



June 10, 2022

Company Name: HEROZ, Inc.

Name of Representatives:

Takahiro Hayashi,

Co-Chief Executive Officer:

Stock Code: 4382, TSE Prime Market

Contact: Hiroya Mori,

Chief Financial Officer

(Telephone: +81-3-6435-2495)

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Notice of Changes in Uses of Funds

HEROZ, Inc. (the “Company”) hereby announces that its Board of Directors passed a resolution today to make partial changes to uses of raised funds (“Uses of Funds”) disclosed in “Notice of Issuance and Sale of New Shares” dated December 6, 2019, and “Notice of Determination of Issuance Price and Selling Price, etc.” dated December 16, 2019 (the “Public Stock Offering”), as follows.

1. Background

The Company executed the Public Stock Offering to fund recruiting-related expenses, investments in servers and other equipment, telecommunications expenses relating to the use of external servers, deposits and expenses, etc. for expansion of office floor space, investments and loans to companies, etc. with peripheral technologies that can be applied to the Company’s business, and necessary working capital to business operations.

As disclosed in “Notice of Capital and Business Alliance with VarioSecure Inc.” dated September 10, 2021, the Company acquired VarioSecure Inc. shares pursuant to the capital and business alliance agreement. The Company decided to change Uses of Funds raised in the Public Stock Offering after using raised funds to acquire VarioSecure Inc. shares.

With respect to investments and loans to companies, etc. with peripheral technologies that can be applied to the Company’s business, the Company is monitoring market trends on a continuous basis to consider potential investments and loans. However, the Company expects that it will take some time for such projects to materialize, it decided to revise the expected date for such expenditures.

2. Changes Made

Changes made to Uses of Funds are as follows (changes underlined).

<Before>

Specific Uses	Amount	Expected Date for Expenditures
① Recruiting-related expenses to increase capable AI engineers, etc.	<u>¥1,967 million</u>	Dec. 2019~Apr. 2022
② Investments in servers and other equipment and telecommunications expenses relating to the use of external servers	<u>¥1,060 million</u>	Dec. 2019~Apr. 2022
③ Deposits and expenses, etc. for expansion of office floor space	<u>¥234 million</u>	Dec. 2019~Apr. 2022
④ Investments and loans to companies, etc. with peripheral technologies that can be applied to the Company's business	<u>¥300 million</u>	Dec. 2019~Nov. 2021
⑤ Necessary working capital to business operations	<u>¥315 million</u>	Dec. 2019~Apr. 2021
Total Uses of Funds	¥3,876 million	

<After>

Specific Uses	Amount	Expected Date for Expenditures
① Recruiting-related expenses to increase capable AI engineers, etc.	<u>¥130 million</u>	Dec. 2019~Apr. 2022
② Investments in servers and other equipment and telecommunications expenses relating to the use of external servers	<u>¥590 million</u>	Dec. 2019~Apr. 2022
③ Deposits and expenses, etc. for expansion of office floor space	<u>¥100 million</u>	Dec. 2019~Apr. 2022
④ <u>Acquisition of VarioSecure, Inc. shares</u>	<u>¥1,995 million</u>	<u>Sep. 2021</u>
⑤ Investments and loans to companies, etc. with peripheral technologies that can be applied to the Company's business	<u>¥1,000 million</u>	<u>May 2022~Apr. 2025</u>
⑥ Necessary working capital to business operations	<u>¥61 million</u>	Dec. 2019~Apr. 2021
Total Uses of Funds	¥3,876 million	

3. Future Outlook

While the impact of these changes on the Company's performance is expected to be negligible, the Company will make timely disclosures if relevant events that may affect future performance arise.