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Notice Regarding the Revision of Full-Year Consolidated Earnings Forecast
for the Fiscal Year Ending April 2026

HEROZ, Inc. hereby announce that we have revised the full-year earnings forecast for the fiscal year ending April 2026 (May 1, 2025 - April 30, 2026).

1. Revision of consolidated earnings forecast for the fiscal year ending April 30, 2026

	Net sales	EBITDA ※	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share
Previously announced forecast (A)	Million yen 6,700	Million yen 1,300	Million yen 800	Million yen 720	Million yen 150	Yen 9.89
Revised forecast (B)	6,400	1,000	500	420	50	3.29
Increase (Decrease) (B - A)	(300)	(300)	(300)	(300)	(100)	-
Percentage (Decrease) (%)	(4.5%)	(23.1%)	(37.5%)	(41.7%)	(66.7%)	-
Results for the FY ended April 30, 2025	5,929	793	306	228	(177)	(11.79)

※EBITDA = Operating Profit + Depreciation + Amortization + Stock-based compensation expense +
Inventory write-down

2. Reasons of revision

HEROZ's vision is to "Drive an AI revolution and create the future."

In the AIX segment, we mainly do the following:

- I. The BtoC services, such as providing the online shogi game "Shogi Wars."
- II. The BtoB services, including developing AI solutions for fields such as finance, construction, and entertainment, and providing the generative AI tools "HEROZ ASK" and "AI Sakura-san."

In the AI Security segment, our subsidiary Vario Secure Inc. runs an internet security business. The markets related to our group's business such as the AI BPaaS market, SaaS market, and security market continue to grow. We are working not only on expanding our existing businesses, but also on creating and growing new businesses.

During the current interim consolidated period, in the AIX segment, the BtoC services maintained strong sales growth. In the BtoB services, sales and recurring revenue increased compared with the same period last year, helped by stronger competitiveness by using AI Agent functions and by growth in the number of active projects and new inquiries.

On the other hand, in the BtoB services, some projects for which we had planned to record sales started later than expected, so the timing of revenue recognition has been pushed back. Also, we hired new people, mainly business staff and engineers, earlier than the sales growth, so investments and costs are coming first.

In the AI Security segment, at our subsidiary Vario Secure Inc., we reviewed the initial sales plan. As a result, although full-year revenue recognition is expected to be at a record high, it is now forecast to be below the initial forecast at the start of the year. Because of this, we revised our earnings forecast in the "Notice of Revision to Full-Year Earnings Forecast" released in October 2025.

Based on these conditions, after carefully reviewing our group's outlook, we changed our earnings forecast because sales and each level of profit are now expected to be lower than our forecast at the start of the year.

However, both the AIX segment and the AI Security segment achieved growth in sales and operating profit compared with the same period last year. In particular, the BtoB services grew by about 30% year on year, even though there were delays in project starts and in the timing of recording sales.

From the second half of the year onward, we expect growth in both existing and new businesses through measures such as:

- i. Strengthening AI Agent functions in the BtoB services and boosting sales efforts to expand the areas where they are used.
- ii. Increasing recurring-type revenue, including from "HEROZ ASK" and "AI Sakura-san."
- iii. In the AI Security segment, improving services and promoting solution offerings to meet rising demand for security.

We also expect further business growth that will help raise our corporate value over the medium-to-the-long term, by using the expansion of the AI Agent market, SaaS market, and security market as a tailwind and by further strengthening our base of recurring revenue.

Going forward, we will continue to make the most of our strengths in AI technology and our practical expertise in providing AI Agents and AI solutions. While capturing as much as possible of the growth in the market, we aim for steady, sustainable growth.

We sincerely apologize to our shareholders and investors for any concern or trouble this may cause, and we ask for your continued understanding and support.

Regarding our performance forecast, it is based on the information available to us at the present time and our internal assessment. The forecast is subject to various uncertainties, and the actual performance may differ from these projected figures. We will periodically review and, in accordance with disclosure regulations, publicly announce updates to our performance forecast as necessary.