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Company Name: HEROZ, Inc.

Name of Representatives:

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Stock Code: 4382, TSE Prime Market

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Notice Concerning Introduction of a Restricted Stock Compensation Plan

At a meeting of the Company's Board of Directors held today, HEROZ, Inc. (hereinafter referred to as the "Company") reviewed its executive compensation system and resolved to introduce a restricted stock compensation plan (hereinafter referred to as the "Plan"). The Company's Board of Directors, at a meeting held today, resolved to review the executive compensation system and to introduce a restricted stock compensation plan (the "Plan"), and decided to submit a proposal concerning the Plan to the 15th Ordinary General Meeting of Shareholders of the Company to be held on July 27, 2023 (the "General Meeting of Shareholders"). The Company hereby announces that it has decided to submit a proposal for the introduction of the Plan to the 15th Ordinary General Meeting of Shareholders of the Company to be held on July 27, 2023.

1. Purpose of the System

(1) Purpose of introducing this system

This system is designed to provide for the directors of the Company (excluding directors who are members of the Audit and Supervisory Committee and outside directors) to be elected by the Board of Directors of the Company. The Company's directors (excluding members of the Audit and Supervisory Committee and outside directors; hereinafter referred to as "eligible directors") will share the benefits and risks of stock price fluctuations with

shareholders. This system will be introduced as a remuneration system under which the Company's Directors (excluding Directors who are members of the Audit Committee and Outside Directors) will be allocated restricted shares in order to share the benefits and risks of stock price fluctuations with shareholders and to motivate them more than ever to contribute to the increase in the stock price and the enhancement of corporate value.

(2) Conditions for introduction of this system

Since this plan involves the payment of monetary compensation claims as remuneration to eligible directors for the allotment of restricted stock, the introduction of this plan is subject to the approval of shareholders for the payment of such remuneration at this General Meeting of Shareholders. At the 9th Ordinary General Meeting of Shareholders of the Company held on July 24, 2017, the maximum amount of remuneration for the Company's Directors (excluding Directors who are members of the Audit and Supervisory Committee) was approved as 150 million yen per year. However, at this General Meeting of Shareholders, in consideration of the contribution of the Subject Directors to the Company and other various matters, the total amount of monetary compensation claims to be paid to the Subject Directors as compensation, etc. related to the restricted stock, which is separate from the above limit on directors' compensation, will be set at no more than 35 million yen per annum. The Company plans to ask for the approval of shareholders to set the total amount of monetary compensation claims to be paid to the Subject Directors as compensation, etc. related to restricted transferable shares at 35 million yen or less per year, in addition to the maximum amount of remuneration for Directors as stated above.

2. Outline of this program

(1) Allotment and payment for restricted stock

Based on the resolution of the Board of Directors of the Company, the Company shall pay monetary compensation claims to the Subject Directors as compensation, etc. Related to the Restricted Shares within the above annual amount, and each Subject Director shall receive all the said monetary compensation claims by way of contribution in kind to be allotted the Restricted Shares.

The amount to be paid in for the Restricted Shares shall be determined based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day immediately preceding the date of resolution by the Company's Board of Directors regarding the issuance or disposal of such shares (or, if no trading is effected on such date, the closing price of the immediately preceding trading day) to the extent that such amount is not particularly favorable to the Subject Directors who will subscribe to such Restricted Shares. The above monetary compensation shall be determined by the Board of Directors of the

Company to the extent that it is not particularly favorable to the Subject Director who subscribes to such Restricted Stock.

In addition, the above monetary compensation claims shall be paid on the condition that the Subject Director agrees to the above contribution-in-kind and that he/she has executed the Restricted Share Allotment Agreement including the details set forth in (3) below.

(2) Total number of restricted shares

The total number of Restricted Shares to be allotted to the Subject Directors shall be 30,000 shares, which shall be the maximum number of Restricted Shares to be allotted in each fiscal year.

However, in the event of a stock split (including gratis allotment of shares of common stock of the Company) or reverse stock split of shares of common stock of the Company after the date of resolution of this proposal, or in any other cases where adjustment of the total number of Restricted Shares to be allotted is required pursuant to such cases, such total number of shares may be reasonably adjusted.

Upon the allotment of the Restricted Shares, the Restricted Share Allotment Agreement to be entered into between the Company and the Subject Director to whom the Restricted Shares are allotted pursuant to the resolution of the Board of Directors of the Company shall include the following details.

(3) Contents of the Restricted Share Allotment Agreement

Upon the allotment of the Restricted Shares, the Restricted Share Allotment Agreement to be entered into between the Company and the Director to whom the Restricted Shares are allotted pursuant to the resolution of the Board of Directors of the Company shall include the following details.

① Details of transfer restrictions

The Subject Director who has received an allotment of Restricted Transferable Shares shall, during the period from the date of delivery of the Restricted Transferable Shares to the date of his/her retirement or resignation from any position as a director, executive officer or employee of the Company (hereinafter referred to as the "Restricted Transfer Period"), hold the position of director, executive officer or employee of the Company until the date of his/her retirement. The shares with transfer restrictions allocated to the subject director (hereinafter referred to as the "Allotted Shares") may not be transferred or pledged to any third party during the period between the date of delivery of the Allotted Shares and the date of retirement or resignation from the position of director, executive officer, or employee of the Company (hereinafter referred to as the "Restricted Period"). The shares may not be transferred, pledged, pledged, created as security interest, donated, bequeathed, or otherwise disposed of to a third party (hereinafter referred to as "Restricted Transfer") during the period

from the date of his/her retirement or resignation (hereinafter referred to as "Restricted Transfer Period"). The "Restrictions on Assignment" shall apply to the following.

② Acquisition of Restricted Shares without consideration

In the event that a Director who has received an allotment of the Restricted Shares resigns or retires from any position as a director, executive officer or employee of the Company by the day before the first Ordinary General Meeting of Shareholders of the Company to be held after the commencement date of the Restricted Period, the Company shall, unless the Board of Directors of the Company has a justifiable reason to the contrary, acquire the Company shall naturally acquire the Allotted Shares without consideration unless the Board of Directors of the Company has a justifiable reason.

In addition, if any of the Allotted Shares have not been released from the restrictions on transfer in accordance with the provisions of ③ below as of the expiration of the period of restriction on transfer in ① above, the Company shall naturally acquire such Allotted Shares for no consideration.

③ Cancellation of transfer restrictions

The Company shall cancel the restrictions on transfer of all the Allotted Shares upon the expiration of the Restriction Period, provided that the Director to whom the Restricted Shares are allotted has continuously held the position of director, executive officer, or employee of the Company from the commencement date of the Restriction Period until the first Ordinary General Meeting of Shareholders of the Company to be held in the future. The restriction on transfer shall be lifted upon the expiration of the Restriction Period.

However, if, for reasons deemed justifiable by the Board of Directors, the subject director resigns or retires from any of the positions of director, executive officer or employee of the Company by the day before the first Ordinary General Meeting of Shareholders of the Company to be held after the commencement date of the Restricted Transfer Period, the number of the Allotted Shares to be released and the timing of the release of the transfer restrictions shall be determined in a reasonable manner as necessary. In this case, the Company shall reasonably adjust the number of the allotted shares to be released and the timing of the release of the transfer restriction as necessary.

④ Treatment in the event of organizational restructuring, etc.

If, during the transfer restriction period, a merger agreement under which the Company becomes a defunct company, a share exchange agreement under which the Company becomes a wholly owned subsidiary, a share transfer plan, or any other proposal for organizational restructuring is approved at a general meeting of shareholders of the Company (however, if such organizational restructuring does not require approval at a general meeting of shareholders, the Board of Directors of the Company), the Company may, upon the approval

of such proposal, transfer the shares of the Company in accordance with the following conditions (limited to the case where the effective date of such organizational restructuring, etc. comes before the expiration of the transfer restriction period). (If no approval is required by the General Meeting of Shareholders of the Company, the approval shall be given by the Board of Directors of the Company). In the event that any of the executive officers or employees of the Company also retire or resign from their positions as executive officers or employees, the Company's Board of Directors may, by resolution, cancel the restrictions on transfer of the allotted shares prior to the effective date of such Reorganization, etc.

Upon approval of the Organizational Restructuring, etc., the Company shall naturally acquire the Allotted Shares for which the transfer restriction has not been cancelled as of the same date without consideration as of the business day prior to the effective date of such Organizational Restructuring, etc.

(Reference)

After the conclusion of this General Meeting of Shareholders, the Company intends to allot restricted shares like the above-mentioned restricted shares to the Company's executive officers and restricted shares of a different design to the Company's employees.