



August 23, 2024

Company Name: HEROZ, Inc.

Name of Representatives:

Takahiro Hayashi,

Chief Executive Officer:

Stock Code: 4382, TSE Standard Market

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Chief Financial Officer

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Notice Concerning Issuance of New Shares as Remuneration for Restricted Stock

The Company hereby announces that its Board of Directors, at a meeting held today, resolved to issue new shares of common stock (the "New Share Issuance") as compensation for restricted stock as follows.

1. Outline of Issuance

(1) Payment date	September 19, 2024
(2) Type and number of shares to be issued	Common stock of the Company 28,580 share
(3) Issue price	1,107 yen per share
(4) Total amount of issue	31,638,060 円
(5) Allottees	Director of the Company (※) 4 persons 12,648 share Executive Officer of the Company 2 persons 4,518 share Employees of the Company 32 persons 11,414 share ※ Excluding Directors who are Audit Committee Members and Outside Directors.

2. Purpose and Reason for Issuance

At the 15th Ordinary General Meeting of Shareholders of the Company to be held on July

27, 2023, the Board of Directors of the Company (excluding directors who are members of the Audit and Supervisory Committee and outside directors. Hereafter, the "Subject Directors") will share the benefits and risks of stock price fluctuations with shareholders. The Company resolved at the 15th Ordinary General Meeting of Shareholders held on July 27, 2023, to introduce a stock compensation plan (the "Plan") under which the Company's directors (excluding directors who are members of the Audit Committee and outside directors) will be granted shares with restrictions on their transfer in order to share the benefits and risks of stock price fluctuations with shareholders and to increase their motivation to contribute to share price growth and corporate value improvement more than ever before. The total amount of monetary compensation claims to be paid to the Subject Directors as compensation for shares with transfer restrictions under the Plan shall be set at no more than 35 million yen per year, the total number of shares with transfer restrictions to be allotted to the Subject Directors in each fiscal year shall be limited to 30,000 shares, and the period of restriction on transfer of shares with transfer restrictions shall be from the date of delivery of the shares with transfer restrictions to the date of retirement or resignation from any position of director, executive officer, or employee of the Company.

Today, the Company's Board of Directors resolved that a total of 31,638,060 yen in monetary compensation claims will be paid to four(4) Subject Directors, two(2) executive officers and 32 employees of the Company(hereinafter collectively referred to as the "Allottees"; among the Allottees, "Allottee I" for the Subject Directors and executive officers, and "Allottee II" for the employees of the Company), and that the Allottees will receive all of the said monetary compensation claims by way of contribution in kind and that 28,580 shares of common stock of the Company will be allotted as specified restricted transferable shares. Such restricted stock will be allocated to the subject directors and executive officers as restricted stock compensation for the period from our 16th annual general meeting of shareholders to our 17th annual general meeting of shareholders to be held in July 2025, and to our employees as restricted stock compensation for the period from our 16th annual general meeting of shareholders to our 19th annual general meeting of shareholders to be held in July 2027.

The amount of the monetary compensation claims for each allottee was determined based on comprehensive consideration of various matters, including the contribution level of each allottee to the Company. The monetary compensation claims are subject to the condition that each Allottee enters into a restricted stock allotment agreement with the Company (the "Allotment Agreement"), which includes, in summary, the following terms and conditions. (the following details)

There are two types of restricted transferable shares under this plan: "Restricted

Transferable Shares I" to be allocated to Allottee I and "Restricted Transferable Shares II" to be allocated to Allottee II.

3. Summary of the Allotment Agreement (Restricted transfer period)

During the restricted transfer period set forth below (hereinafter referred to as the "Restricted Transfer Period") (i) During the Restriction Period set forth below (hereinafter referred to as the "Restriction Period"), the Allottee shall hold the Restricted Shares I (hereinafter referred to as "Allotted Shares I") or Restricted Shares II (hereinafter referred to as "Allotted Shares II") allotted to the Allottee. The Allottee may not transfer, pledge, grant a security interest in, make a living gift, bequeath, or otherwise dispose of (hereinafter referred to as "Restriction on Transfer") Restricted Transfer Shares I (hereinafter referred to as "Allotted Shares I") or Restricted Transfer Shares II (hereinafter referred to as "Allotted Shares II") to any third party. The following restrictions shall apply.

i. Restricted Transfer Shares I

From September 19, 2024, to the day when Allottee I retires or resigns from any position as a director, executive officer, or employee of the Company (However, if the date of such resignation or retirement is on or before July 31, 2025, it shall be August 1, 2025.). Hereinafter, this shall be referred to as the "Restricted Transfer Period I".

ii. Restricted Transfer Shares II

During the period from September 19, 2024, to September 18, 2027 (hereinafter referred to as the "Restricted Period II")

4. Basis for calculation of the amount to be paid in and specifics thereof.

To eliminate arbitrariness, the issue price for this new share issue is set at 1,107 yen, which is the closing price of our common stock on the Tokyo Stock Exchange on the business day (August 22, 2024) immediately prior to the date of resolution by our Board of Directors. This is the market share price immediately prior to the date of resolution by the Company's Board of Directors and is not considered to be a reasonable and particularly favorable price.