

19, April 2024

Company Name: HEROZ, Inc.

Names of Representatives:

Takahiro Hayashi,

Chief Executive Officer

Stock Code: 4382

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Chief Financial Officer

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Announcement of Partial Amendment to Capital and Business Alliance with Vario Secure, Inc.

As previously announced, HEROZ, Inc. (the “Company”) has entered into a capital and business alliance agreement on September 9, 2022 with Vario Secure, Inc. (“Vario Secure”)

The Company hereby announces that, with respect to this capital and business alliance agreement, the Company and Vario Secure have entered into a memorandum of understanding (“MOU”) today, April 19, 2024, to make some necessary amendments in order to promote the business alliance more efficiently while securing the common interests of shareholders, as described below.

Background and details of the MOU

As announced in the "Announcement of Capital and Business Alliance with Vario Secure, Inc. Corporation and Subscription to Third Party Allotment of New Shares of an Equity Method Affiliate (Making it a Consolidated Subsidiary)" dated September 9, 2022, the Company and Vario Secure concluded the Capital and Business Alliance Agreement as of the same date.

Subsequently, the Company and Vario Secure examined the necessity of changing the management structure of Vario Secure in order to appropriately realize the contents of the business alliance in a more efficient manner while securing the common interests of shareholders, and after discussions, the Company and Vario Secure agreed to enter into this MOU.

The changes resulting from the conclusion of this MOU are as follows:

(i) The number of directors of Vario Secure shall be 9, including directors who are members of the Audit Committee.

(ii) The Company shall have the authority to nominate candidates for 5 directors of the Vario Secure and to remove the nominated directors, and the Nominating Committee of the Vario Secure shall have the authority to nominate candidates for the remaining 4 directors of the Vario Secure.

(iii) Vario Secure's Nominating Committee shall consist of one Representative Director (Chairman) and two Directors who are members of the Audit Committee, and the Committee shall, in consideration of the common interests of shareholders, verify the suitability for office of all candidates for Vario Secure's Directors, including candidates for Vario Secure's Directors nominated by the Company in accordance with (ii) above, and report its findings to Vario Secure's Board of Directors. The Committee will report the results to the Board of Directors.

(iv) The Nominating Committee of Vario Secure will propose to the Board of Directors of Vario Secure the selection of the candidate for the position of Representative Director of Vario Secure after verifying the suitability of such candidate for the position.

In addition, Vario Secure will now assign a full-time Internal Audit Office Manager. We believe that the Internal Audit Office, in cooperation with the Audit Committee, will help to maintain governance and build an efficient management structure.