

20 December 2022

Company Name: HEROZ, Inc.

Names of Representatives:

Takahiro Hayashi,

Co-Chief Executive Officer

Stock Code: 4382

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Chief Financial Officer

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Notice Concerning Issuance of the 13th Offering of Stock Acquisition Rights (Stock Options)

HEROZ, Inc. (hereinafter referred to as the “Company”) hereby announce that in accordance with the provisions of Articles 236, 238 and 240 of the Companies Act, a resolution has been passed to issue 13th Stock Acquisition Rights to employees. This resolution was made at a meeting of the Company's Board of Directors held on December 20, 2022. The details are as follows.

I. Objectives and Reasons for Issuance of the Stock Acquisition Rights

The Company issues stock acquisition rights to its employees for the purpose of further increasing their motivation and morale and commitment to the expansion of the Company's business performance as it aims to increase the Company's corporate value over the medium to long term.

II. Stock Acquisition Rights Issuance Provisions

1. Number of Stock Acquisition Rights

570 rights

The total number of shares that may be delivered upon exercise of the Stock Acquisition Rights shall be 57,000 shares of common stock of the Company.

2. Payment in Exchange for Stock Acquisition Rights

No cash payment is required in exchange for these stock acquisition rights. The stock acquisition rights are granted as incentive compensation and do not require payment of money, but do not fall under the category of favorable issuance.

3. Details of Stock Acquisition Rights

(1) Type and number of shares granted for Stock Acquisition Rights

The number and type of shares granted for each Stock Acquisition Right (hereinafter referred to as “number of shares granted”) shall be 100 common shares of the Company.

(2) Value of assets to be invested in the exercise of Stock Acquisition Rights and calculation method

The value of the assets to be contributed upon exercise of the SARs shall be the amount to be paid per share (hereinafter referred to as “exercise price”) multiplied by the number of shares granted.

The Exercise Price shall be the average closing price of the Company's common stock on the TSE Prime Market on each day of the month preceding the month in which the allotment date of the Stock Acquisition Rights falls multiplied by 1.05.

However, if such price is lower than the closing price on the allotment date of the Stock Acquisition Rights (or the closing price on the most recent trading day prior to the allotment date if no trading has taken place), the exercise price shall be the relevant closing price.

(3) Period during which Stock Acquisition Rights can be exercised

The period during which the Stock Acquisition Rights can be exercised shall be from January 25, 2025, to January 24, 2028 (if January 24, 2028 is not a bank business day, the preceding bank business day).

(4) Capital increase and capital reserve

(4.1) The amount of capital to be increased upon share issuance through exercising the Stock Acquisition Rights shall be half of the capital increase limit calculated in accordance with Article 17, Paragraph 1 of the Rules of Corporate Accounting. If the calculation results in a fraction of less than JPY 1, the fraction shall be rounded up to the nearest whole yen.

(4.2) The amount of capital reserve upon share issuance through exercising the Stock Acquisition Rights shall be the amount obtained by subtracting the amount of increased capital set forth in 4.1 above from the maximum increase in capital stated in 4.1 above.

(5) Restrictions on acquisition of Stock Acquisition Rights by transfer

Acquisition of the Stock Acquisition Rights by transfer shall require approval by a resolution of the Board of Directors of the Company.

(6) Conditions for exercising stock acquisition Rights

(6.1) Holders of stock acquisition rights must be directors, corporate auditors, executive officers or employees of the Company or its affiliates at the time of exercising the rights. However, this shall not apply in cases where the Board of Directors of the Company recognizes that there is a justifiable reason, such as mandatory retirement age.

(6.2) Exercise of the Stock Acquisition Rights by the heirs of the holders of the Stock Acquisition Rights is not permitted.

(6.3) If the total number of issued shares of the Company exceeds the number of authorized shares at the time of exercise of the Stock Acquisition Rights, the Stock Acquisition Rights may not be exercised.

(6.4) No less than one of these stock acquisition rights may be exercised.

4. Allotment Date of Stock Acquisition Rights
25 January 2023
5. Number of Stock Acquisition Rights and Persons Receiving Them
570 rights for 22 employees.