



December 9, 2022

Company Name: HEROZ, Inc.

Name of Representatives:

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Co-Chief Executive Officer:

Stock Code: 4382, TSE Prime Market

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Notice of Revision of Consolidated Earnings Forecasts for the Fiscal Year Ending April 30, 2023  
and Recording of Extraordinary Loss

HEROZ, Inc. (the “Company”) hereby announces the following revisions to its consolidated earnings forecast for the fiscal year ending April 30, 2023, which was disclosed on September 9, 2022, as well as the posting of an extraordinary loss for the second quarter of the fiscal year ending April 30, 2023.

1. Revision of consolidated earnings forecast for the fiscal year ending April 30, 2023

(May 1, 2022 - April 30, 2023)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Profit per share
Forecast announced on Sept.9 (A)	Million yen 3,100	Million yen —	Million yen —	Million yen —	yen —
Revised forecast announced at this time (B)	2,900	250	200	-590	-39.26
Increase/Decrease (B – A)	-200	—	—	—	—
Percentage increase/decrease (%)	-6.5%	—	—	—	—
(Reference) Full year ended April. 30, 2022	1,482	34	87	49	3.29

\*Figures for the full year of the fiscal year ended April 30, 2022, are based on non-consolidated results.

2. Reason for revision

With regard to the consolidated earnings forecast for the fiscal year ending April 30, 2023, we had previously stated "under scrutiny" as the forecast figures for operating income, ordinary income, profit attributable to owners of parent and profit per share were under scrutiny due to the transition to consolidated accounting, but we have now calculated them based on information available at this point in time and disclose them. The Company has also revised its forecast for net sales from the previously announced forecast.

Net sales figures have been revised from the previously disclosed figures due to the change in the accounting period of consolidated subsidiary StrategIT from 6 months to 5 months following the change in the fiscal year end of StrategIT, and the expected increase in internal transactions due to mutual support of engineers in pursuit of group synergies, as described in "Significant Subsequent Events" in the "Financial Report for the Second Quarter of the Fiscal Year Ending April 2023," disclosed today.

In addition, due to the extraordinary loss described in section 3 below, the net loss attributable to owners of the parent company is expected to be 590 million yen.

### 3. Recording of Extraordinary Losses

In connection with the conversion of VarioSecure Inc. from an equity-method affiliate to a consolidated subsidiary, the Company recorded an extraordinary loss of 541 million yen related to the step acquisition in its financial statements for the second quarter of the fiscal year ending April 2023.

This is a one-time expense, as the Company acquired the shares of VarioSecure Inc. in September 2021 and revalued the shares based on the current market share price when consolidating the company at this time.

Forecasts of business performance are based on information currently available to the Company. Forecasts are subject to various uncertainties, and actual results may differ from these forecasts. We will review our earnings forecasts from time to time and disclose them in accordance with the disclosure rules.
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