HEROZ

Presentation Material for
FY04/2027 Q1 Financial Results

September 11, 2026

HEROZ, Inc. | 4382 |

Notice
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01

Financial Highlights

FY27 Q1 Financial Highlights

* Operating profit before goodwill amortization is disclosed as a key accounting metric from Q1.
Its FY04/2027 full-year forecast is newly disclosed in this release.

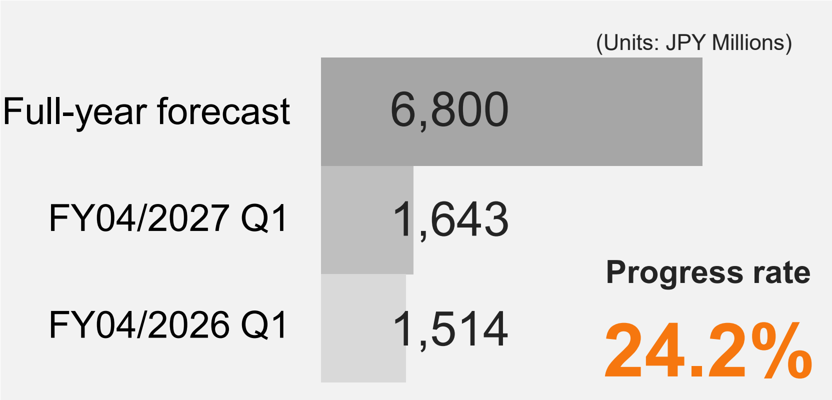
HEROZ

Performance Summary

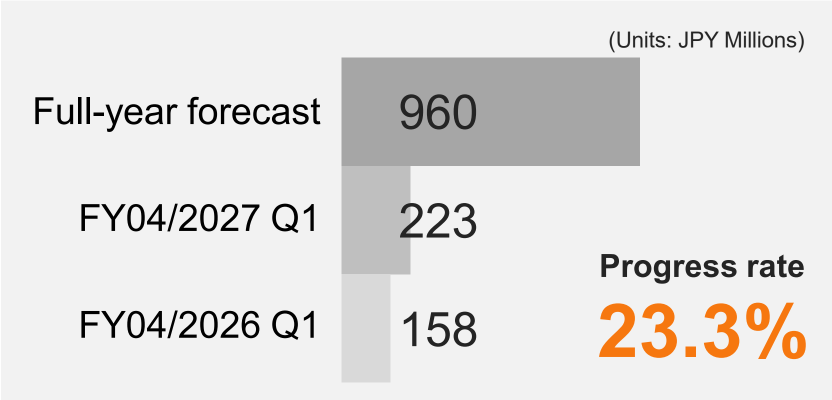
- Net sales **¥1,643mn (+8.5% YoY;** excluding the impact of the deconsolidation of StrategIT, the underlying growth rate was **+14.5%),** EBITDA **¥287mn (+25.4% YoY),** operating profit before goodwill amortization* **¥223mn (+40.8% YoY),** and operating profit **¥180mn (+52.8% YoY)** — all increased
  HEROZ ASK: revenue +25.9% QoQ, with ARR surpassing ¥230mn
- Co-creation hands-on support (BEM: Business Embedded Model) made progress; longer project durations and higher unit prices drove HEROZ BtoB +101.3% YoY
- Business update:
  AKM (AI BPO) and Extra (AI training) joined the Group, launching a “Learn → Use → Delegate” AI utilization platform to lift ASK's client count and unit price

Progress vs. Forecast

Net sales



Operating profit before goodwill amortization



Overview by Business Segment: HEROZ BtoB surged +101.3% YoY

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Segment		Revenue progress	Overview of the current fiscal year	Revenue growth (YoY)
AIX Business	HEROZ BtoB	↗	HEROZ BtoB: Higher utilization via Business Embedded Model (BEM) drove +101.3% YoY growth (→P.12)	+15.7% (AIX Business) **+24.4%** (BtoB only)
	HEROZ ASK	↗	HEROZ ASK: Q1 revenue +25.9% QoQ; ARR ¥230mn and approx. 470 cumulative contracted clients as of end-July (→P.15)	
	Others	-	AI utilization platform: On HEROZ ASK, AI training (Extra) and AI BPO (AKM) are combined — training drives acquisition, ASK deepens accounts, and accumulated data improves AI accuracy and coverage (→P.21)	
AI Security		→	**M&A-related costs of ¥29mn in Q1; revenue still grew YoY (→P.10)**	+0.3%

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FY27 Q1 Consolidated Results

Q1 Consolidated Results Summary: Key metrics also trending well

HEROZ

HEROZ Group (Consolidated)

Net sales

¥1,643mn

[+8.5% YoY]

Operating profit before goodwill amortization*

¥223mn

[+40.8% YoY]

Operating profit

¥180mn

[+52.8% YoY]

KPI

ARR (Annual Recurring Revenue)

¥4,969mn

[+17.6% YoY]

Recurring revenue ratio**

72.2%

[+1.2pt YoY]

Churn rate***

AI Security	HEROZ ASK
0.8%	**1.0%**
[YoY ±0.0pt]	[YoY -0.3pt]

* Operating profit before goodwill amortization = operating profit + goodwill amortization expenses

** Recurring revenue: HEROZ's BtoB continuous and BtoC subscription revenue, Vario Secure's security BPO, A.I.Squared's package revenue, Tifana.com's “AI Sakura-san” usage fees, VOIQ's revenue and AKM Consulting's revenue for the quarter

*** Recurring churn rate: churn of the security BPO service in AI Security and user-ID-based churn for HEROZ ASK

FY04/2027 Q1 Consolidated Results

*1 Operating profit before goodwill amortization is disclosed as a key financial metric from Q1. Its FY04/2027 full-year forecast is newly disclosed in this release.

HEROZ

1 Net sales ¥1,643mn (+8.5% YoY) 2 Operating profit before goodwill amortization ¥223mn (+40.8% YoY)
3 Operating profit ¥180mn (+52.8% YoY), steady growth

(Units: JPY Millions)	FY04/2026 Q1 (Consolidated)	**FY04/2027 Q1 (Consolidated)**	YoY	Full-year forecast (announced June 2026)	Progress vs. forecast
Net sales	1,514	1 **1,643**	8.5%	6,800	24.2%
Cost of sales	846	**822**	-2.9%	-	-
SG&A expenses	549	**641**	16.7%	-	-
Operating profit before goodwill amortization	158	2 **223**	40.8%	960*1	23.3%
Operating profit	117	3 **180**	52.8%	800	22.5%
Ordinary profit	94	**138**	46.2%	700	19.7%
Net income attributable to owners of the parent	-11	**32*2**	**Returned to profit**	300	10.9%

*2 The deemed acquisition date for the Vario Secure buyout is end-July 2026, so 42.8% of its profit was consolidated in Q1, with ¥44mn booked in non-controlling interests. From Q2 onward, 100% of its profit is expected to accrue to owners of the parent.

Key KPI Trends: Net Sales and EBITDA

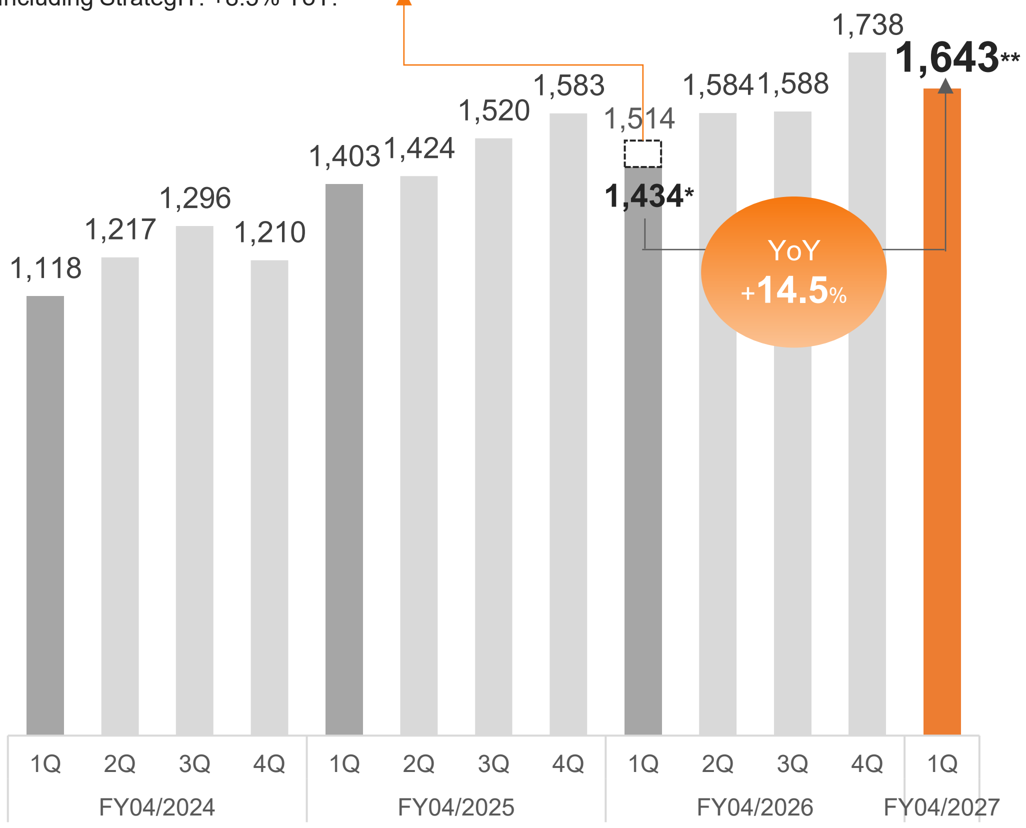
HEROZ

Q1 net sales **¥1,643mn**
+14.5% YoY excluding StrategIT

Net Sales Trends

(Units: JPY Millions)

*Dashed line for FY04/2026 Q1 = StrategIT revenue.
Excludes StrategIT's ¥79mn from Q1 FY26 (¥1,514mn).
Including StrategIT: +8.5% YoY.

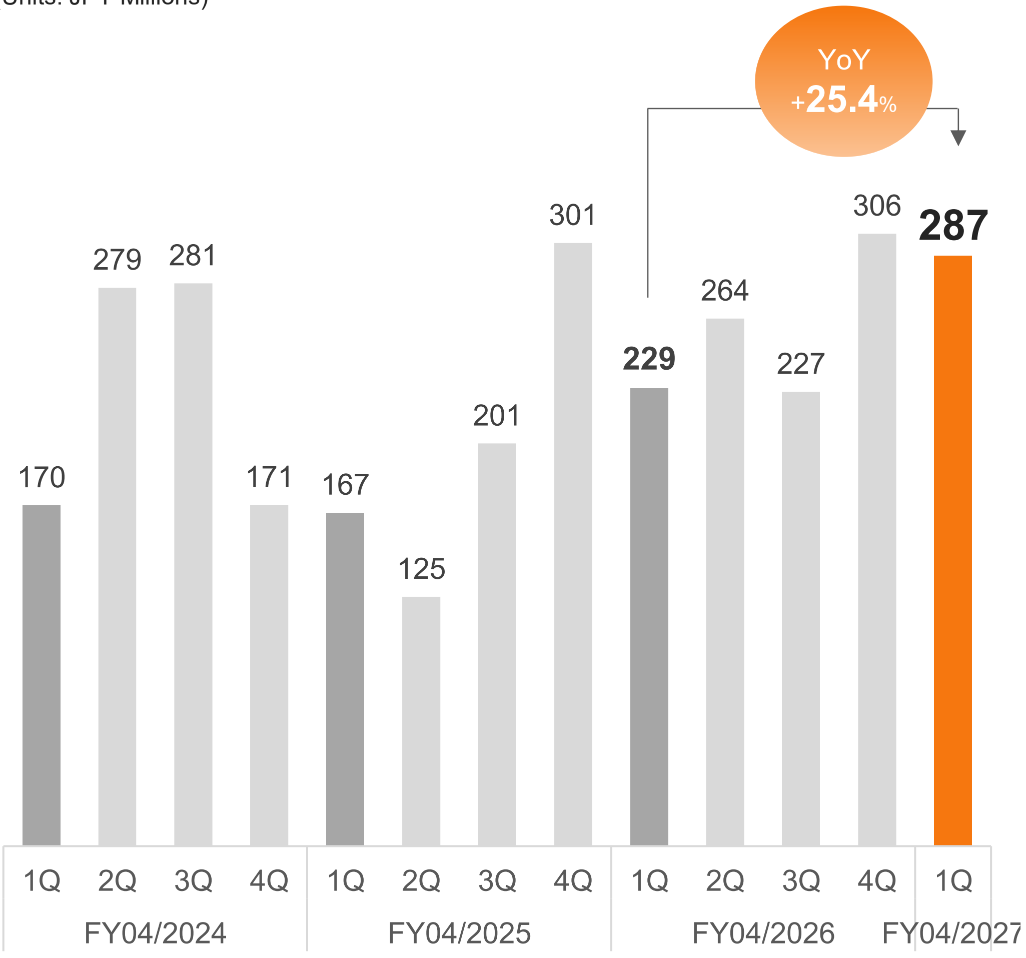


**Incl. AKM. Excluding AKM: +13.8% YoY.

EBITDA **¥287mn**, a Q1 record high

EBITDA Trends

(Units: JPY Millions)

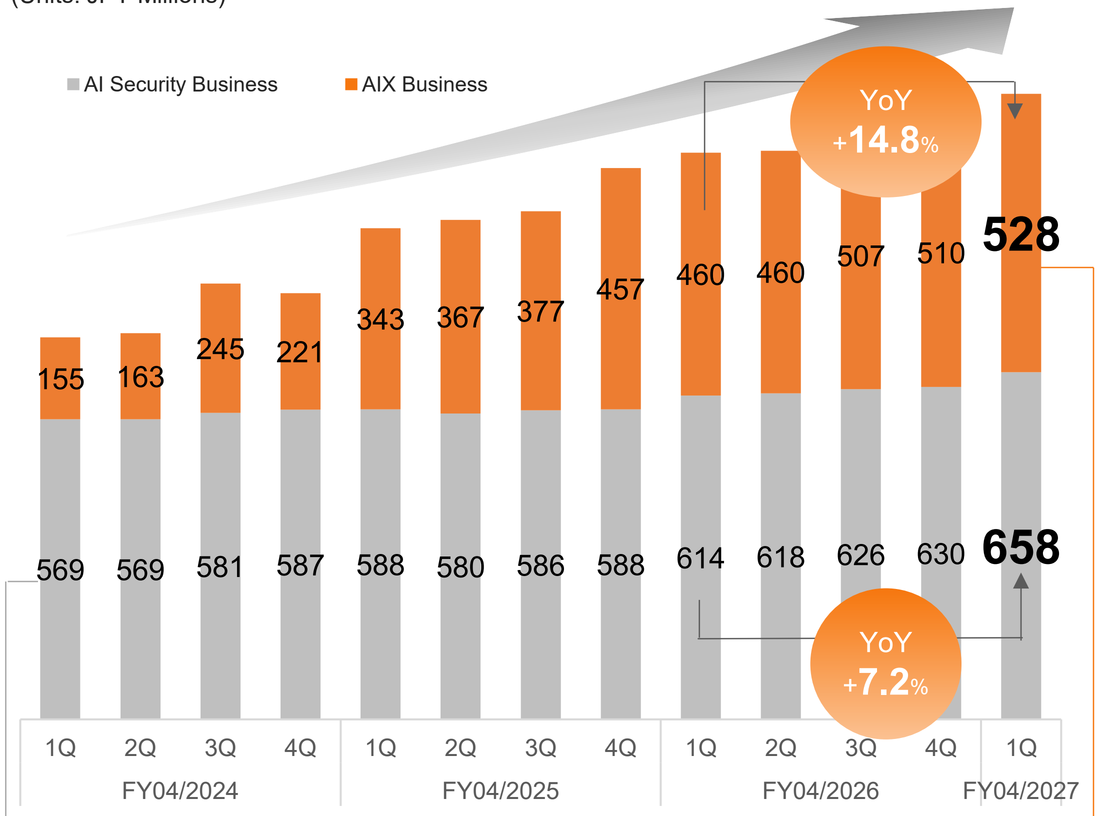


Recurring Revenue & ARR: Steady Revenue Growth

HEROZ

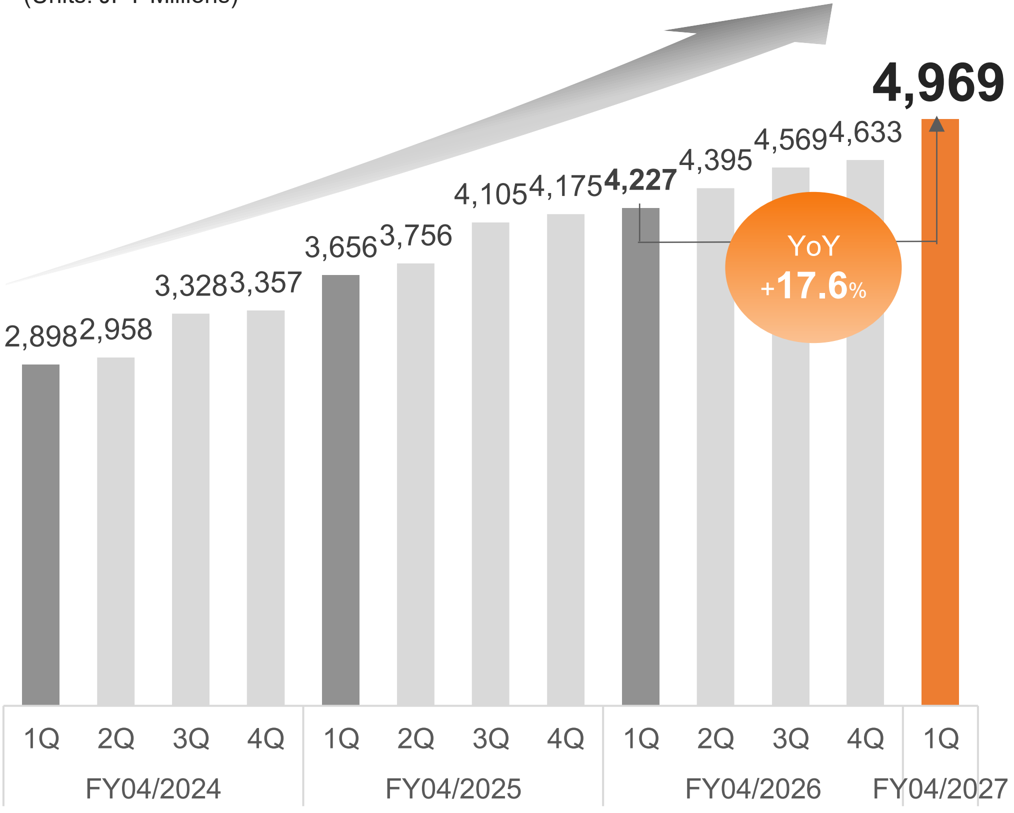
Recurring Revenue Trends (Quarterly)

(Units: JPY Millions)



ARR Trends

(Units: JPY Millions)



AI Security Business

・Security BPO service

AIX Business

・Shogi Wars-related subscriptions
・A.I.Squared package revenue
・VOIQ sales support revenue
・BtoB continuous revenue
・AI Sakura-san usage fees
・AKM continuous revenue

Segment Revenue and Profit Trends

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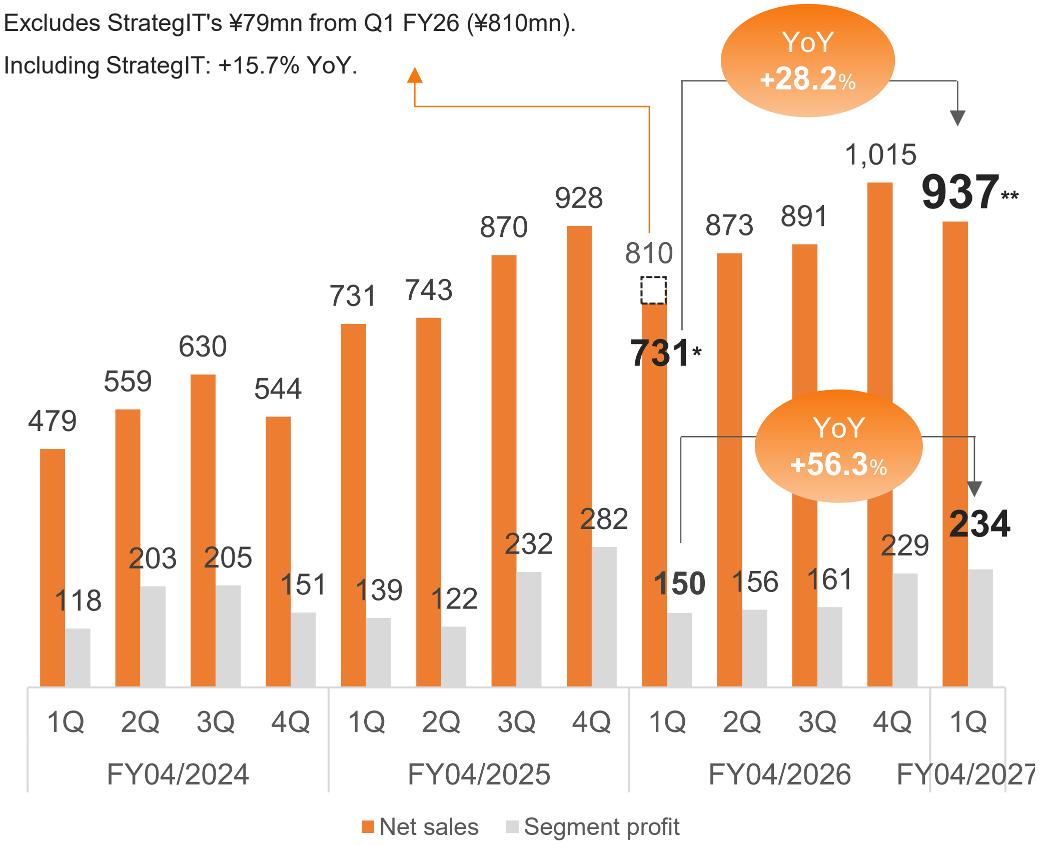
AIX Business

- **+28.2%** YoY excluding StrategIT

(Units: JPY Millions)

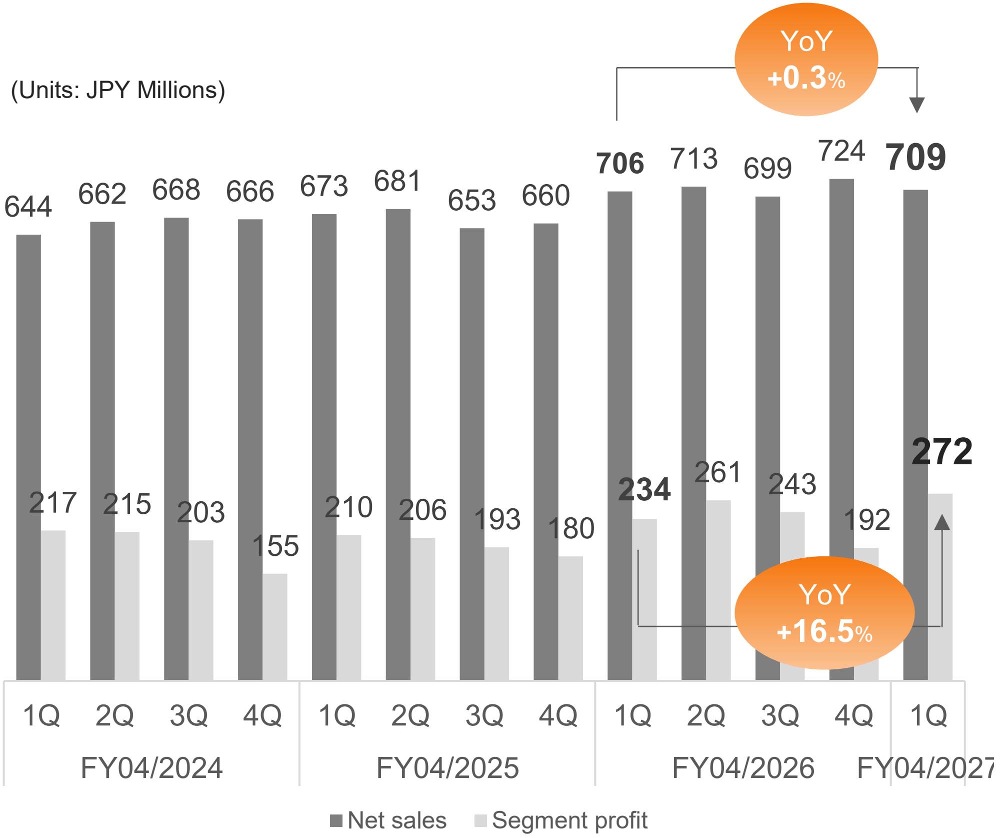
*Dashed line for FY04/2026 Q1 = StrategIT revenue.
Excludes StrategIT's ¥79mn from Q1 FY26 (¥810mn).
Including StrategIT: +15.7% YoY.



AI Security Business

- Revenue **+0.3%** YoY

(Units: JPY Millions)



**Incl. AKM. Excluding AKM: +26.7% YoY.

BtoC: Cumulative matches approaching 1.2bn, growing steadily

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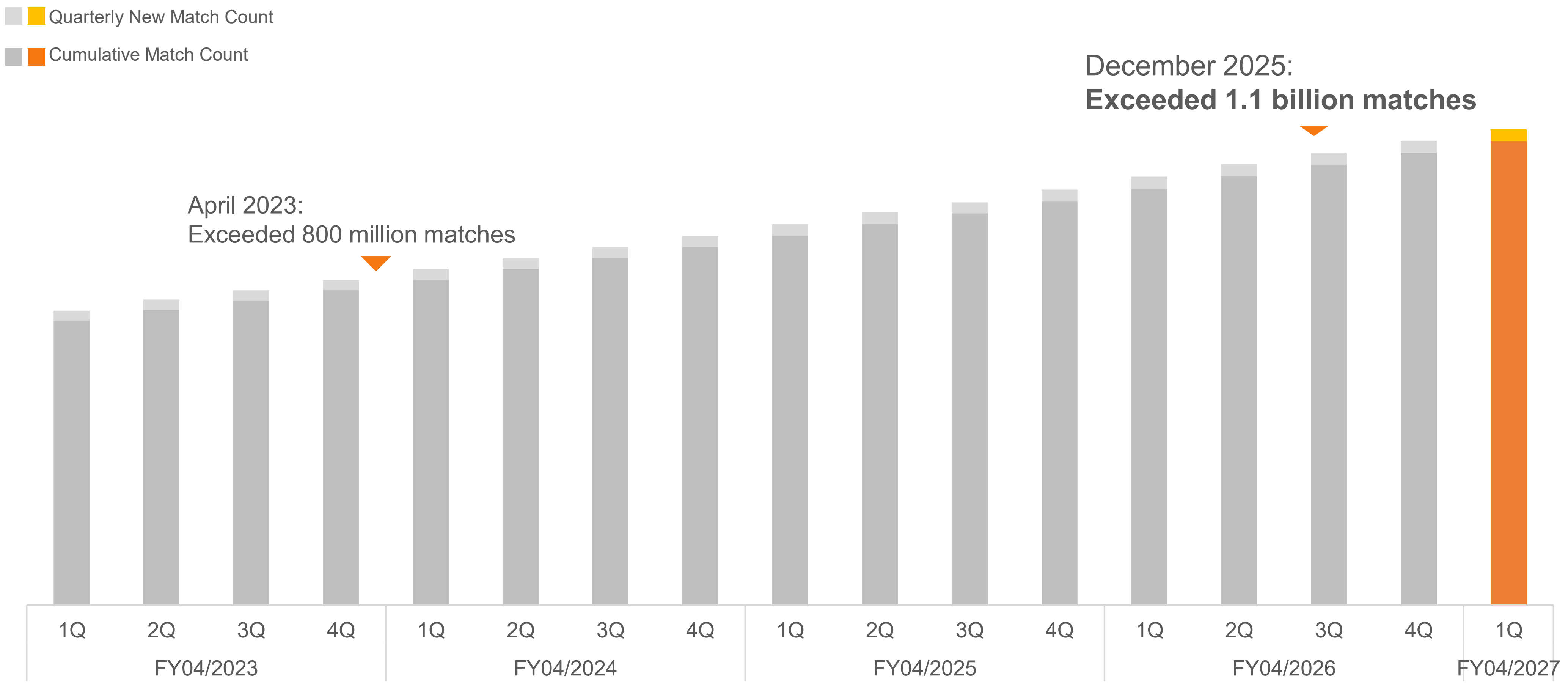
Remains the world's largest shogi match platform

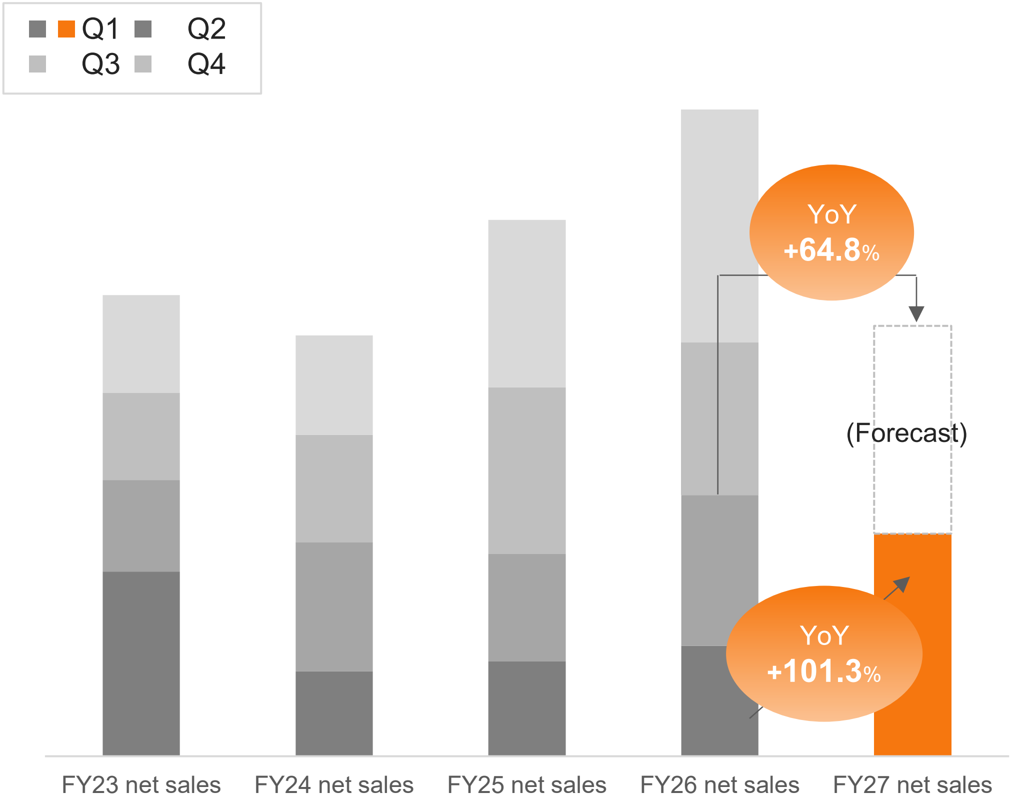
- Q1 matches just under 30mn; cumulative matches approaching 1.2bn, with steady growth



BtoB: Q1 revenue up sharply, +101.3% YoY

BtoB Revenue Trends

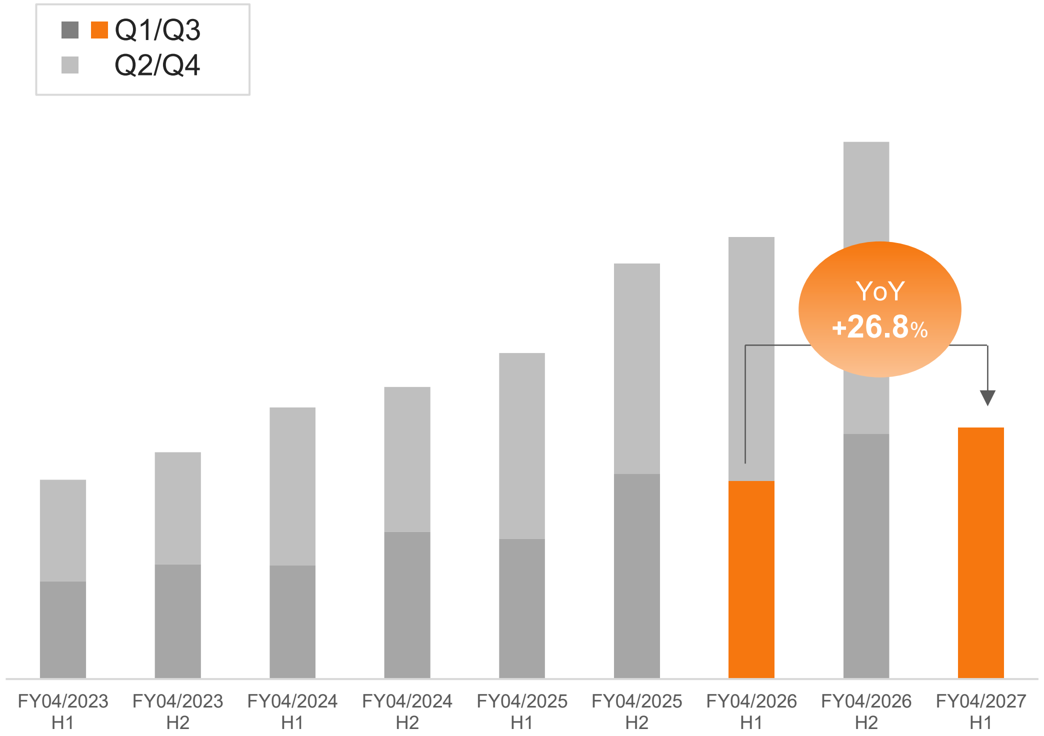
- High utilization since Q1; **+101.3%** YoY
- Cumulative Q2 also expected **+64.8%** YoY on higher utilization



*Future revenue forecasts are subject to change

BtoB Number of Active Projects

- Q1 project count **+26.8%** YoY
- Growing demand to transform business foundations is expanding **co-creation hands-on support (BEM)**, lengthening projects and raising unit prices



Cost of Sales Breakdown: Cost Ratio Improved 4.1pt as Revenue Outpaced Costs

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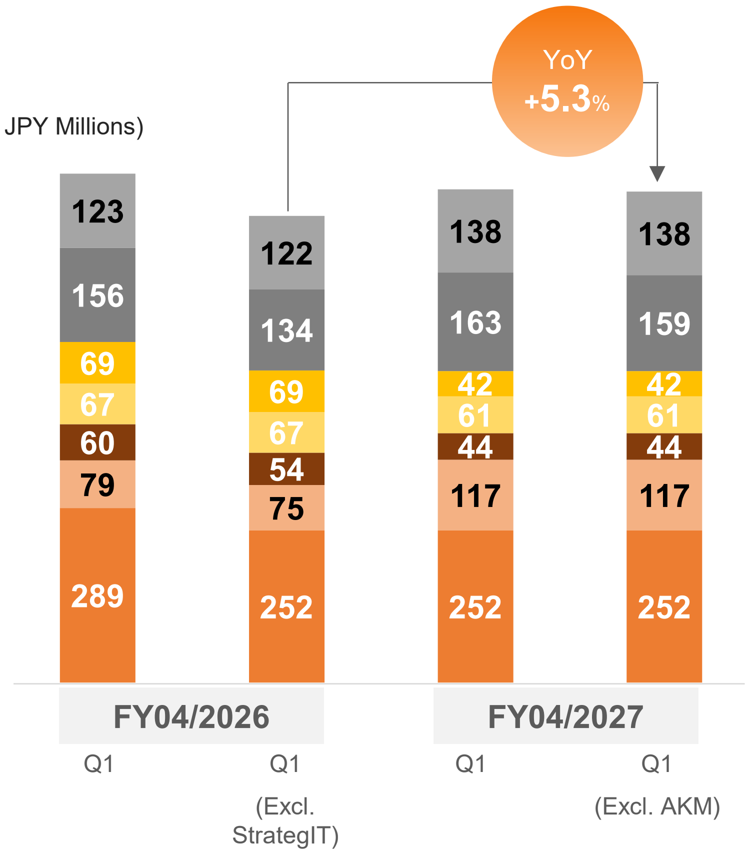
- Cost of sales **+5.3%** YoY on an organic basis; labor costs flat at ¥252mn
- Revenue growth outpaced cost increases on higher AIX BtoB utilization; the Q1 cost of sales ratio improved **4.1pt** YoY to **50.1%**

(Units: JPY Millions)



Cost ratio*

	FY04/2026 Q1		FY04/2027 Q1
Cost ratio	54.2%	→	**50.1%**
Net sales	(¥1,434mn)		(¥1,632mn)

Cost of Sales YoY
(On an organic basis)

Others	Mainly higher payment fees at Vario Secure
Outsourcing costs	Higher outsourcing on more HEROZ projects
Vario Secure equipment	
Payment processing fees	
Depreciation	Existing software assets finished amortization
Communication/server	Mainly higher LLM costs for HEROZ ASK
Labor costs	Rising at HEROZ standalone but flat across the Group

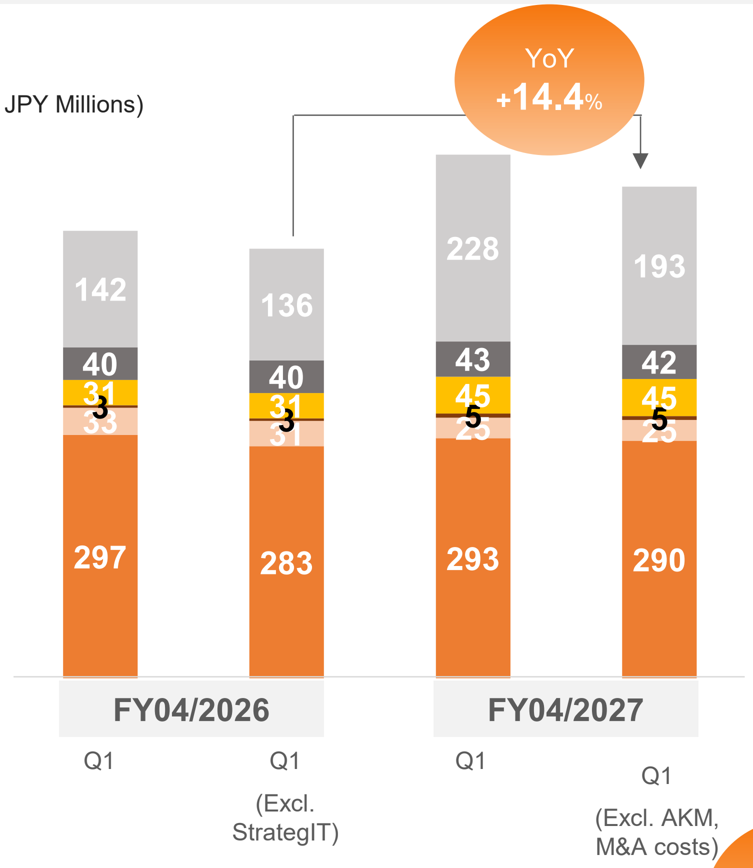
*FY26 Q1 excludes StrategIT; FY27 Q1 excludes AKM.
Ratios use net sales of ¥1,434mn (excl. StrategIT) and ¥1,632mn (excl. AKM) as denominators.

SG&A Breakdown: Personnel Expenses Flat; Increase Reflects Shift to External Resources

HEROZ

- Excluding M&A costs, personnel expenses and goodwill amortization were largely flat on an organic basis; the increase came mainly from other expenses (outsourcing) as external resources covered retirements
- The SG&A-to-sales ratio was flat at 36.8%→37.0%; with the 4.1pt better cost ratio, the combined cost and SG&A ratio improved **3.9pt**

(Units: JPY Millions)



SG&A YoY
(On an organic basis)

Others	Mainly temporary staffing at Vario Secure offsetting lower personnel expenses, plus higher outsourcing at HEROZ
Goodwill amortization	
Advertising	Mainly proactive spending on cost-effective initiatives such as exhibitions
Depreciation	
Recruitment/training	Up at HEROZ, down group-wide on cost control
Personnel expenses	Rose at HEROZ standalone but flat across the Group on headcount reductions

SG&A ratio*

	36.8% →	**37.0%**
Net sales	(¥1,434mn)	(¥1,632mn)

Net sales YoY **+13.8%**

Note: From Q2, cost synergies from the Vario Secure buyout should lower total SG&A

*FY26 Q1 excludes StrategIT; FY27 Q1 excludes AKM and M&A costs.
Ratios use net sales of ¥1,434mn (excl. StrategIT) and ¥1,632mn (excl. AKM) as denominators.

HEROZ ASK Progress: Revenue Grew +25.9% QoQ

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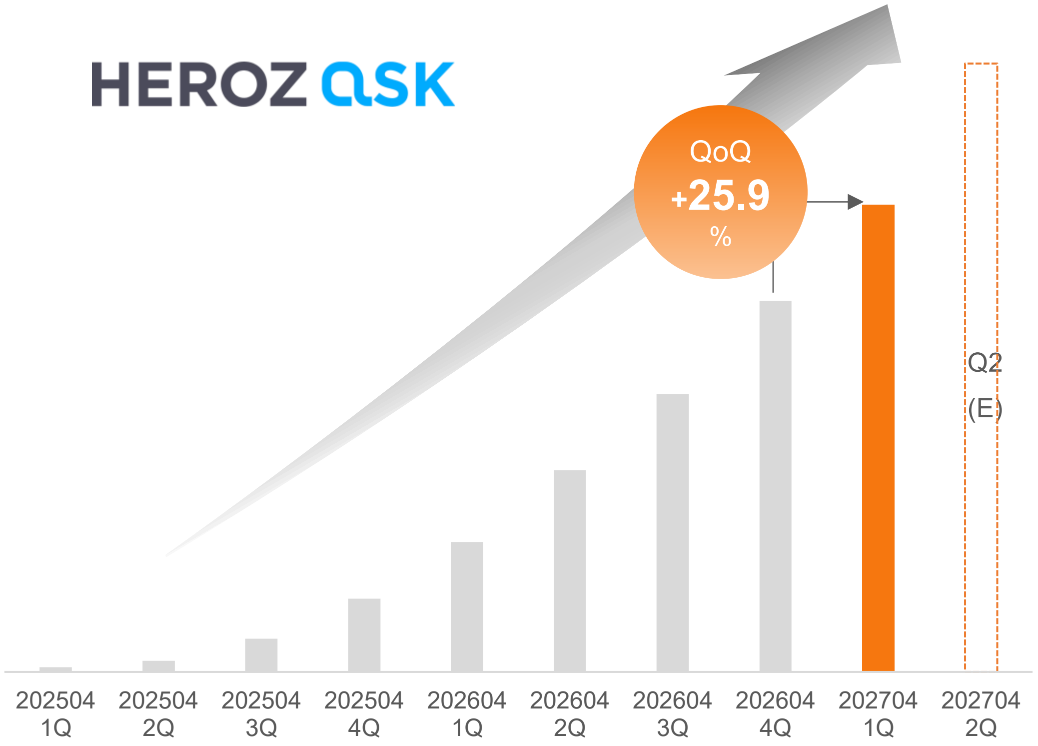
HEROZ ASK Revenue Trends

- Q1 revenue **+25.9% QoQ**; ARR ¥230mn as of end-July
- Approx. **470 cumulative contracted clients** as of end-July



*The Q2 outlook is subject to change, including its timing

Continuous Updates to Drive Adoption

1 Automatic masking of personal information (PII)

Overview Meets security and compliance requirements

Objective **Accelerate enterprise market expansion**

2 New “Slide AI” feature (preview)

Overview Extends from chat/search to document creation

Objective **Expand TAM and lift ARPA**

3 New models & MCP integration

Overview Claude Opus 5, GPT-5.6 Sol
Integrations: Notion, Box, Slack, freee

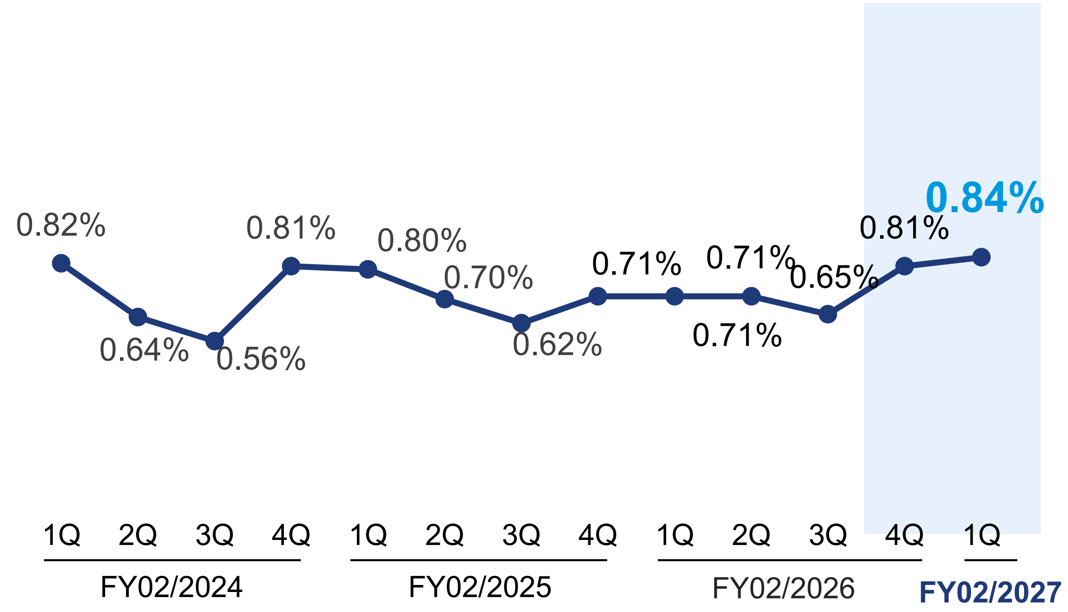
Objective **Higher usage and retention, larger LTV**

Churn Rate Trends: HEROZ ASK Also Declining to Low Levels

- AI Security Q1 FY02/2027 churn rate **0.84%**, stably below 1%
- HEROZ ASK Q1 churn rate **0.96%**

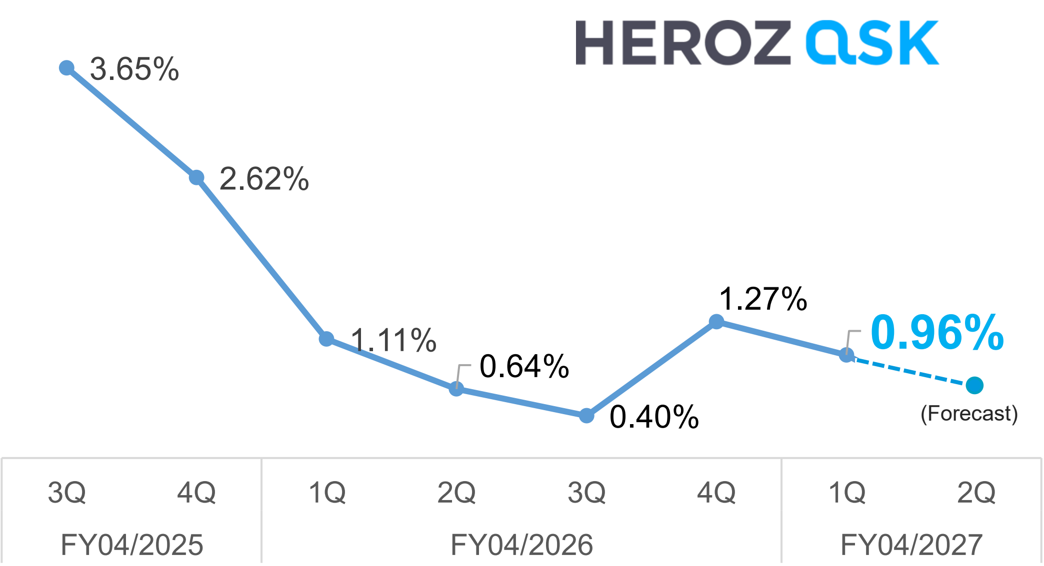
Quarterly Churn Rate Trend

AI Security: Quarterly Churn Rate Trend



*Churn rate (revenue-based) = quarterly churn amount ÷ (monthly revenue at the beginning of each fiscal year × 3 months)

HEROZ ASK User IDs: Quarterly Churn Rate Trend



*Churn rate (ID-based) = quarterly churned IDs ÷ (cumulative IDs at the beginning of the quarter × 3)
*The Q2 outlook is subject to change, including its timing

03

HEROZ Business Overview

History of HEROZ

HEROZ

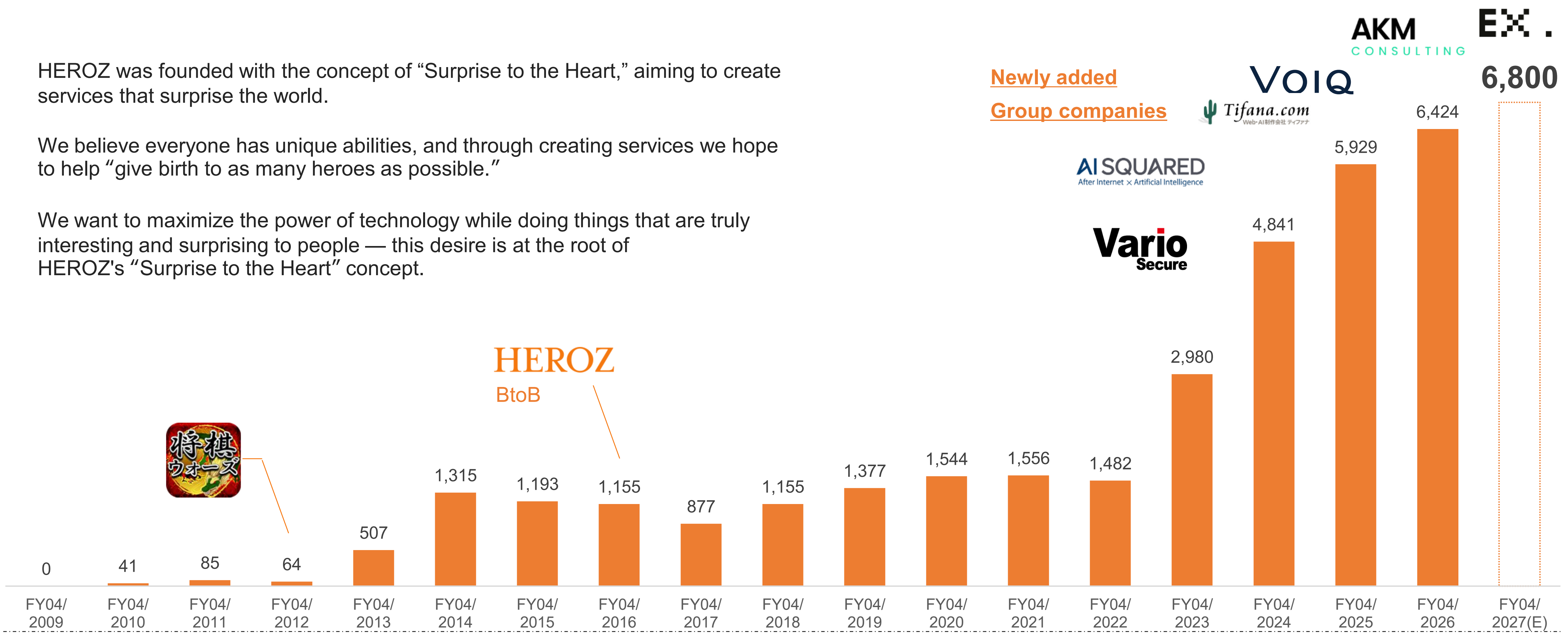
● Net Sales Trends and Key Milestones

(JPY Millions)

HEROZ was founded with the concept of “Surprise to the Heart,” aiming to create services that surprise the world.

We believe everyone has unique abilities, and through creating services we hope to help “give birth to as many heroes as possible.”

We want to maximize the power of technology while doing things that are truly interesting and surprising to people — this desire is at the root of HEROZ's “Surprise to the Heart” concept.



2009 **Established**

2012 **Released “Shogi Wars”**

2013 **Shogi AI developed by our engineers**
beat an active professional player

2016 **Won the JVA2016 SME Agency Director-General's Award**
Capital and business alliance with Bandai Namco Entertainment

2017 **Capital and business alliances with Takenaka Corporation and Koei Tecmo Games**

2018 **Listed on the Tokyo Stock Exchange**

2022 **Vario Secure joined the Group through a third-party allotment of shares**
StrategIT joined the Group through share acquisition

2023 **A.I.Squared joined the Group through share acquisition**

2024 **Tifana.com joined the Group through share acquisition**
Established VOIQ, Inc. (business transferred from bizy)

2026 **Made Vario Secure a wholly owned subsidiary and divested StrategIT**
AKM Consulting joined the Group through share acquisition
Established Extra, Inc.; acquired Extra Ltd.'s generative AI training business

HEROZ's View of the “AI Revolution” in the Generative AI Era

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Delivering Value Through AI

HEROZ's vision is to “drive an AI revolution and create the future.”

We aim to embed AI into everyday life so everyone can focus on self-fulfillment.

AI is a partner for co-creating opportunities and value; we will help realize that future through social implementation.

The AI Revolution Realized in the World of Shogi

Our shogi AI continues to support players' study and enrich the spectator experience.

Just as coexistence with AI has evolved shogi and broadened its appeal, human-AI co-creation will expand across every industry.

Humans vs. AI era

Growing pessimism that shogi was finished

In 2017, PONANZA defeated then-Meijin Amahiko Sato in the Shogi Denou-sen

→

Humans with AI era

New opening theory discovered; human insight evolved

An era in which professionals study shogi through AI

(we launched Kishin Analytics)

→

Shogi evolves

A new era in which AI research is essential; shogi's appeal has grown

An era in which AI shifted from an “opponent” to a “partner” for understanding shogi

The AI BPaaS Model Evolving with AI Agents

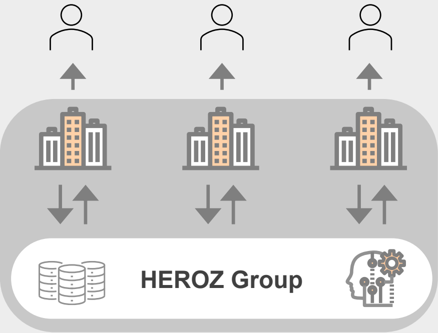
- Shifting from generative AI-based work (AI BPaaS) to AI agents
- AKM Consulting (BAKUNAGE) extends AI agents into back-office operations

Evolution from HEROZ 1.0 to 3.0

HEROZ 1.0 Solving individual issues with conventional AI

HEROZ 2.0 Productivity gains via AI tools (AI SaaS)

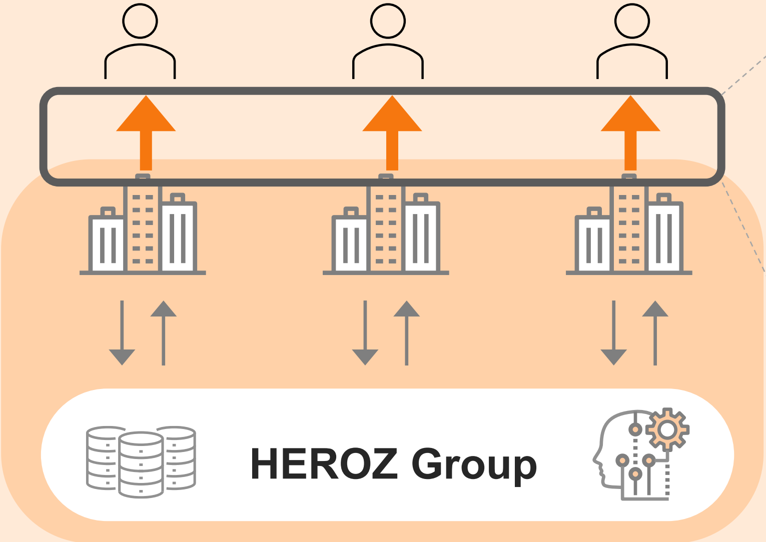
HEROZ 3.0 AI BPaaS with generative AI



Depends on user skills and dialogue; limited user base

AI BPaaS with AI Agents

Agentic work that autonomously executes part or all of a task



Works regardless of user skills or dialogue

Examples of back-office work deliverable as AI BPaaS

[NEW]

BAKUNAGE

Accounting/HR/legal BPO

BLOOMWORKS

Recruitment process outsourcing

Vario Secure

Data protection and security monitoring

HEROZ ASK: AI Utilization Platform (Roadmap)

- AKM (AI BPO) joined in May 2026 and Extra (AI training) in August 2026, completing an end-to-end **"Learn → Use → Delegate"** structure on HEROZ ASK
- Training widens the entry point and BPO accumulates know-how, lifting ASK's client count and unit price

Two Engines: "Training (Education) × HEROZ ASK"

New client acquisition (door-knock)
- **Door-knock via "training budgets" with own programs**
- Accelerated by 450 contents, ~100 OEM partners
- Training eases security worries → ASK

⇔

Deeper usage by existing clients (LTV)
- **Turning ASK inquiries and know-how into training content**
- Integrating Group know-how (AKM, Bloomworks, IT dept.) by domain
- Adoption → price up → MRR growth

Platform Structure

- Extra: Generative AI training (entry point)
- AKM: AI BPO (AI × pro talent)
- Common platform: HEROZ ASK

Synergy Roadmap (Three Phases)

Phase 1 Channels & seeding	Phase 2 Usage & ARPU	Phase 3 SaaS & AI talent
• Bundled sales of training materials and ASK accounts • Rollout to ~100 existing clients; new distributor development • Seeding ASK nationwide through OEM channels	• Materials bundled by default lift unit price per company • A virtuous cycle of learning → using ASK → accumulating case studies • Maintaining and strengthening a low churn rate	• Shifting from OEM supply to a monthly "training SaaS" model • Developing AI talent through HEROZ University and a badge program • Cross-selling to ASK, BPO and AI solutions via training proposals

Group Business Structure (Business Segments)

*1 MAU: Monthly Active Users
*2 MPU: Monthly Paid Users
*3 ARPPU: Average Revenue Per Paid User

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- We operate two businesses: the AIX business and the AI Security business
- AKM Consulting joined the Group in May 2026 and Extra (AI training) in August 2026

	AIX Business				AI Security Business
Category	BtoC	BtoB			
		AI SaaS	AI BPaaS	AI Solution	
Business description	AI capabilities that won the World Computer Shogi Championship power consumer shogi SaaS such as "Shogi Wars" and "Kishin Analytics"	HEROZ ask: "HEROZ ASK," an AI assistant applying LLMs in business; a common AI platform across operations AIさくらさん: "AI Sakura-san" DX solution series, from outdoor kiosks to internal help desks AI SQUARED (After Internet × Artificial Intelligence): AI for contact centers (QuickQA / QuickSummary); auto-response and auto-summarization EX.: Generative AI training(450 contents, ~100 OEM partners); shifting to recurring via training SaaS	AKM CONSULTING: Covers 500+ back-office items in accounting, HR/labor and legal; "BPO 2.0" automates routine work VOIQ: AI-powered sales support; inside sales and call center outsourcing and enablement	HEROZ: Drives AI's social implementation via data analysis and AI solution development; co-creation hands-on support drives adoption	Vario Secure: Safe internet environments mainly for SMEs: integrated internet security, vulnerability assessment and one-time purchase products
Revenue type Key KPIs	Mainly recurring revenue • MAU*1 • Paid conversion rate • MPU*2 • ARPPU*3	Recurring / initial setup revenue • Recurring revenue / number of clients / churn rate / revenue per client • [ASK] Contracted companies / total contracted IDs / MRR [Sakura-san] Units installed / unit price • [Extra] Number of content items / OEM companies (MRR after the shift to training SaaS)	Mainly recurring revenue • Recurring revenue • Number of clients • Revenue per client • Revenue per employee	Recurring / initial setup revenue • Number of clients • Engineers / business staff • Utilization / unit price • Revenue per employee • Active projects	Recurring revenue • Number of clients • Number of churned clients • Revenue per client

HEROZ by the Numbers

*Shogi Wars total matches

1.1bn+

Match count trend
Sprint mode drove an increase in matches; quarterly matches total approx. **30 million**

*Achieved in December 2025

World Computer Shogi Championship *Titles won

6

Awards
"Hyousui," by our engineers, won the 36th World Computer Shogi Championship

*Includes wins by AI developed by our engineers (as of 2013)

Cumulative client growth (%)

HEROZ BtoB Business

FY04/2026 **+30%**

Client base growth
+34% (FY04/2024), **+32%** (FY04/2025); new clients grew in finance and construction

HEROZ ASK *Major feature releases

182 (+95 YoY)

Feature expansion
Monthly feature additions enable rapid response to customer needs

*As of end-July 2026. Mainly model additions (Opus 5, GPT-5.6 Sol) and automatic PII masking

AIさくらさん / Vario Secure

*Sakura-san in use
164

Stock revenue ratio
92.7%

Churn rate below 1%
29 qtrs

M&A Group growth
Non-linear growth through active M&A; PMI leveraging our AI expertise maximizes each company's business value

*As of the end of July 2026

Revenue growth (YoY)

FY04/2026 **+8.3%**

Growth trend
+62.4% in FY04/2024 and **+22.5%** in FY04/2025 via M&A and organic growth

*Employee growth (HEROZ standalone)

+8.4%

Headcount trend
A temporary adjustment from restructuring; core-business hiring continues

*YoY as of the end of April 2026

*Employee satisfaction

Sum of "very satisfied" and "somewhat satisfied"

74%

Working style
86% remote work ratio in FY04/2025 enables flexible working

*Survey conducted in September 2025

04

Topics by Business Segment

Advancing Initiatives to Maximize the Shogi Population

- The new “Tsume Bato” match mode was opened to free members, expanding eligibility to all members
- Feature updates and the Shogi Wars JT Cup offered initiatives for all skill levels

Proving AI capabilities while growing the shogi population

- “Hyousui,” developed by our engineers, won the 36th World Computer Shogi Championship, with dlshogi placing third
- “Tsume Bato,” a new head-to-head mode for speed-solving tsume shogi, is now open to all members including free members
- **Held the “Shogi Wars JT Cup” marking the opening of the Shogi Japan Series, linked to the official pro tournament of the top 12 players by prize money including Sota Fujii and Takumi Ito**
- Feature updates added a game-record copy function and piece-operation options. We also ran the official “Shogi Wars Streamer Rising Star Tournament” and other initiatives for all levels

AI Agent Development Contest for the Pokémon Trading Card Game

- Co-hosted an AI agent development contest with The Pokémon Company and Matsuo Institute on “Kaggle”
- Showcasing our AI capabilities to developers and researchers worldwide through an “imperfect information game”

Overview of the AI Battle Challenge

- Co-hosted with The Pokémon Company and Matsuo Institute; the first round started June 16, 2026, with the second round planned for after end-2026
- The Pokémon Trading Card Game is an “imperfect information game” with hidden hands and decks and vast card combinations. We apply our shogi AI expertise to this highly challenging domain
- Held on “Kaggle,” where AI developers and researchers worldwide gather, to raise our international profile

AI Sakura-san: Expanding into New Domains, +9.2% Growth

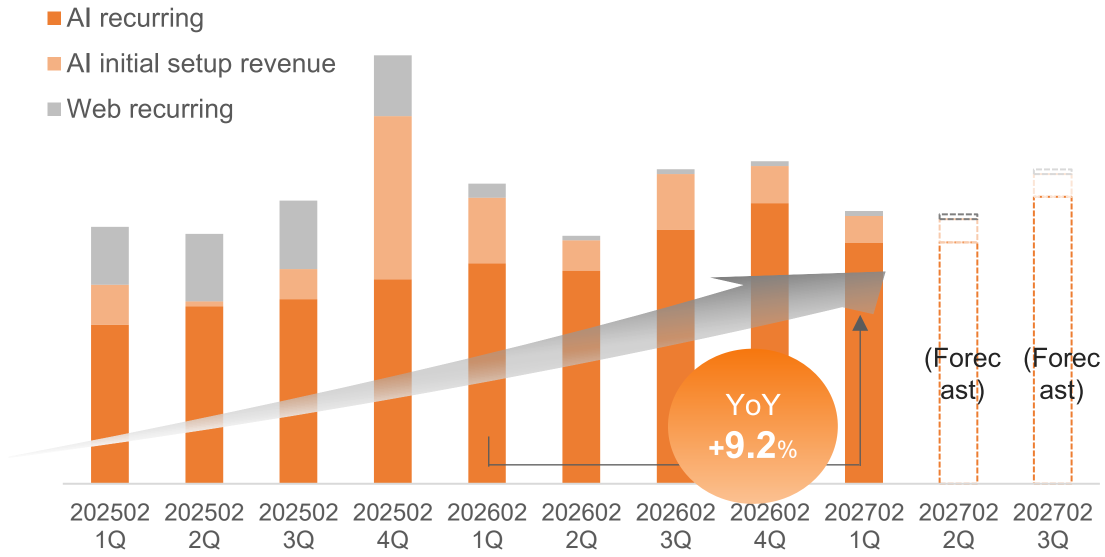
- Adoption is expanding into new fields: tourist information, elderly monitoring and government counters
- Revenue +9.2% YoY; some project impact persists through Q2, with recovery from H2

Growing use cases in new fields

- Adopted for Second Life Partners' elderly monitoring; ~26,000 calls a year detect changes in condition
- Adopted at “Sekiterasu,” a city tourist center; four languages handle inbound inquiries and area guidance
- Adopted by Hitachi City's National Health Insurance Division; AI handles routine calls among ~25,000 a year

AI Sakura-san Revenue Trends

- **+9.2%** YoY. Recurring revenue dipped on project reinstallations due in H2; new additions should drive recovery



*Future revenue forecasts are subject to change

05

Frequently Asked Questions

Frequently Asked Questions

- Answers to selected questions frequently received at our recent earnings announcements

Q: **How will the BtoB (AI solution) business achieve growth and improve profitability going forward?**

A: We are shifting from taking on highly difficult projects as an external contractor to an embedded, hands-on support model. Working with clients from the consideration phase curbs project timing slippage, so higher utilization translates directly into revenue and profit. We also aim to expand transaction value per client by rolling out to other departments.

Q: **What policy and discipline will guide M&A, a pillar of your growth?**

A: We focus on three areas — “BPO × AI,” “AI SaaS” and “AI security” — converting companies with an existing customer base to an AI-based model to return them to growth. We apply our own valuation criteria premised on recurring revenue and profitability, ensuring disciplined M&A and synergy creation.

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Appendix

Two Strategic Axes Driving FY27: Becoming the AI BPaaS Front-Runner

HEROZ

- HEROZ ASK redefines the **up-to-¥12.8-trillion outsourcing market** with **Professionals × AI**.
- Following its full subsidiary conversion, VarioSecure scales **AI Security** via a **24/365 on-site model × AI**.

① Full-scale rollout of HEROZ ASK Cowork

ASK / BPO → **AI Cowork**

Professionals × AI
ushering in an era of truly delegating work to AI

② Full-scale rollout of AI Security Cowork

Security BPO → **AI Security Cowork**

24/365 on-site model × AI
protecting the mid-market and SMEs

Capturing AI × work outsourcing on two axes — becoming the front-runner of the AI era

①HEROZ ASK Cowork: Turning the ¥12.8-Trillion Market into 'Delegate' via AI × Professionals

HEROZ

- Transforming Japan's ¥12.8-trillion outsourcing market into 'delegate-to-AI'.
- Capturing with Cowork the 80% of the market that neither ASK nor BPO can reach (building the foundation for the Autonomous Enterprise).

Market opportunity

Up to ¥12.8 trillion
Japan AI + BPO market (*)
Target market for HEROZ Cowork

Over 70%
Companies using generative AI at least weekly
Rapidly expanding adoption

Approx. 20%
Companies using it effectively
80% still 'cannot fully use it'

Building the shortest path to the 'Autonomous Enterprise'

① HEROZ's two assets

SaaS platform
Ask AI (ASK), offered as an AI tool
80% cannot fully use it

×

Operational know-how
AI BPO (outsourced)
Hard to outsource high-judgment work

② AI Cowork (collaborative)

Integrating both ASK and AI BPO assets
Achieving quality, speed, and cost together via 'Professionals × AI'

Continuous quality gains through a self-evolving loop
Reaching the 80% of companies ASK alone cannot

③ Autonomous Enterprise

Full autonomy of operations

AI autonomously performs entire workflows (next-generation enterprise model)

Capturing with Cowork the '80% market' that neither ASK nor BPO can reach

*AI market ¥6.9 trillion (2029 forecast / IDC Japan, "Worldwide AI and Generative AI Spending Guide 2026V1," user-spending basis)
*BPO market ¥5.9 trillion (IT + non-IT BPO combined / Yano Research Institute, "Survey on the BPO Market (2025)," provider-revenue basis)
*The two markets use different accounting bases and may partially overlap; figures are shown as reference potential market size.

①HEROZ ASK Cowork: Unifying Front and Back Office on a Common AI Platform

- Integrating customer-facing and back-office functions on HEROZ ASK; rolling out AI Cowork company-wide.
- Real operational data such as BAKUNAGE directly improves AI accuracy—a unique competitive advantage.

Three-layer structure

Layer	Services	Role
Customer-facing (front)	AIさくらさんシリーズ, QuickQA 自動応答システム, QuickSummary 自動要約・分類システム, VOIQ	AI handles service, inquiries, and sales
Administration (back office)	BAKUNAGE, BLOOMWORKS, Vario Secure	Accounting, HR/labor, legal, recruiting, and information systems—handled by AI Cowork
Common AI platform	HEROZ ASK	An AI agent platform supporting group-wide operational efficiency

Three advantages unique to HEROZ

Real operations = AI-enabled
The outsourcing recipient becomes the lead AI user

Achieved together via collaboration
Quality × Speed × Cost

Full back-office coverage
Accounting / HR / Legal / Recruiting / IT

②AI Security Cowork: 25 Years of Operations × AI to Counter Threats

HEROZ

- With autonomous AI attacks and no dedicated staff, human-only monitoring is structurally reaching its limits.
- VarioSecure's 25 years of operations × AI accompany **customers as an always-on team**.

Market environment — threats and the reality for mid-market and SMEs

Surging AI attacks
Autonomous attacks
2025: 80–90%

Ultra-fast intrusions
Under one day to impact
WEF 2026 report

1 million companies without dedicated staff
No dedicated IT/security staff
Human-only monitoring structurally impossible

Surging BPO demand
AI security readiness rate
37%→64%（WEF 2026）

Regulation
Active Cyber Defense Act
Full enforcement within FY2026

VarioSecure's strengths and track record form the foundation

24/365 BPO track record
25 years since founding
continuously running customers' security operations

Nationwide on-site response
A maintenance network able to reach
anywhere nationwide within 4 hours

Accumulated operational know-how
Expertise from delivering
'operations themselves,' not just equipment

Delivering 24/365 security operations—as if always on-site—as a 'BPO'

②AI Security Cowork: Fully Delegate Mid-Market/SME Security to AI × Professionals

HEROZ

- From intrusion prevention to impact minimization and day-to-day operations, AI and professionals deliver as one.
- VarioSecure's operations × HEROZ's AI implementation **enable fully delegable security.**

Three Cowork domains

① Cowork that prevents intrusions

Stop attacks at the entry point

- AI monitors, auto-detects, and blocks 24/365
- Addressed via VarioSecure's 25 years of operations × AI

② Cowork that stops damage

Minimize damage and recover quickly

- AI analyzes alerts; professionals decide and act immediately
- Containment → recovery → prevention, all in one

③ Cowork that supports operations

Fully outsourced operations

- Ongoing responsibility from network device setup to system operations
- AI investigation and first-line analysis for fast, stable quality

AI and professionals jointly run network security operations for mid-market and SMEs

AI Security Cowork — fully delegate to AI and professionals

SG&A Breakdown Trend (Consolidated)

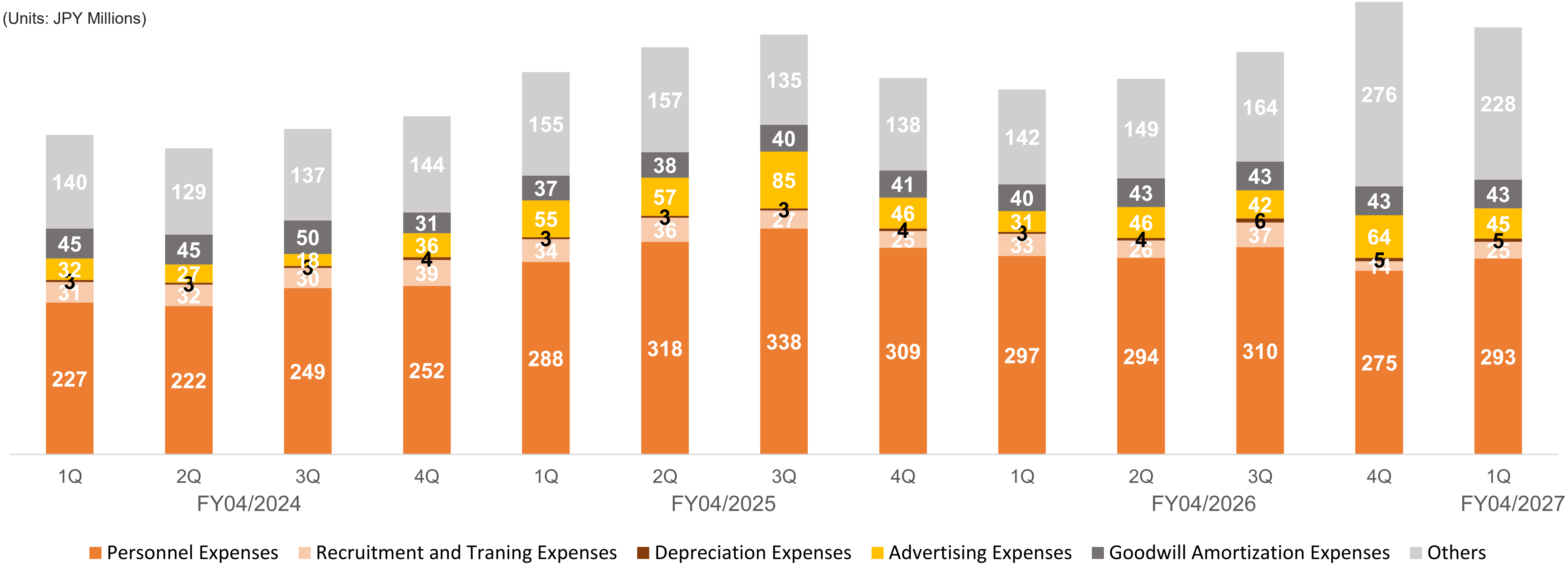
HEROZ

- After the headcount increase from sales and marketing hires in the previous fiscal year, fixed costs were reduced through measures such as a review of group companies' officer structures.
- Personnel expenses rose QoQ, mainly reflecting reclassifications between expense items following a review of expense categories.

Includes Tifana from FY04/2025 Q1,VOIQ from FY04/2025 Q2 andAKM from FY04/2027 Q1

*“Others” in FY04/2026 Q4 and FY04/2027 Q1 includes M&A-related costs; excluding these, the organic level is unchanged

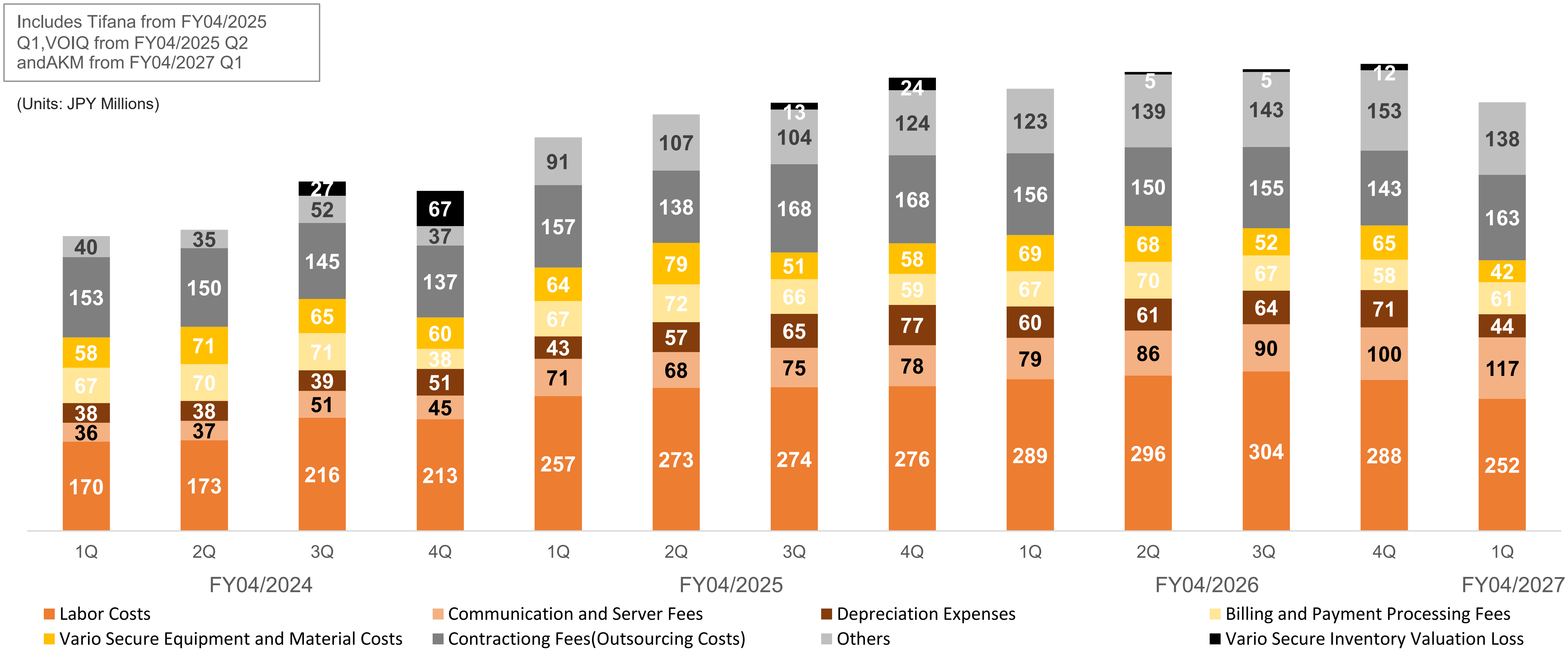
(Units: JPY Millions)



Cost of Sales Breakdown Trend (Consolidated)

HEROZ

- To drive growth, we will invest actively in people and raise labor costs in cost of sales across the Group
- The Q1 decline in labor costs mainly reflects a shift between expense items as external resources (outsourcing, etc.) covered headcount reductions from retirements



	Labor Costs	Communication and Server Fees	Depreciation Expenses	Billing and Payment Processing Fees	Vario Secure Equipment and Material Costs	Contractiong Fees(Outsourcing Costs)	Others	Vario Secure Inventory Valuation Loss
FY04/2024 1Q	170	36	38	67	58	153	40	
FY04/2024 2Q	173	37	38	70	71	150	35	
FY04/2024 3Q	216	51	39	71	65	145	52	27
FY04/2024 4Q	213	45	51	38	60	137	37	67
FY04/2025 1Q	257	71	43	67	64	157	91	
FY04/2025 2Q	273	68	57	72	79	138	107	
FY04/2025 3Q	274	75	65	66	51	168	104	13
FY04/2025 4Q	276	78	77	59	58	168	124	24
FY04/2026 1Q	289	79	60	67	69	156	123	
FY04/2026 2Q	296	86	61	70	68	150	139	5
FY04/2026 3Q	304	90	64	67	52	155	143	5
FY04/2026 4Q	288	100	71	58	65	143	153	12
FY04/2027 1Q	252	117	44	61	42	163	138	

Balance Sheet (As of End-July 2026)

HEROZ

- Cash and deposits on hand continue to be allocated to investments for our medium- to long-term growth strategy
- Following M&A, intangible assets include approx. ¥1.8bn of goodwill, which will be amortized going forward

(Unit: Million Yen)	FY04/2026 year-end (Consolidated) (A)	FY04/2027 Q1 (Consolidated) (B)	Change (B-A)
Current Assets	5,051	4,780	-271
Cash and Deposits	1,949	2,627	677
Fixed Assets	3,448	3,662	213
Tangible Fixed Assets	157	157	0
Intangible Fixed Assets	2,397	2,477	79
Investments and Other Assets	893	1,026	133
Total Assets	8,499	8,442	-57
Current Liabilities	1,780	1,740	-40
Non-current Liabilities	862	743	-119
Net Assets	5,856	5,958	101

Vario Secure: Company Overview

Vario Secure HEROZ

Company	Vario Secure Inc.
Founded	June 21, 2001
Representative	Tomohiro Takahashi, President & CEO
Capital	¥757.1 million
Employees	82*
Locations	HQ Sumitomo Corp. Nishikicho Bldg. 5F, 1-6 Kanda-Nishikicho, Chiyoda-ku, Tokyo 101-0054 Osaka Office 1-2-19 Kitahorie, Nishi-ku, Osaka 550-0014 Fukuoka Office 1-12-17 Hakataeki-Higashi, Hakata-ku, Fukuoka 812-0013
Business	Security BPO services Integration services
Officers	Director: Takahiro Hayashi; Director: Keiichi Iguchi; Director: Hiroya Mori; Auditor: Yuya Nakahara
Web	https://www.variosecure.net/
Certifications	ITSMS (ISO 20000), ISMS (ISO 27001), Privacy Mark

*Total of full-time, contract, and fixed-term employees

Mission

To enable every internet-using company to do business safely and comfortably, we deliver our services wholeheartedly in Japan and worldwide.

As a provider of internet security services, we deliver comprehensive network security that protects corporate networks from threats—such as external attacks, internal intrusions, virus infections, and data theft—so businesses can use the internet safely.

IS 676913 / ISO 27001

GOOD DESIGN AWARD 2014年度受賞

A.I. Squared: Company Overview

Company	A.I. Squared, Inc.
Founded	December 2015
Capital	¥90 million
Employees	30
HQ location	PMO Tamachi 7F, 5-31-17 Shiba, Minato-ku, Tokyo
Business	Provision and consulting of AI-powered IT services
President & CEO Director	Tomohiko Hori Takahiro Hayashi (part-time) Hiroya Mori (part-time) Shu Kikuchi (part-time) Hidemoto Lee(part-time)
Executive Officers	Yasunori Fujie Mitsuo Kanazawa Kohei Matsutani
Web	https://www.ai2-jp.com/

Provides AI solutions for the contact-center domain—centered on natural language processing—including automated response and automatic summarization/classification systems.

QuickQA
自動応答システム

Used in operator-support systems, customer-support AI chatbots, and HR/general-affairs AI chatbots.

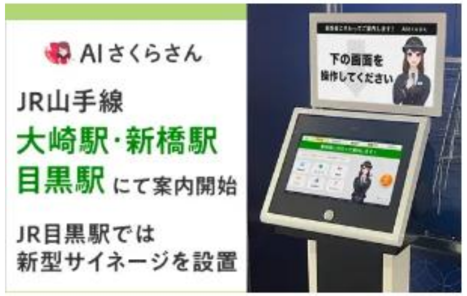
QuickSummary
自動要約・分類システム

An AI summarization service featuring cost-effective generative summaries and secure ChatGPT usage.

Tifana.com: Company Overview

Company	Tifana.com, Inc.
Representatives	Hiroya Mori, President & CEO
	Ryo Fujii, Chairman
Founded	1993
[Tokyo HQ]	Murata Bldg., 2-22-7 Ohashi, Meguro-ku, Tokyo
[Osaka Office]	Aqua Dojima Fontana, 1-4-4 Dojimahama, Kita-ku, Osaka
Certifications & patents	*Tokyo HQ only
	ISO 27017 (Cloud Service Security)
	ISO 27001 (Information Security)
	ISO 9001 (Quality Management System)

Selected adoption track record



JR山手線 大崎駅・新橋駅・目黒駅

奈良市役所

裁判所共済組合

VOIQ: Company Overview

Company	VOIQ Inc.
Established	July 2024
Capital	¥500 thousand
Employees	10 (excluding contractors)
HQ location	5-31-17 Shiba, Minato-ku, Tokyo PMO Tamachi
Business	AI-powered outbound calling Inside / field sales support
President & CEO	Megumi Takada
Director	Takahiro Hayashi (part-time); Keiichi Iguchi (part-time) Hiroya Mori (part-time) Tomohiro Takahashi (part-time)
Web	https://voiq.jp/

AKM Consulting: Company Overview

Company	AKM Consulting, Inc.
Business	Cloud back-office setup support / IPO consulting / recruitment support
President & CEO	Kazumichi Nakayama
Director	Hiroya Mori Naoya Takahashi Yuya Nakahara
Web	https://akm-group.co.jp/

AKM CONSULTING

BAKUNAGE

[Three features of BAKUNAGE]

1.All-in-one: Covers 500+ back-office items across accounting, HR/labor, and legal, customizable to your needs.

2.From routine work to projects: Handles everything from day-to-day operations to projects such as fundraising and IPO preparation.

3.Proactive communication: Back-office experts proactively propose and execute optimal workflows rather than waiting for instructions.

Extra: Company Overview

Company	Extra, Inc.
Business	Generative AI consulting / corporate generative AI training / generative AI training franchise / generative AI curriculum OEM supply
Representative Director	Takuya Kadomoto
Director	Hiroya Mori (Non-executive) Naoya Takahashi (Non-executive) Yoshiyuki Kubo (Non-executive)

EX.

EXTRA

[Three Strengths of Extra's Generative AI Education Business]

1. **End-to-end support from adoption to embedding**
   Supports the entire generative AI journey — from issue identification and strategy design to technology selection, implementation, and embedding for maximum impact — with practical, ROI-based proposals.

2. **Hands-on training by instructors with practical experience**
   Instructors who use generative AI in their own work lead exercise-based programs tailored to participants' level and objectives, from fundamentals to business application, with continued learning support after the session.

3. **OEM supply of an LMS and 400+ training videos**
   Partners can offer the learning management system (LMS) and 400+ training videos under their own brand. Extra handles content additions and updates, enabling an AI education business to launch in as little as one week.

Notes

- The forward-looking statements contained in this material are based on information currently available to the Company, but are not guarantees of future performance and are subject to various risks and uncertainties. Actual results may differ from the forward-looking statements contained or deemed to be contained herein due to changes in the business environment and other factors.

- This document contains information about our Company and other companies; we make no representations or warranties as to the accuracy or completeness of the information contained herein.