

**Translation**

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**Summary of Non-Consolidated Financial Results  
for the Three Months Ended July 31, 2022  
(Based on Japanese GAAP)**

September 9, 2022

Company name: HEROZ, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 4382 URL <https://www.heroz.co.jp>  
 Representative: Representative Director and Co-CEO Takahiro Hayashi  
 Inquiries: Executive Officer and CFO Hiroya Mori TEL 03(6435)2495  
 Scheduled date to file Quarterly Securities Report: September 12, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the three months ended July 31, 2022 (from May 1, 2022 to July 31, 2022)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended July 31, 2022	375	5.8	41	(12.5)	14	56.4	4	(37.3)	7	117.9
Three months ended July 31, 2021	354	–	47	–	9	–	6	–	3	–

※EBITDA = Operating Profit + Depreciation + Amortization

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended July 31, 2022	0.52		0.51	
Three months ended July 31, 2021	0.24		0.24	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2022	6,623	6,448	97.4
As of April 30, 2022	6,635	6,440	97.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended April 30, 2022	–	0.00	–	0.00	0.00
Year ending April 30, 2023	–	–	–	–	–
Year ending April 30, 2023 (Forecast)	–	0.00	–	0.00	0.00

3. Forecast of non-consolidated financial results for the year ending April 30, 2023 (from May 1, 2022 to April 30, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	–	–	–	–	–	–	–	–	–

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2022	15,025,582 shares	As of April 30, 2022	15,025,582 shares
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Number of treasury shares at the end of the period

As of July 31, 2022	– shares	As of April 30, 2022	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended July 31, 2022	15,025,582 shares	Three months ended July 31, 2021	15,025,582 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of April 30, 2022	As of July 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,660,270	3,694,578
Accounts receivable- trade and contracts assets	167,240	184,574
Other	132,118	70,719
Total current assets	<u>3,959,629</u>	<u>3,949,872</u>
Non-current assets		
Property, plant and equipment	260,271	234,306
Intangible assets		
Software	14,496	34,736
Software in progress	10,855	2,807
Total intangible assets	<u>25,351</u>	<u>37,544</u>
Investments and other assets		
Shares of subsidiaries and associates	1,995,548	1,995,548
Other	394,583	406,257
Total investments and other assets	<u>2,390,131</u>	<u>2,401,805</u>
Total non-current assets	<u>2,675,754</u>	<u>2,673,655</u>
Total assets	<u>6,635,384</u>	<u>6,623,528</u>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	23,899	20,958
Income taxes payable	–	6,071
Provision for bonuses	8,772	21,975
Other	161,954	125,750
Total current liabilities	<u>194,626</u>	<u>174,755</u>
Total liabilities	<u>194,626</u>	<u>174,755</u>
<b>Net assets</b>		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	5,311,017	5,311,017
Retained earnings	1,117,934	1,125,722
Total shareholders' equity	<u>6,438,952</u>	<u>6,446,740</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,804	2,031
Total valuation and translation adjustments	<u>1,804</u>	<u>2,031</u>
Share acquisition rights	1	1
Total net assets	<u>6,440,758</u>	<u>6,448,772</u>
Total liabilities and net assets	<u>6,635,384</u>	<u>6,623,528</u>

**Non-consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Three months ended July 31, 2021	Three months ended July 31, 2022
Net sales	354,937	375,642
Cost of sales	235,690	221,936
Gross profit	119,247	153,705
Selling, general and administrative expenses	110,041	139,310
Operating profit	9,205	14,394
Non-operating income		
dividends on investment	4	8
Other	-	0
Total non-operating income	4	8
Non-operating expenses		
Loss on investments in investment partnerships	2,724	10,337
Other	1	1
Total non-operating expenses	2,725	10,338
Ordinary profit	6,485	4,064
Profit before income taxes	6,485	4,064
Income taxes - current	4,233	13,652
Income taxes - deferred	(1,322)	(17,374)
Total income taxes	2,911	(3,722)
Profit	3,574	7,787