinary shares (49.31%), dividend yield (0%) and risk-free interest rate (0.187%).

The exercise price of the SARs of 343.2yen is a premium of 10.00% to the closing price of 312 yen of the TSE on the trading day immediately preceding the date of the Board resolution. And it is premium of 11.07% on the average

closing price of 309 yen for the last one month (From Feb.6,2024 to Mar.5,2024), premium of 11.43% on the average closing price of 308 yen for the last three month (From Dec.6,2023 to Mar.5,2024), premium of 0.35% on the average closing price of 342yen for the last six month (From Sep.6,2023 to Mar.5,2024).

On this basis, the Company has set the amount to be paid for one of the SARs at 219yen, following discussions with the Allottees, with reference to the valuation (219 yen per the SARs) calculated by the valuation institution on the basis of the assumptions mentioned above. In determining the issue price of the SARs, the calculation results of the valuation institution are considered to be a reasonable fair price, as it has taken into account events that may affect the fair value of the SARs as assumptions and calculated the fair value using the Monte Carlo simulation method commonly used to calculate the valuation of the SARs. The issue price of the SARs, which has been determined at a level that is not significantly below such valuation, does not constitute a favorable issue and is considered to be a fair and reasonable price.

In addition, the Company's Audit & Supervisory Committee has given its opinion that the issue price of the SARs is not particularly favorable to the Allottees and is lawful in light of the basis for the above calculation.

(2) Basis of judgment that the issuance quantity and impact of dilution are reasonable

The total number of shares (6,000,000 shares (60,000 voting rights)) is the sum of 1,200,000 newly issued shares (12,000 voting rights) in the Share Issue and the 4,800,000 shares (48,000 voting rights) to be delivered if all the Stock Acquisition Rights are exercised. The dilution ratio in relation to the Third-Party Allotment, using the total number of issued shares of the Company 24,737,400 (number of voting rights 242,357) as of December 31, 2023, as the denominator, would be 24.25% (the dilution ratio based on voting rights is 24.76%). The Third-Party Allotment will therefore result in a certain degree of dilution. However, the Company believes that, although such dilution will occur, it will be possible to strengthen and expand the Company's business base and improve the medium- and long-term corporate and shareholder value of the Company by using the funds raised through the Third Party Allotment for the use of the funds mentioned above, and that the Third Party Allotment will be of sufficient benefit to existing shareholders even taking into account the dilution that will result from it.

6. Reason for selection of the Allottees, etc.

(1) Overview of the Allottees

< LCAO > (Note1)

(1) Name	Long Corridor Alpha Opportunities Master Fund	
(2) Location	PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands	
(3) Basis of establishment, etc.	A limited partnership under the Cayman Islands Exempted Limited Partnership Law	
(4) Purpose of formation	Investment	
(5) Date of formation	March 11, 2013	
(6) Total investment amount	Approx USD 218 million (as of 30 June 2023)	
(7) Investors, investment ratio, and overview of investors	Long Corridor Alpha Opportunities Feeder Fund, 100%	
(8) Overview of operating partners	Name	Long Corridor Asset Management Limited
	Location	Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong SAR
	Job title and name of representative	Director : James Tu
	Description of business	Investment
	Share capital	8,427,100 Hong Kong dollars

(9) Overview of Japanese agent	Name	N/A
	Location	N/A
	Job title and name of representative	N/A
	Description of business	N/A
	Share capital	N/A
(10) Relationship between the Company and said fund	Relationship between the Company and said fund	N/A
	Relationship between the Company and operating partners	N/A
	Relationship between the Company and Japanese agent	N/A

< MAP246 > (Note1)

(1) Name	MAP246 Segregated Portfolio, a segregated portfolio of LMA SPC	
(2) Location	Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands	
(3) Basis of establishment, etc.	Segregated Portfolio of the Segregated Portfolio Company under the Cayman Islands Exempted Limited Partnership Law	
(4) Purpose of formation	Investment	
(5) Date of formation	August 11, 2019	
(6) Total investment amount	Not stated due to non-consent to disclosure (Note 2)	
(7) Investors, investment ratio, and overview of investors	Not stated due to non-consent to disclosure (Note 2)	
(8) Overview of operating partners	Name	Long Corridor Asset Management Limited
	Location	Unit 3609, AIA Tower, 183 Electric Road, North Point, Hong Kong SAR
	Job title and name of representative	Director : James Tu
	Description of business	Investment
	Share capital	8,427,100 Hong Kong dollars
(9) Overview of Japanese agent	Name	N/A
	Location	N/A
	Job title and name of representative	N/A
	Description of business	N/A
	Share capital	N/A

(10) Relationship between the Company and said fund	Relationship between the Company and said fund	N/A
	Relationship between the Company and operating partners	N/A
	Relationship between the Company and Japanese agent	N/A

(Note1)

The Company requested Security & Research Corporation (16-6, Akasaka 2-chome, Minato-ku, Tokyo, Representative Director: Hisatsugu Haneda), a third-party research organization, to investigate whether the parties related to the allottees have any relationship with anti-social forces. (The parties related to the allottees are (1) LCAO, MAP246 and LCAM; (2) the investors and directors of LCAO and MAP246; and (3) the investors and directors of LCAM.) As a result, there were no reports of any of the parties related to the allottees being anti-social forces or having any kind of relationship with anti-social forces. In view of the above, the Company has determined that the allottee is not related to any anti-social forces and has submitted a written confirmation to that effect to the Tokyo Stock Exchange.

(Note2)

The total investment amount in MAP246, investors, investment ratio, and overview of investors are not stated as consent for disclosure has not been obtained, although the Company, through Cantor Fitzgerald Securities, has confirmed this with Mr Kenichiro Nishi, Investment Advisor of LCAM and Japanese representative of Long Corridor Global Asset Management. As for the reason for not giving consent for disclosure, we were told that this is due to confidentiality obligations under the confidentiality agreement signed between MAP246 and LCAM.

## (2) Reason for selection of the Allottees

In raising the funds, the Company has considered various funding method. In this context, Cantor Fitzgerald Securities, which has a global investor network and an established reputation for its ability to arrange finance in Japan, made a proposal to the Company regarding its capital policy. Among the overseas institutional investors selected through Cantor Fitzgerald Securities as investors who are expected to have high investment decision-making ability and risk tolerance, LCAM was introduced as an institutional investor that has the analytical ability to fully understand the Company's management environment and future business policies and is likely to be able to offer the most favorable conditions for the Company in terms of raising the amount of money required by the Company. And we received a proposal from LCAM for a third-party allotment to LCAO and MAP246, which are managed by LCAM through Cantor Fitzgerald Securities. Then, we informed LCAM of our business environment, future business policy and funding needs, and LCAM made a specific proposal for this scheme that met our funding needs.

According to documents received from Cantor Fitzgerald Securities and an interview with Mr Kenichiro Nishi, the Japanese representative of Long Corridor Global Asset Management, LCAM's Investment Advisor, LCAM's main source of funding is from funds of funds that manage US pensions and university endowments, enabling it to flexibly consider investments and investment patterns based not only on short-term performance trends but also on an assessment of the direction of medium- to long-term business strategies and the business environment. Furthermore, as it is a friendly pure investor who is not involved in management in any way, the Company has determined that it is appropriate as the allottee. The Scheme, as proposed by LCAM, was judged to be an effective means of raising funds in that it would enable the Company to raise a certain amount of funds required by the Company at the time of issue, taking into account the medium- to long-term business growth of the Company and the future upward phase of the Company's share price, as well as raise additional funds without having an excessive impact on existing shareholders, while limiting any temporary impact on the share price.

LCAM has sufficient knowledge and experience in transactions of the same type as the Third Party Allotment, as it has a great deal of experience in underwriting the issue of ordinary shares and subscription rights through third party allotment. Furthermore, the allottee's understanding of our business strategy, business development, need for funds and timing, etc. Taking all these factors into consideration, the Company has concluded that LCAO and MAP246, which are managed by LCAM under a discretionary agreement, are suitable allottees for this project.

For the above reasons, we have decided to adopt this proposal and to appoint LCAO and MAP246, which are managed by LCAM under a discretionary agreement, as the Allottees.

(3) Holding policy of scheduled allottee

There are no arrangements with LCAO and MAP246, the allottees, for the continued holding or deposit of the Company shares to be allotted through the Share Issue and the exercise of the Stock Acquisition Rights. The allottee's holding policy with regard to the Company shares to be allotted through the Share Issue and the exercise of the Stock Acquisition Rights is pure investment, as confirmed orally by Long Corridor Global Asset Management, LCAM's Investment Advisor, who is entrusted with the allottee's asset management. In discussions between [directors of the Company] and LCAM, it was orally confirmed that the Company shares allocated through the Share Issue and the exercise of the Stock Acquisition Rights may be sold by the Allottees in a timely manner, taking into account market conditions and other factors, on the assumption that the Allottees will minimize any negative impact on the share price by selling the shares on the market or by other methods.

The Company intends to obtain written assurances from the Allottees that, if the Allottees transfer all or part of the Company shares allotted under the Share Issue within two years of the payment date, they will report the details of such transfer in writing to the Company, that the Company will report the details of such report to the Tokyo Stock Exchange and that the Company will agree to make the details of such report available for public inspection.

(4) Confirmation of existence of assets required for the Allottees to make payment

The Company has reviewed the audited financial statements of Ernst & Young for the year ended 31 December 2022 for LCAO among the allottees and the balance certificates as of Feb.21, 2024, Feb.22, 2024 and Feb.23, 2024 from several prime brokers backing the assets held by LCAO. The Company has verified the amounts of deposits and withdrawals on the cash flows shown in the LCAO's financial documents and the balance of funds currently under management by the LCAO.

Also, the Company has reviewed the audited financial statements of Grant Thornton for the year ended 31 December 2022 for MAP246 among the allottees and the balance certificates as of Feb.21, 2024, Feb.22, 2024 and Feb.23, 2024 of the prime brokers backing the property held by MAP246. The Company has verified the amounts of deposits and withdrawals on the cash flows shown in the MAP246's financial documents and the balance of funds currently under management by the MAP246.

Therefore, the Company has determined that there are no problems with regard to the availability of funds required for the payment for the Third Party Allocation and the exercise of the SARs.

(5) Agreements on Borrowing and Lending of Share Certificates and Other Securities

No agreements have been or will be concluded between the Company, its directors, or major shareholders and the allottees in relation to the shares of the Company in relation to share certificate lending.



## 7. Major shareholders and ownership ratio after the offering

Before the offering (As of Dec.31,2023)	
Naoaki Mashita	12.88%
The Master Trust Bank of Japan,Ltd.	8.75%
Tommy Consulting Inc.	2.75%
V-cube Inc.	1.89%
Masaya Takada	1.28%
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	1.26%
Custody Bank of Japan, Ltd.	1.14%
Ryota Iwamoto	1.01%
Hirofumi Yamauchi	0.89%
JPMorgan Securities Japan Co., Ltd.	0.74%

(Note1)

The ownership ratios before the offering are based on the total number of shares outstanding (including treasury shares) as of Dec. 31, 2023.

(Note2)

The major shareholders and their ownership ratios after the offering are not stated, as the Allottees have stated that its policy for holding the shares to be acquired through the allotment of the Shares and exercise of the Stock Acquisition Rights is pure investment and that they have no intention to intervene in the management of the Company or become controlling shareholders, and that they will sell the acquired Company shares, considering market trends as far as possible.

## 8. Future outlook

The impact of the third-party allotment on the forecast for the current financial year will be minimal, but if any matters requiring disclosure arise in the future, we will promptly make announcement.

## 9. Matters concerning the procedure required by the corporate code of conduct

This third-party allotment does not require the procurement of an opinion from an independent third party or require procedures for confirming the intent of shareholders, which are provided for under Rule 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, because (i) the dilution ratio is less than 25% and (ii) this third-party allotment does not involve a change in controlling shareholder.

## 10. Operating results and status of equity finance executed for the last three years

(1) Operating results for the last three years (Consolidated)

(Millions of yen, unless otherwise noted)

	Fiscal year ended Dec.31,2021	Fiscal year ended Dec.31,2022	Fiscal year ended Dec.31,2023
Consolidated net sales	11,493	12,229	11,084
Consolidated operating profit	1,351	675	△156
Consolidated ordinary profit	1,232	612	△275
Profit attributable to owners of parent	1,324	84	△5,623
Consolidated earnings per share (Yen)	54.68	3.49	△231.68
Dividend per share (Yen)	8.00	4.00	0.00
Consolidated net assets per share (Yen)	207.92	243.12	25.62

(2) Current number of issued shares and potential shares (As of Dec. 31, 2023)

	Number of shares	Ratio to the number of issued shares
Number of issued shares	24,737,400 shares	100%
Number of potential shares at current conversion price (exercise price)	1,490,000 shares	6.02%

(3) Status of recent share prices

(i) Status for the last three years

(Yen)

	Fiscal year ended Dec.31,2021	Fiscal year ended Dec,31.2022	Fiscal year ended Dec,31.2023
Opening price	3,125	1,075	720
Highest price	3,585	1,461	772
Lowest price	1,000	671	288
Closing price	1,058	715	320

(ii) Status for the last six months

(Yen)

	Oct.2023	Nov.2023	Dec.2023	Jan,2024	Feb.2024	Mar.2024
Opening price	395	359	331	316	303	317
Highest price	402	394	334	322	345	321
Lowest price	331	330	288	296	262	304
Closing price	357	331	320	308	315	312

(Note) The status in March 2024 is shown as of 5 March 2024.

(iii) Share prices on the business day immediately preceding the date of resolution for issuance

(Yen)

	Mar.5,2024
Opening price	316
Highest price	316
Lowest price	304
Closing price	312

(4) Status of equity finance executed for the last three years

Not applicable