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Securities code: 4382

June 30, 2023

To Shareholders with Voting Rights:

Takahiro Hayashi,
Co-Chief Executive Officer
HEROZ, Inc.
5-31-17 Shiba, Minato-ku, Tokyo

Notice of Convocation of the 15th Annual General Meeting of Shareholders

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

This is to notify that the 15th Annual General Meeting of Shareholders of HEROZ, Inc (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, the Company has taken measures electronically to provide the information contained in the Reference Documents for the General Meeting of Shareholders, etc. (matters to be provided electronically) and posted them on the Company's website on the Internet, so please access the following website and check the contents.

the Companies Website : <https://heroz.co.jp/ir> (Japanese Only)

In addition to the Company's website, the matters regarding the electronic provision of information are also posted on the website of the Tokyo Stock Exchange (TSE), which can be found at the following link.

Tokyo Stock Exchange Website (TSE Listed Company Information Service) :

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (Japanese Only)

Please review the Reference Documents for the 15th Annual General Meeting of Shareholders described hereinafter and exercise your voting rights by no later than 7:00 PM on Wednesday, July 26, 2023, Japan Time.

(1) Date and Time: July 27, 2023 (Thu), 10:00 AM (reception starts at 9:30 AM)

(2) Location: 401 Hall, Grand Park Conference, 3rd and 4th Floor, Tamachi Grand Park Plaza Building,
3-4-1 Shibaura, Minato-ku, Tokyo

(3) Purpose of the Meeting

Items to be reported

To report on the Business Report, Financial Statements and Consolidated Financial Statements for the 15th fiscal year (May 1, 2022 to April 30, 2023) and the results of audits of the Consolidated Financial Statements by the Independent Auditor and the Audit Committee

Items to be resolved

Proposal 1: Election of four (4) Directors (Excluding Directors who are Audit and Supervisory

	Committee Members)
Proposal 2:	Election of Three (3) Directors who are Audit and Supervisory Committee Members
Proposal 3:	Partial Amendment to the Articles of Incorporation
Proposal 4:	Determination of Remuneration for Allotment of Transferable Shares to Directors (excluding Directors who are members of the Audit and Supervisory Committee and Outside Directors) and Determination of Remuneration for Allotment of Restricted Shares to Directors (excluding Audit and Supervisory Committee and Outside Directors)

Matters Decided upon Convocation regarding the Exercise of Voting Rights:

- (1) You can exercise your voting rights by voting via the Internet, etc. in advance of the meeting, by attending the meeting in person, or in writing.
- (2) If you submit a Voting Rights Exercise Form without indicating your approval or disapproval or abstention for any proposal, your vote for the proposal shall be counted as approval for the Company's proposals.
- (3) If you have exercised your voting rights more than once via the Internet, etc. and the content of your votes on the same agenda item differs, only your final vote shall be counted as valid.
- (4) If you have exercised your voting rights in advance both via the Internet, etc. and by submitting a Voting Rights Exercise Form, your votes via the Internet, etc. shall be counted as valid.
- (5) Please note that if you have exercised your voting rights in advance in writing or via the Internet, etc. and attend the meeting in person, the voting rights you have exercised in advance shall be invalidated.
- (6) If a proxy attends the meeting, the proxy shall be one other shareholder with voting rights in accordance with the provisions of Article 16 of the Articles of Incorporation. Please note that in such a case, you will be required to submit a document certifying your power of representation.

Other information and request to shareholders:

- (1) If you plan to attend the meeting, please submit the enclosed Voting Rights Exercise Form to the receptionist at the meeting.
- (2) Please note that there will be no souvenirs for attendees of the meeting.
- (3) Any revisions to the Reference Documents for the 15th Annual General Meeting of Shareholders and other appendices will be posted on the Company's website, and Tokyo Stock Exchange Website.
- (4) We will dress lightly (Cool Biz) on the day of the meeting. Shareholders are also kindly requested to attend the meeting in light attire.
- (5) Shareholders who have requested the delivery of the document will also receive a document stating the matters to be provided electronically, but the Company exclude some items in this document, in accordance with laws and regulations and Article 18 of the Company's Articles of Incorporation.

The business report, consolidated financial statements and financial statements included in this document are a part of the subject documents that were audited by the Accounting Auditor in preparing the Accounting Audit Report and by the Audit Committee in preparing its Audit Report.

Guidance for Exercising Your Voting Rights

If you attend the meeting:

Please submit the enclosed Voting Rights Exercise Form at the reception desk on the day of the meeting (Opens at 9:30 AM on Thursday, July 27, 2023).

If you do not attend the meeting in person:

If you do not attend the meeting in person, you can exercise your voting rights in advance either via the Internet, etc. or in writing.

(1) Voting via the Internet, etc.:

Please access our designated website, listed below, for exercising voting rights from your PC or smartphone, enter the log-in ID and password indicated in your Voting Rights Exercise Form, and enter your votes by following the instructions on the screen after reviewing the Reference Documents for the 15th Annual General Meeting of Shareholders. Your votes must be entered by no later than 7:00 PM, Wednesday, July 26, 2023, Japan time.

<https://www.web54.net/> (Japanese Only)

Institutional Investors can use the electronic voting platform for institutional investors run by ICJ, Inc.

(2) Voting by mail (in writing):

Please review the Reference Documents for the 15th Annual General Meeting of Shareholders and return the Voting Rights Exercise Form with your votes by mail. The completed form must reach us by 7:00 PM, Wednesday, July 26, 2023, Japan time.

Reference Documents for the 15th Annual General Meeting of Shareholders

Proposal No.1 Election of four (4) Directors (Excluding Directors who are Audit and Supervisory Committee Members)

The terms of office of all three (3) Directors (excluding Directors who are Audit and Supervisory Committee Members) will expire at the conclusion of this General Meeting. Therefore, the Company proposes the election of four (4) Directors (excluding Directors who are Audit and Supervisory Committee Members).

The Audit and Supervisory Committee discussed this proposal, and there were no matters of particular note.

Candidates for Directors (excluding Directors who are Audit and Supervisory Committee Members) are as follows:

Candidate No	Name (Date of Birth)	Career summary and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Re-election</div> Takahiro Hayashi (December 20, 1976)	Apr. 1999 Joined NEC Corporation (NEC) Worked in IT Strategy Department and Corporate Planning Department Apr. 2009 Established the Company Representative Director, and CEO Aug. 2021 Representative Director, and Co-CEO of the Company (current position) Sep. 2022 Director of StrategIT, Inc. (current position) Nov. 2022 Director of VarioSecure, Inc. (current position)	4,333,300
(Significant concurrent positions outside the Company) Director of VarioSecure, Inc. Director of StrategIT, Inc.			
(Reasons for nomination) As a representative director of the Company, he has been directing the Company's management for many years and has contributed to the enhancement of the Company's corporate value. The Company has judged that he continues to be suitable for director based on his achievements, abilities, and abundant experience as a corporate manager, as well as his excellent character and insight.			
2	<div style="border: 1px solid black; display: inline-block; padding: 2px;">Re-election</div> Tomohiro Takahashi (December 30, 1976)	Apr. 1999 Joined NEC Corporation (NEC) Worked in Biglobe Business Department and Corporate Planning Department Apr. 2009 Established the Company Representative Director, and COO Aug. 2021 Representative Director, and Co-CEO of the Company (current position)	4,333,300
(Reasons for nomination) As a representative director of the Company, he has been directing the Company's management for many years and has contributed to the enhancement of the Company's corporate value. The Company has judged that he continues to be suitable for director based on his achievements, abilities, and abundant experience as a corporate manager, as well as his excellent character and insight.			

Candidate No	Name (Date of Birth)	Career summary and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	<u>Re-election</u> Keiichi Iguchi (July 19, 1978)	Apr. 2003 Joined NEC Corporation (NEC) Worked in Central Research Labs Apr. 2010 Joined Donuts Co. Ltd., Development Manager May 2012 Joined Ginger Corporation, Director June 2013 Joined the Company, Development Manager July 2020 Director and CTO of the Company (current position) Nov. 2022 Director of VarioSecure, Inc. (current position) (Significant concurrent positions outside the Company) Director of VarioSecure, Inc.	12,000
(Reasons for nomination) He has extensive knowledge of wide range of IT technologies and experience in numerous development projects. Since June 2013, he has served as Development Manager of the Company and has made efforts to maintain and oversee the quality of our services. The Company has judged that he continues to be suitable for director based on his excellent character and insight, as well as his achievements and abilities.			
4	<u>New Candidate</u> Hiroya Mori * (Oct ,19 1973)	Oct. 1996 Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC) July. 2000 Joined Intellaset Inc. July. 2002 Joined Intelligence Corporation (currently Persol Career Co., Ltd.) April. 2016 Transferred to PERSOL HOLDINGS CORPORATION, General Manager, Group Finance Division Oct. 2021 Joined the Company, Executive Officer, and CFO (current position) Sep. 2022 Director of StrategIT, Inc. (current position) Nov. 2022 Director of VarioSecure, Inc. (current position) (Significant concurrent positions outside the Company) Director of VarioSecure, Inc. Director of StrategIT, Inc.	-
(Reasons for nomination) He has a high level of expertise in finance and accounting through his auditing experience at an auditing firm as a certified public accountant. He also has experience in group governance and M&A in the private sector, and has been in charge of the administrative division of the Company as an executive officer since 2021. The Company has judged that he is to be suitable for director because of his excellent character and insight, as well as his achievements and abilities.			

- Notes:
1. Those marked with an asterisk (*) are candidates for newly elected directors.
 2. There is no special interest between any of the candidates and the Company.
 3. The Company has concluded a directors' and officers' liability insurance policy with an insurance company under Article 430-3, Paragraph 1 of the Companies Act, which provides that the Company's directors are insured. The insurance agreement will cover any damage caused by the insured assuming responsibility for the execution of duties of the insured, or receiving claims related to the pursuit of such responsibility. If each candidate is elected as a Director, they will continue to be insured under the relevant insurance policy. In addition, at the next renewal of the policy, it is scheduled to be renewed with the same terms and conditions.

(Reference) Approach to the balance and diversity of knowledge, experience, and abilities of the Board of Directors

We believe it is important to discuss business and management strategies based on diverse values. To this end, we think that the following skills are important to support our growth.

Core Skills	Specific examples of skills
Skills which are basics of management	Corporate Management Finance, Accounting, and Taxation Governance and Risk Management
Skills which are key to creating AI services	IT and AI Technology Planning and Development Personnel and Labor Affairs, and Human Resource Development
Skills necessary to expand and promote our business	M&A

Our goal is to complement these skills with each other, to achieve objective and multifaceted deliberations, and to make our Board of Directors more effective. If this proposal is approved, the skill matrix of our Directors will be as follows:

Directors \ Skills	Corporate Management	IT and AI Technology	M&A	Planning and Development	Personnel and Labor Affairs, and Human Resource Development	Finance, Accounting, and Taxation	Governance and Risk Management
Takahiro Hayashi	◎	○		○	○		
Tomohiro Takahashi	◎	○		○			
Keiichi Iguchi		◎		○			
Hiroya Mori	◎		◎			◎	◎
Tomohiro Inoue						◎	○
Tooru Kamiyama			◎			○	
Yuko Kanamaru					◎		◎

Primary Skill: ◎ Secondary Skill: ○

Proposal No.2 Election of Three (3) Directors who are Audit and Supervisory Committee Members

The terms of office of all Three (3) Directors, who are Audit and Supervisory Committee Members, will expire at the conclusion of this General Meeting. Therefore, the Company proposes the election of three (3) Directors who are Audit and Supervisory Committee Members.

The Audit Committee has given its consent to this proposal.

Candidates for Directors, who are Audit and Supervisory Committee Members, are as follows:

Candidate No	Name (Date of Birth)	Career summary and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	<u>Re-election</u> Tomohiro Inoue (July 19, 1980)	<p>Apr. 2003 Joined Chuo Aoyama Audit Corporation</p> <p>Sep. 2006 Joined Arata Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)</p> <p>May 2010 Venture Ink Accounting Office Representative (current position)</p> <p>Feb. 2015 Corporate Auditor of the Company</p> <p>Jul. 2017 Outside Director of the Company (Audit Committee Member, full-time)</p> <p>Jan. 2020 Outside Director of the Company (Audit Committee Member) (current position)</p> <p>(Significant concurrent positions outside the Company) Venture Ink Accounting Office Representative.</p>	-
(Reasons for nomination) He has a highly developed personality and expert knowledge of accounting and taxation as a certified public accountant and tax accountant. We have determined that he is capable of appropriately performing his duties as an Outside Director of the Company as a member of the Audit and Supervisory Committee, and have continued to nominate him as a candidate for Director as a member of the Audit and Supervisory Committee.			
2	<u>Re-election</u> Tooru Kamiyama (October 11, 1977)	<p>Apr. 2000 Joined Nomura Securities Co.</p> <p>Aug. 2017 Established Kakel Partners, LLC. Representative Partner (current position)</p> <p>Nov. 2017 Outside Director of the Company (Audit Committee Member) (current position)</p> <p>Dec. 2019 Outside Director, B-Platts Corporation (current position)</p> <p>Jun. 2020 Outside Director (Member of the Audit and Supervisory Board), Itsumo, Inc. (current position)</p> <p>Dec. 2022 Outside Director, M&A Research Institute Holdings, Inc. (current position)</p> <p>(Significant concurrent positions outside the Company) Representative Partner of Kakel Partners, LLC. Outside Director, B-Platts Corporation Outside Director (Member of the Audit and Supervisory Board), Itsumo, Inc. Outside Director, M&A Research Institute Holdings, Inc.</p>	-
(Reasons for nomination) He has worked at major financial institutions and has a proven track record in corporate management, and has broad insight and a wealth of experience in management and finance, etc. We have determined that he is capable of appropriately performing his duties as an Outside Director of the Company as a member of the Audit and Supervisory Committee, and have continued to nominate him as a candidate for Director as a member of the Audit and Supervisory Committee.			

Candidate No	Name (Date of Birth)	Career summary and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
3	New candidate Yuko Kanamaru * (August 25, 1979)	<p>Oct. 2006 Registered as an attorney, Joined Mori Hamada & Matsumoto Law Office</p> <p>May 2012 Graduated from University of California, Los Angeles School of Law</p> <p>Aug. 2012 Rajah & Tann Law Office (Singapore) (-2013)</p> <p>Jan. 2018 Appointed partner of Mori Hamada & Matsumoto Law Office (-2022)</p> <p>Jul. 2022 Outside Corporate Auditor, Acuris Pharma K.K. (current position)</p> <p>Jan. 2023 Joined Gaien Law Office (Partner) (current position)</p> <p>Feb. 2023 External Corporate Auditor, Bleaf K.K. (current position)</p> <p>(Significant concurrent positions outside the Company) Outside Corporate Auditor, Acuris Pharma K.K. External Corporate Auditor, Bleaf K.K.</p>	-
<p>(Reasons for nomination)</p> <p>Through her extensive experience as an attorney at a major law firm and her work experience at an overseas law firm, she has outstanding expertise in corporate risk management, labor law, and other areas. She has been nominated as a new candidate for Director as we believe that she will be able to appropriately perform her duties as an Outside Director who is a member of the Audit and Supervisory Committee of the Company.</p>			

- Notes: 1. Those marked with an asterisk (*) are candidates for new Directors as Audit and Supervisory Committee Members.
2. There is no special interest between any of the candidates and the Company.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into an agreement with Mr. Tomohiro Inoue and Mr. Tooru Kamiyama to limit their liability for damages under Article 423, Paragraph 1 of the same Act. The maximum amount of liability for damages under these contracts is the amount stipulated by law, and if their reappointment is approved, the Company plans to continue such contracts with each of them. And, if the appointment of Yuko Kanamaru is approved, the Company plans to enter into a similar liability limitation agreement. Such limitation of liability is limited to cases where the Outside Director has performed his/her duties in good faith and without gross negligence.
4. Mr. Tomohiro Inoue, Mr. Tooru Kamiyama and Ms. Yuko Kanamaru are candidates for Outside Director. The Company's philosophy regarding the balance and diversity of knowledge, experience, and abilities of the Board of Directors is described in the "Reference" section of Proposal No. 1.
5. Mr. Tomohiro Inoue is currently an Outside Director of the Company who is a member of the Audit Committee, and his term of office will be six (6) years at the conclusion of this General Meeting of Shareholders. Mr. Tooru Kamiyama is also currently an Outside Director of the Company and a member of the Audit and Supervisory Committee, and his term of office will be five years and eight months at the conclusion of this General Meeting of Shareholders. Mr. Tomohiro Inoue has previously served as a non-executive officer (corporate auditor) of the Company.
6. The Company has designated Mr. Tomohiro Inoue and Mr. Tooru Kamiyama as independent directors as stipulated by the Tokyo Stock Exchange and has notified the Tokyo Stock Exchange to that effect. If their reappointment is approved, they will continue to be independent directors. The Company also plans to designate Ms. Yuko Kanamaru as an independent director if her appointment is approved.
7. The Company has concluded a Directors' and Officers' liability insurance policy with an insurance company under Article 430-3, Paragraph 1 of the Companies Act, which provides that the Company's Directors are insured. Under the insurance policy, the Company will be covered for damages arising from the insured being held liable for the performance of his/her duties or being subject to a claim for such liability. If the appointment of each candidate is approved and they assume office, they will continue to be insured under the policy or be newly insured under the policy. In addition, at the next renewal of the insurance policy, the policy will be renewed with the same terms and conditions.

Proposal No.3 Partial Amendment to the Articles of Incorporation

(1) Purpose of changing articles

The Company is considering the creation of new businesses using its AI and other technologies. In order to respond to this diversification of business activities, two business purposes will be added to Article 2 of the current Articles of Incorporation of the Company.

(2) Details of Amendments to the Articles of Incorporation

The details of the amendments are as follows. (next page)

current Articles of Incorporation	Proposed Amendments to the Articles of Incorporation
<p>Article 2. The purpose of the Company shall be to engage in the following businesses.</p> <ol style="list-style-type: none"> 1. Services related to the collection, processing, and provision of various types of information 2. Sales activities and support for various goods, services, etc. 3. Computer system analysis, design and Internet consulting 4. Planning, development, and design of computers, peripheral and related equipment, and software, Planning, development, design, manufacture, sale, lease, and import/export of computers, peripheral equipment, related equipment, and software 5. Mail-order business 6. Planning and production of advertising and publicity, and advertising agency business 7. Business and consulting related to various types of marketing 8. Telecommunications business based on the Telecommunications Business Law 9. Investment Advisory and Agency Business 10. Worker Dispatch Business 11. All business incidental to the above articles 	<p>Article 2. The purpose of the Company shall be to engage in the following businesses.</p> <ol style="list-style-type: none"> 1. Services related to the collection, processing, and provision of various types of information 2. Sales activities and support for various goods, services, etc. 3. Computer system analysis, design and Internet consulting 4. Planning, development, and design of computers, peripheral and related equipment, and software, Planning, development, design, manufacture, sale, lease, and import/export of computers, peripheral equipment, related equipment, and software 5. Mail-order business 6. Planning and production of advertising and publicity, and advertising agency business 7. Business and consulting related to various types of marketing 8. Telecommunications business based on the Telecommunications Business Law 9. Investment Advisory and Agency Business 10. Worker Dispatch Business 11. <u>Fee-charging Employment Placement Business</u> 12. <u>Investment, trading, holding and management of financial assets, etc.</u> 13. All business incidental to the above articles

Proposal No.4: Determination of Remuneration for Allotment of Transferable Shares to Directors (excluding Directors who are members of the Audit and Supervisory Committee and Outside Directors) and Determination of Remuneration for Allotment of Restricted Shares to Directors (excluding Audit and Supervisory Committee and Outside Directors)

The maximum amount of remuneration for Directors (excluding Directors who are members of the Audit and Supervisory Committee) of the Company was approved at the Company's 9th Annual General Meeting of Shareholders held on July 24, 2017, as an annual amount not exceeding 150 million yen.

The Company has decided to allot shares of common stock of the Company (hereinafter referred to as "restricted stock") to the Directors (hereinafter referred to as "Subject Directors"), which are subject to a certain period of transfer restrictions and reasons for acquisition by the Company without consideration, in order to share the benefits and risks of stock price fluctuations with shareholders and increase their motivation to contribute to the increase in stock price and the enhancement of corporate value more than ever.

Therefore, taking into consideration the contribution level of the Subject Director and other various matters, the Company proposes to set the total amount of monetary compensation claims to be paid to the Subject Director as compensation for restricted stock at no more than 35 million yen per year, which is separate from the maximum amount of compensation for directors as stated above. The ratio of the maximum number of restricted transferable shares to be allotted in each fiscal year to the total number of shares issued and outstanding is approximately 0.2% (The Company believes that the content of the plan is appropriate because the dilution ratio is minimal approximately 2% of the total number of shares issued and outstanding in the event that the Company issues the maximum number of shares with transfer restrictions over a 10-year period).

If this proposal is approved, the Company's Board of Directors, at a meeting held after the conclusion of this General Meeting of Shareholders, plans to change the policy for determining the content of individual director compensation. The Company believes that this proposal is in line with the policy after such change and is appropriate.

The current number of the Subject Director is three (3), and the Company believes that Proposal No.1, "Election of Four (4) Directors (excluding Directors who are members of the Audit and Supervisory Committee) is approved and passed as originally proposed, the number of the Subject Directors will be four (4).

(Reference)

(1) After the conclusion of this General Meeting of Shareholders, the Company will issue restricted stock similar to the above-mentioned restricted stock to the Company's executive officers and restricted stock of different design to the Company's employees.

(2) If Proposal No. 4 is approved as originally proposed, the details of the "Policy for Determining Individual Remuneration, etc. of Directors" will be as follows.

(i) Remuneration for Directors who are not Audit and Supervisory Committee Members

(a) Basic Policy

Basic policy: - Remuneration shall be commensurate with the roles and responsibilities of Directors.

Remuneration level shall be commensurate with the roles and responsibilities of Directors.

The Company will ensure transparency in the process of determining compensation by consulting the Nomination and Compensation Committee, which is chaired by an outside director and composed of a majority of outside directors.

(b) Remuneration Levels

In addition to taking into consideration the duties and performance of the Directors, the remuneration level will be set mainly in consideration of the remuneration levels of other companies in the same industry, with reference to examples of other companies surveyed by an external professional organization, in order to ensure the objectivity of remuneration, etc.

(c) Decision-making process

In determining compensation, etc., the Nomination and Compensation Committee shall review the above basic policy

and compensation levels and report the results to the Board of Directors. The Board of Directors shall fully consider the results of the Nomination and Compensation Committee's report and pass a resolution on the details of compensation for everyone.

(d) Remuneration System

Directors' remuneration consists of fixed remuneration, performance-linked remuneration as a short-term incentive, and restricted stock remuneration as a medium- to long-term incentive. The specific amount of remuneration, etc., its calculation method, and the timing of payment of remuneration, etc. are as follows.

Fixed and performance-linked compensation.

1.Fixed Remuneration

Payment Criteria: Paid according to roles and responsibilities.

2.Performance-linked remuneration

Payment Criteria: The amount is calculated based on the percentage of achievement of the consolidated sales forecast for each fiscal year.

Calculation method: Amount equivalent to 80% of total remuneration (annual amount) of directors

- (1) Less than 90% of projected consolidated net sales: Standard amount x 1/2
- (2) Consolidated sales forecast 90% or more but less than 110%: Standard amount paid
- (3) Consolidated sales forecast exceeds 110%: Standard amount x 2

The standard amount is equivalent to 10% of total compensation for each fiscal year (annual amount)

Payment method Monthly (cash) Once a year (cash)

Paid at the end of the month following the month in which the annual shareholders' meeting for each fiscal year ends