



August 22, 2025

Company Name: HEROZ, Inc.

Name of Representatives:

Takahiro Hayashi,

Chief Executive Officer:

Stock Code: 4382, TSE Standard Market

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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, 2025
(2) Type and number of shares to be issued	Common stock of the Company 33,257 share
(3) Issue price	1,116 Yen per share
(4) Total amount of issue	37,114,812 Yen
(5) Allottees	Director of the Company (※) 4 persons 16,132 share Executive Officer of the Company 2 persons 4,482 share Employees of the Company 33 persons 12,643 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 37,114,812 Yen in monetary compensation claims will be paid to four(4) Subject Directors, two(2) executive officers and 33 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 33,257 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 17th annual general meeting of shareholders to our 18th annual general meeting of shareholders to be held in July 2026, and to our employees as restricted stock compensation for the period from our 17th annual general meeting of shareholders to our 20th annual general meeting of shareholders to be held in July 2028.

The monetary compensation claims for each allottee have been determined based on a comprehensive evaluation of their contributions to the Company. The resulting dilution from this issuance is minimal, at 0.22% of the total issued shares (15,174,468 shares as of August 21, 2025, rounded to the third decimal place). This is deemed reasonable given the purpose of the plan, which aims to align the interests of directors, executive officers, and employees with shareholders by sharing stock price fluctuation risks and enhancing motivation to improve corporate value.

The payment of monetary compensation claims is conditional upon each allottee entering into a Restricted Stock Allotment Agreement with the Company, which includes key terms summarized below.

The plan consists of two types of restricted stock: "Restricted Stock I" for Allottee I and "Restricted Stock II" for Allottee II.

3. Summary of the Allotment Agreement

Clause 1: Restricted transfer period

During the restricted transfer period specified below (hereinafter referred to as the "Restricted Transfer Period"), the allottee shall not transfer, pledge, create a security interest, make a living gift, bequeath, or otherwise dispose of the Restricted Shares I (hereinafter referred to as the "Allotted Shares I") or Restricted Shares II (hereinafter referred to as the "Allotted Shares II") allotted to them in any way to any third party (hereinafter referred to as the "Restriction on Transfer").

i. Restricted Transfer Shares I

The restricted transfer period for the Allotted Shares I (hereinafter referred to as the "Restricted Transfer Period I") shall be from September 19, 2025, until the date on which the allottee resigns or retires from all positions as a director, executive officer, or employee of the Company.

ii. Restricted Transfer Shares II

ii. Restricted Shares II

The restricted transfer period for the Allotted Shares II (hereinafter referred to as the "Restricted Transfer Period II") shall be from September 19, 2025, to September 18, 2028.

Clause 2: Gratis Acquisition of Restricted Shares

i. Restricted Shares I

The Company shall automatically acquire the Allotted Shares I without compensation at the time the allottee I resigns or retires from any position as a director, executive officer, or employee of the Company, if such resignation or retirement occurs on or before the day prior to the date of the first Ordinary General Meeting of Shareholders of the Company held after the commencement date of the Restricted Transfer Period I, unless there is a valid reason recognized by the Company's Board of Directors.

Furthermore, if there are any Allotted Shares I for which the transfer restrictions have not been lifted under the provisions of Clause 3 regarding the conditions for lifting transfer restrictions as of the expiration of the Restricted Transfer Period I (hereinafter referred to as the "Expiration Date I"), the Company shall automatically acquire such shares without

compensation immediately after the Expiration Date I.

ii. Restricted Shares II

The Company shall automatically acquire the Allotted Shares II without compensation at the time the allottee II resigns or retires from any position as a director, executive officer, or employee of the Company, if such resignation or retirement occurs on or before the day prior to the date of the 20th Ordinary General Meeting of Shareholders of the Company, scheduled to be held in July 2028, unless there is a valid reason recognized by the Company's Board of Directors.

Furthermore, if there are any Allotted Shares II for which the transfer restrictions have not been lifted under the provisions of Clause 3 regarding the conditions for lifting transfer restrictions as of the expiration of the Restricted Transfer Period II (hereinafter referred to as the "Expiration Date II"), the Company shall automatically acquire such shares without compensation immediately after the Expiration Date II.

Clause 3: Lifting of Transfer Restrictions

i. Restricted Shares I

The Company shall lift the transfer restrictions on all of the Restricted Shares I held by Allottee I at the expiration of the Restricted Transfer Period I (hereinafter referred to as the "Expiration Date I"), provided that Allottee I has continuously held a position as a director, executive officer, or employee of the Company from the commencement date of the Restricted Transfer Period I until the date of the first Ordinary General Meeting of Shareholders of the Company held thereafter.

However, if Allottee I resigns or retires from all positions as a director, executive officer, or employee of the Company on or before the day prior to the date of the first Ordinary General Meeting of Shareholders of the Company after the commencement date of the Restricted Transfer Period I, for a reason deemed valid by the Board of Directors, the Company shall, immediately after such resignation or retirement, lift the transfer restrictions on a number of Restricted Shares I calculated as follows:

The number of months from August 2025 to the month of resignation or retirement (inclusive) divided by 12, multiplied by the number of Restricted Shares I held by Allottee I at that time (any fractional shares resulting from this calculation shall be rounded down).

ii. Restricted Shares II

The Company shall lift the transfer restrictions on all of the Restricted Shares II held by Allottee II at the expiration of the Restricted Transfer Period II (hereinafter referred to as the "Expiration Date II"), provided that Allottee II has continuously held a position as a director, executive officer, or employee of the Company from the commencement date of

the Restricted Transfer Period II until the date of the 20th Ordinary General Meeting of Shareholders of the Company, scheduled to be held in July 2028.

However, if Allottee II resigns or retires from all positions as a director, executive officer, or employee of the Company on or before the day prior to the date of the 20th Ordinary General Meeting of Shareholders of the Company after the commencement date of the Restricted Transfer Period II, for a reason deemed valid by the Board of Directors, the Company shall, immediately after such resignation or retirement, lift the transfer restrictions on a number of Restricted Shares II calculated as follows:

The number of months from August 2025 to the month of resignation or retirement (inclusive) divided by 36, multiplied by the number of Restricted Shares II held by Allottee II at that time (any fractional shares resulting from this calculation shall be rounded down).

Clause 4: Provisions Regarding the Management of Shares

The allottees shall open an account with SMBC Nikko Securities Inc. in accordance with the method specified by the Company and shall hold and maintain the Allotted Shares I and Allotted Shares II in such account until the transfer restrictions are lifted.

Clause 5: Handling in the Event of Organizational Restructuring, etc.

If, during the Restricted Transfer Period I or Restricted Transfer Period II, a proposal regarding a merger agreement under which the Company becomes the absorbed company, a share exchange agreement or share transfer plan under which the Company becomes a wholly-owned subsidiary, or any other organizational restructuring, etc. is approved at the Company's General Meeting of Shareholders (or by the Board of Directors if such approval by the General Meeting of Shareholders is not required for the organizational restructuring, etc.) (provided that the effective date of such organizational restructuring, etc. occurs before the Expiration Date I or Expiration Date II; hereinafter referred to as the "Approval of Organizational Restructuring, etc."), and as a result of such organizational restructuring, etc., the allottee resigns or retires from all positions as a director, executive officer, or employee of the Company, then the transfer restrictions shall be lifted as follows:

For Allottee I: The number of months from August 2025 to the month including the date of the approval of the organizational restructuring, etc., divided by 12 (if the result exceeds 1, it shall be capped at 1), multiplied by the number of Allotted Shares I held by Allottee I on the date of such approval.

For Allottee II: The number of months from August 2025 to the month including the date of the approval of the organizational restructuring, etc., divided by 36, multiplied by the number of Allotted Shares II held by Allottee II on the date of such approval. (Any fractional

shares resulting from the above calculations shall be rounded down.) The transfer restrictions on the calculated number of shares shall be lifted immediately prior to the close of business on the business day preceding the effective date of the organizational restructuring, etc.

Furthermore, at the time of the Approval of Organizational Restructuring, etc., the Company shall automatically acquire, without compensation, all remaining Allotted Shares I or Allotted Shares II for which the transfer restrictions have not been lifted as of the business day preceding the effective date of the organizational restructuring, etc.

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 1,116 Yen, which is the closing price of our common stock on the Tokyo Stock Exchange on the business day (August 21, 2025) 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.