



DIGITAL HEARTS HOLDINGS Co., Ltd.

Q2 Financial Results Briefing for the Fiscal Year Ending March 2025

November 8, 2024

[Speakers]

DIGITAL HEARTS HOLDINGS Co., Ltd.

Toshiya Tsukushi Representative Director, President and CEO

Hideto Itami Executive Officer and CFO, General Manager of IR and PR Department

AGEST, Inc.

Yasumasa Ninomiya Representative Director, President and CEO

Presentation

Tsukushi: I am Tsukushi, Representative Director, President and CEO of DIGITAL HEARTS HOLDINGS Co., Ltd. Thank you for taking time out of your busy schedule today to participate in the financial results briefing for Q2 FY2024.

Today, I will first give an executive summary of the financial results. Then, Mr. Itami will give an overview of the financial results, and Mr. Ninomiya and I will explain the growth strategies of each business segment. We will receive questions after that. Thank you very much for your attendance.

Executive Summary of 1H FY2024



Net sales	Operating income	Profit attributable to owners of parent
¥ 19,906 mn (YoY 106.6%)	¥ 825 mn (YoY 113.1%)	¥ 455 mn (YoY —)

Point 1 Increased in both sales and profit in 1H FY2024

- DH Group Business achieved significant sales growth in global services and foreign subsidiaries.
- AGESE Group Business turned profitable in Q2(Jul-Sep) from a loss in Q1 and achieved sales and profit growth in 1H total.
- 1H net income turned profitable from the previous year 1H with impairment losses in foreign testing subsidiaries.

Point 2 Revised its full year consolidated financial forecast after considering the 1H result. (*) Revised forecast : Net sales ¥42,020 mn(YoY 108.3%), Operating income ¥2,540 mn(YoY124.5%)

- Remains DH Group Business financial forecasts unchanged from the initial ones.
- Revised AGESE Group Business financial forecasts after considering 1H results.
⇒ Compared to the AGESE Group Business initial forecasts : Net sales ¥1.8 billion down, a segment income ¥0.5 billion down
Elimination of particular factors in 2H such as reschedule of a particular project in Q1, and to recover to the initial forecast profit levels.

Point 3 Smooth progress of Spin-Off Listing preparation, aiming for listing within 2025

- Appointed outside directors and established an internal control system as a part of preparation. Aiming for listing within 2025 after the review by the lead underwriter, review by the Tokyo Stock Exchange, and other necessary steps.

Point 4 Accelerate unique initiatives as each independent business group

- DH Group Business: Launch of "ELLA," unique AI translation engine for game. Developed with cutting-edge AI-technologies and unique expertise.
- AGESE Group Business: Developing "TFACT," an AI-testing tool that leverages our technological capabilities and expertise as a testing specialist.

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I will now begin explaining the executive summary of the financial results.

Sales for 1H were JPY19,906 million, which is 106.6% of the previous year's level, and operating income was JPY825 million, which is 113.1% of the previous year's level. Net income was JPY455 million, which has turned profitable from last year's loss.

As you can see, we increased both sales and profit in 1H FY2024. The DH Group, which greatly increased sales of global services and foreign subsidiaries, led the business performance in terms of both sales and profit. The AGESE Group unfortunately ended in a loss in Q1, but it turned profitable in Q2, and achieved a YoY increase in both sales and profit in 1H.

Meanwhile, based on the 1H results, we have revised our full-year consolidated financial forecast. The DH Group's sales and profit remained unchanged from the initial plan, but the AGESE Group's sales and profit fell short of the initial plan in 1H. Therefore, we have revised the full-year forecast. However, in 2H, it is expected to recover to the initial forecast profit levels.

Thus, the revised plan calls for net sales of JPY42,020 million, which is 108.3% of the previous year's level, and operating income of JPY2,540 million, which is 124.5% of the previous year's level.

Furthermore, regarding the Spin-Off Listing, which is one of our major management issues, AGESE completed the appointment of outside directors and the establishment of an internal control system in 1H. We are smoothly progressing with our preparations for the listing in 2025, after passing the examination by securities companies and the TSE.

In addition, since the Spin-Off Listing itself is not the goal, but only a means to an end, we are now steadily preparing to ensure that each of our businesses will be able to grow firmly after listing, by accelerating each of our unique initiatives.

As one of the most notable initiatives, in terms of the use of AI, which is one of the current management issues, the DIGITAL HEARTS Group has developed and launched a game-specific AI translation engine. The AGESt Group is also developing an AI testing tool called TFACT, taking advantage of its technological capabilities and past knowledge as a testing specialist. This is scheduled to be introduced in January next year.

Growth Strategy of DH Group Business



"Global Quality Partner" in the game/entertainment industry

We provide our high-quality outsourcing services to support our clients to develop game and entertainment contents with well enough quality in order to contribute various users and players to enjoy such contents in Japan and any other countries.

Market Issues

"Quality" of contents, "Speed and cost" of development, and "Globalization"

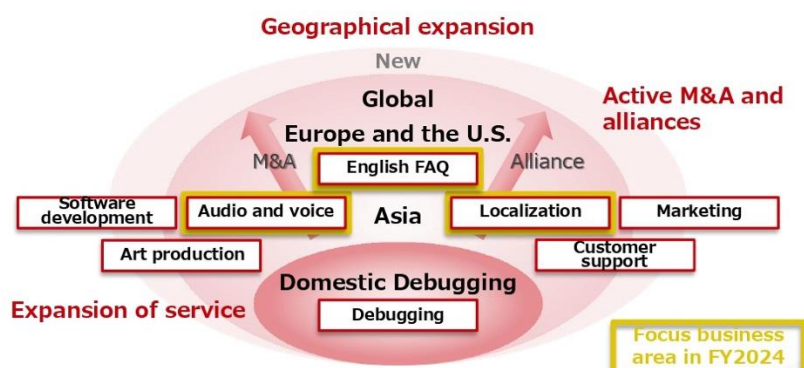
The game industry is facing to complex and intense competition with technological evolution and the globalization. The challenge is how to develop attractive contents quickly with reasonable cost.



Growth Strategy

Three key words of "Quality," "Global," and "One-stop."

Provide **one-stop solution to support clients' global expansion** by developing our businesses domain widely on both of the service- and regional-axes, based on the experiences, client basement, and human resources accumulated in our over 20 years of debugging service in Japan.



1H FY2024

- **Double-digit sales growth** of Global and others by rapid global expansion.
- Developing **"ELLA," an AI translation engine** specializing in game titles and increasing the capacity of audio/voice recording studios.
- **Global branding** by exhibiting at game industry trade shows in various countries

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Regarding the DH Group's business strategy, basically, the DH Group is conducting various preparations to become a global quality partner in the game and entertainment industry.

As you know, product development in the game industry is becoming significantly complex, and competition is fierce on a global scale. In such circumstances, game companies face several challenges, including how to create good content and achieve high quality, speed up development and production, lower costs, and respond globally.

As a global quality partner, we are committed to providing our customers with one-stop global solutions based on our long-standing commitment to quality, our proven track record, and the horizontal development and regional expansion of our services, including the provision of support for global expansion.

AI-Strategy of the DH Group Business

- “ELLA,” innovative AI translation engine for game



Developing “ELLA,” game-specialized AI translation engine, rarely unique new engine, in collaboration with Rozetta Corp. Make innovative change to support clients’ global expansion of contents by providing high quality of translation with overwhelming speed.

The simultaneous worldwide release of game titles is essential for globalization of game contents.

1. Significant time required for translation makes the simultaneous worldwide release hard to execute.
2. Parallel development of multiple languages for simultaneous launch increases the risk of delayed release due to increased returning.
3. General machine translation does not reflect the worldview of the game or the individuality of the characters, resulting in titles of insufficient quality.



“ELLA” significantly reduces the translation time without compromising on entertainment quality and realize simultaneous worldwide releases with all contents as attractive as expected.



AI Translation Engine “ELLA”

AI automated translation reflecting the characters and the worldview of the game realized by the character generator AI



Professional

Check without compromising on “Entertainment Quality” by our native staff familiar with games



Voice of a game production experiencing “ELLA”

“I felt that while ELLA sometimes mistakes small nuances of meanings, it sometimes translate the small details so accurately that it’s surprising. I have no choice but to think of it as an impressive technology compared to a long time ago, although there are still some areas where it falls short of human translation.”

NIHON FALCOM CORPORATION Representative Director, President Toshihiro Kondo

Source: 4Gamer.net [Interview] [インタビュー] 日本ファルコンの近藤社長が、AI翻訳エンジン「ELLA」を使って訳した「界の軌跡」のセリフをチェック。TGS来場者の回答との答え合わせも【PR】

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The use of AI, which is one of the strategies, will be explained in detail later in the strategy part, so I will skip this part.

AI testing company supporting “Quality” of enterprise system with leading-edge technologies

To meet diversifying QA demands, we continue to implement leading-edge quality-related technologies and expand the testing service areas. Aiming to develop innovative, **fully autonomous AI-testing solutions** by leveraging expertise as a QA solution provider and leading-edge AI-technology.

Market Issues

Requiring higher sophisticated and complex software + Industry-wide shortage of engineers

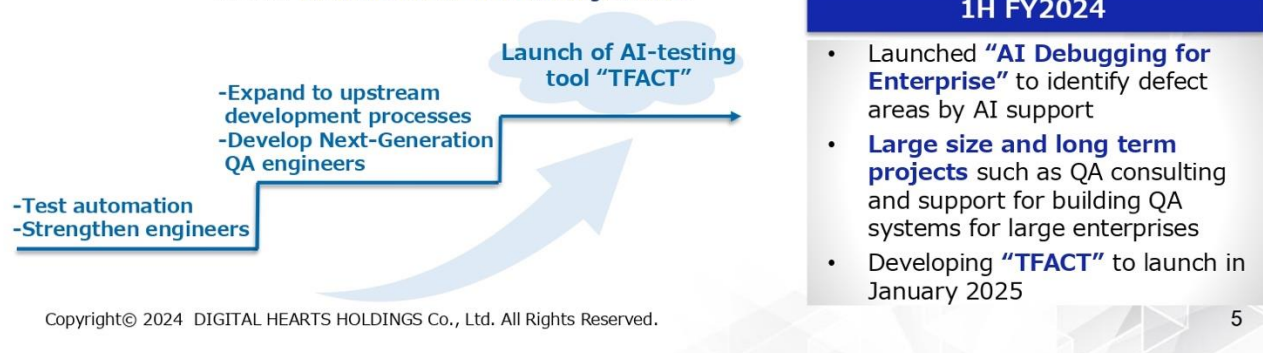
- ①Sophisticated knowledge required for testing due to the increasing complexity of software.
- ②The frequency of testing is increasing due to the penetration of Agile development, and the development-period is shorter.
- ③Lack of engineers prevents quality from being secured by company resources alone.



Growth Strategy

Improve “QA quality”, “Speed” and “Productivity” by utilizing QA leading-edge technologies.

- ①Strengthen **Next-Generation QA engineers** capable of responding to leading-edge QA technologies
- ②Expand into new fields such as “QA services utilizing AI” and “Shift-Left” services.
- ③Aiming for significant productivity improvement through unique development of fully autonomous AI and full-scale launch of AI testing service.



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Next is the growth strategy of the AGEST Group's business.

As a software verification specialist, the AGEST Group aims to become an AI testing company that supports the quality of enterprise systems with leading-edge technologies. The market and the industry as a whole originally had a shortage of engineers, but as software has become more complex and sophisticated in recent years, the quality and speed required for testing, as well as costs, have become major issues.

AGEST has been responding to this by strengthening next-generation QA engineers and expanding into new fields such as shift-left services. Furthermore, as I explained earlier, AGEST will also introduce a tool called TFACT for AI testing and will be developing such services starting next year, aiming for a significant productivity improvement.

AI-Strategy of the AGEST Group Business

- AI-testing tool "TFACT"



In January 2025, planning to introduce "TFACT" a unique test management tool with AI assisting functions.

TFACT
Testing Factory
AGEST AI Assist



Each process done by AI on behalf of engineers, such as advance preparation, results verification, and analysis.
Not just executing test automation.
Improve speed, execute advanced QA, and resolve shortages of engineers by utilizing "TFACT" with Next-Generation QA engineers.



AGEST's unique AI-testing tool
"TFACT"



Next-Generation QA engineers,
supporting the AGEST's advanced QA

Steps to a fully
autonomous AI

Step0

**Interactive
AI**



Step1
2025~
**"TFACT" with AI function
as standard**

- AI carries out from scenario-building, execution, verification, debugging to report creation, and strongly supports the Next-Generation QA engineers.
- Efficient collaboration with test automation tools.
- **Reduce testing number of man-hours by 30%** through the introduction of "TFACT".



Step2
2026~

**Evolution to self-
sustaining AI**



Final Step
202X~

**Fully
autonomous AI**

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This is a material explaining TFACT, the AI testing tool. Again, Mr. Ninomiya will explain the details later.

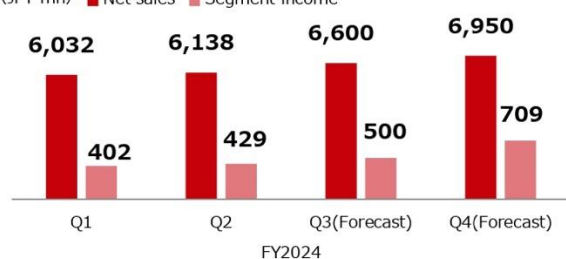
Business Results for the 1H FY2024



Started **fully independent management structure** for each of DH and AGEST Group since the beginning of this FY2024, as a part of preparation for Spin-Off Listing.

DH Group			AGEST Group		
	1H FY2024	FY2024 full year Forecast		1H FY2024	FY2024 full year Forecast (Revised)
Net sales	¥12,170 mn (YoY 107.0%)	¥25,720 mn (YoY 109.5%)	Net sales	¥7,925 mn (YoY 103.7%)	¥16,490 mn (YoY 103.2%)
Segment income	¥832 mn (YoY 111.2%)	¥2,040 mn (YoY 117.6%)	Segment income/loss	¥-6 mn (YoY —)	¥500 mn (YoY 163.7%)

(JPY mn) ■ Net sales ■ Segment income



- Sales growth centered on global services.
- 1H progressed steadily in line with the initial plan.
- Initiatives for future growth, such as the launch of "ELLA," AI translation engine for game and the full-scale launch of audio/voice recording services.

(JPY mn) ■ Net sales ■ Segment income / loss



- Turned profitable in Q2 from the impact of client-side reschedule of a particular project in Q1. Expecting steady profit in 2H due to the elimination of those factors in Q1.
- Acquisition of large-scale and continuous projects such as QA consulting for a major automobile manufacturer and support for building QA systems for a major distribution company.

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Here are the 1H business progress and full-year forecast for each group.

As for the DH Group, sales grew steadily, especially in global services, and 1H progressed almost in line with the initial plan. Sales were JPY12,170 million, which is 107% of the previous year's level, and segment profit was JPY832 million, which is 111.2% of the previous year's level.

In 2H, we will continue to strengthen our global services, such as the AI translation engine I mentioned earlier, and voice recording services. In order to firmly implement these growth strategies, we aim to achieve sales of JPY25,720 million, which is 109.5% of the previous year's level, and segment profit of JPY2,040 million, or 117.6% of the previous year's level, as planned at the beginning of the fiscal year.

The AGEST Group ended in deficit in Q1 due in part to the client's rescheduling of certain projects, but has turned profitable steadily in Q2.

In 2H, these particular factors of Q1 will have been resolved, and we expect steady profit generation. The AGEST Group has acquired large-scale and continuous projects, such as a quality consulting project for a major automobile manufacturer, and a QA project for a major distribution company. As a result, we expect net sales of JPY16,490 million and segment income of JPY500 million for the full year, which are 103% and 163.7% of the previous year's level, respectively.

Aims of the Spin-Off Listing



To make two businesses listed individually with clearly different business value creation strategies separately. To maximize the potential of each business through management focus and optimal capital policy.

DH Group Business

- Well established and differentiated business model
- Clear value proposition
- Horizontal and vertical expansion of core businesses (global expansion)

AGEST Group Business

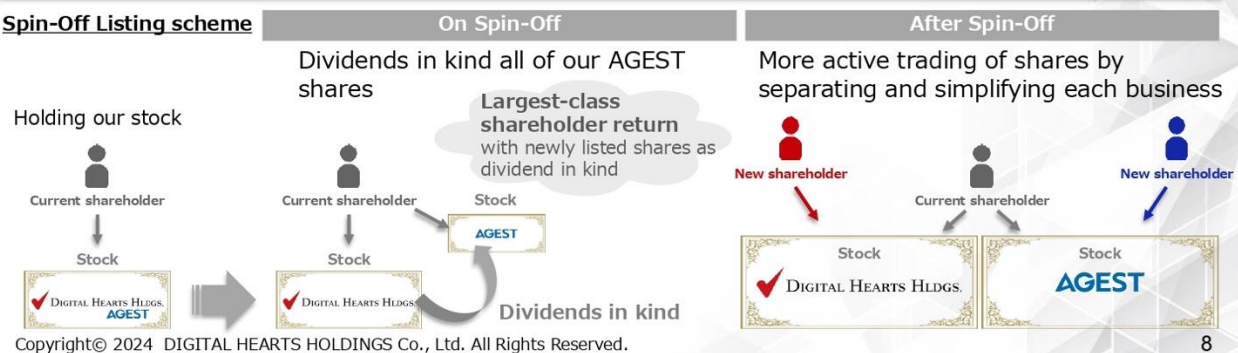
- Changing and innovative business model
- Businesses value created by innovation
- Expand added value of technologies and specialists

Investing in new locations and achieving stable growth

Investing in technology and growing with innovation

- ✓ Expect to improve medium-term profitability with more focused management and optimal capitalization policies to attract new shareholder.
- ✓ By evaluating an inherent value of an individual business in the market, a stock price converges to its intrinsic value.
- ✓ By eliminating conglomerate discounts, it develops simple and easy-to-understand stock prices.

Spin-Off Listing scheme



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Meanwhile, we are now considering a Spin-Off Listing as an important management issue.

As we reported last year, AGEST, our subsidiary, and its related businesses will be listed in a stock distribution spin-off, which will be one of the few examples of a spin-off listing. We will separately list these two businesses with clearly different business value creation strategies, to maximize the potential of each business through management focus and optimal capital policy.

The DH Group Business targets game and entertainment companies and has an established and differentiated business model. We will aim to achieve stable growth by investing in new locations and expanding services.

On the other hand, amid rapid technological evolution, the AGEST Group has a business model that aims to become successful through change and innovation, so the model will aim to achieve non-continuous growth by continuing to invest in technology and conduct M&A.

By separately listing these two businesses with different business values, we believe there will be a positive impact on shareholders, including the improvement of medium- to long-term profitability with more focused management and optimal capitalization policies to attract new shareholders, and conversion of the stock price to each business's intrinsic value, and elimination of conglomerate discounts and development of simple and easy-to-understand stock prices.

As I mentioned earlier, there are only a few examples of Spin-Off Listing schemes, and they are difficult to understand. Therefore, we have presented a simple illustration of the scheme at the bottom of the page.

Existing shareholders will distribute their shares of AGEST at the time of the spin-off in proportion to their shareholdings in the Company, and will receive a dividend in kind. After listing, each business will become much simpler, so we hope that people who are interested in the value of each business will become new shareholders, and that the market will be revitalized by the active trading of each stock.

(References) Example of Recent Spin-Off Listing



DIGITAL HEARTS HLDGS.

Example of MELCO HOLDINGS INC. (Separated Shimadaya Corporation from MELCO HOLDINGS INC. by Spin-Off Listing)

Schedule	
January 23, 2023	Announced the start of preparations for the Spin-Off Listing
May 13, 2024	Announced that Spin-Off Listing will be submitted to the annual general meeting of shareholders
June 26, 2024	Resolved Spin-Off Listing at the annual general meeting of shareholders
August 26, 2024	Listing of Shimadaya Corporation was approved by the Tokyo Stock Exchange
September 26, 2024	Last trading day to receive rights
September 30, 2024	Record date for distribution
October 1, 2024	Effective date of dividends in kind, Shimadaya Corporation listed on the Tokyo Stock Exchange, and distributed.



A few recent spin-off cases are also stated here. We have included this information for your reference to schedules and processes. We also hope it will help you imagine the impact on shareholders who have held a single share but will be holding two shares reflecting the value of the two businesses after the Spin-Off Listing.

This concludes my explanation for the summary section. Next, Mr. Itami will give a detailed explanation of the business performance.

Summary of Business Results for the Six Months Ended September 30, 2024



- **Sales and profit increased** in both DH Group Business and AGEST Group Business.
- AGEST Group Business, temporarily profit declined in Q1, has generated **stable income from Q2(Jul-Sep)**.
- **1H net income turned profitable** from the previous year 1H with impairment losses in foreign testing subsidiaries.

(JPY mn)	1H FY2023	1H FY2024	YoY Change	
Net sales	18,669	19,906	1,236	106.6%
Cost of sales	13,868	15,031	1,163	108.4%
Cost of sales (%)	74.3%	75.5%		+ 1.2 points
Gross profit	4,800	4,874	73	101.5%
SG&A	4,070	4,048	-22	99.5%
Operating income	729	825	95	113.1%
Operating income margin	3.9%	4.1%		+ 0.2 points
Ordinary income	792	809	17	102.1%
Profit attributable to owners of parent	-436	455	891	—
EBITDA	1,279	1,314	34	102.7%

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Itami: I, Itami, will now explain the financial results for 1H.

Here are the results for 1H FY2024.

Sales were JPY19,906 million, which is 106.6% of the previous year's level, operating income was JPY825 million, which is 113.1% of the previous year's level, and ordinary income was JPY809 million, which is 102.1% of the previous year's level. Net income was JPY455 million, which has turned profitable from last year's deficit. As mentioned by Mr. Tsukushi earlier, the DH Group and the AGEST Group both improved their sales and profits compared to the previous year, and have achieved increased sales and profit on a consolidated basis.

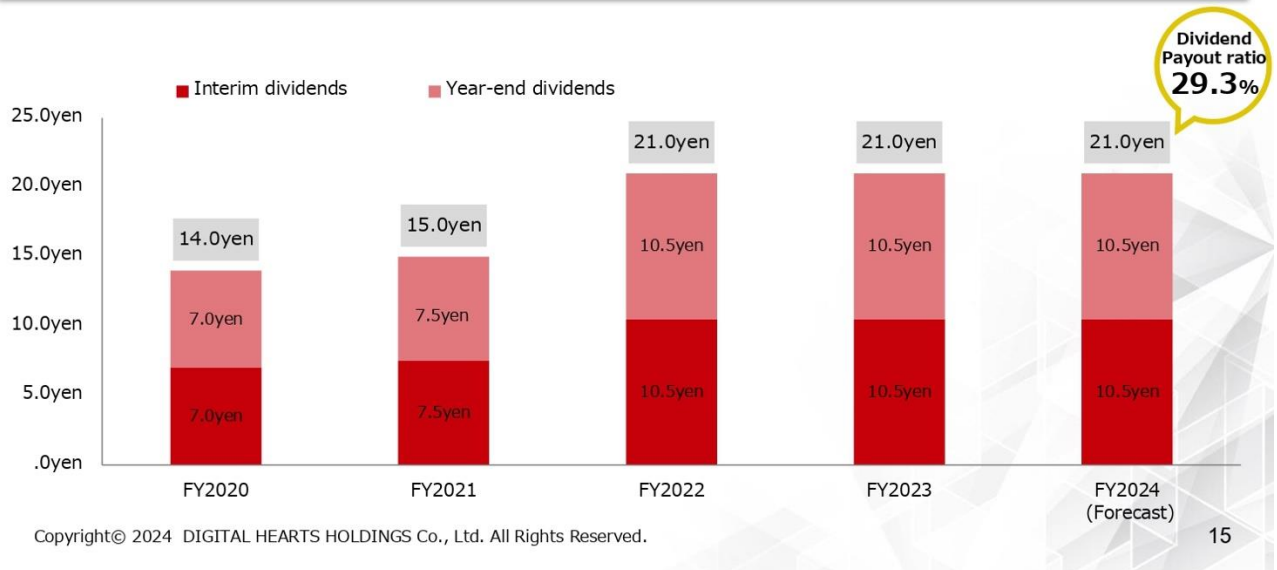
Dividends Forecast of FY2024



The interim dividend are **10.5 yen**, in line with the initial forecast.
The annual dividend is expected to be stable at **21.0 yen**, the same level as the previous year.

Basic Policy to Return Profits to Shareholders

While securing sufficient internal reserves to invest in business growth and strengthen our management structure, stable dividends to shareholders with a payout ratio of 20% as the minimum target



I will continue with the explanation of dividends on page 15.

As shown here, the interim dividend will be JPY10.5, which is in line with the forecast at the beginning of the fiscal year. The annual dividend is expected to be stable at JPY21, unchanged from the forecast at the beginning of the fiscal year.

Summary of Financial Results by Segment



(JPY mn)	1H FY2023	1H FY2024	YoY Change
Net sales	18,669	19,906	106.6%
DH Group	11,379	12,170	107.0%
AGEST Group	7,639	7,925	103.7%
Adjustments	-350	-190	—
Operating income	729	825	113.1%
DH Group	748	832	111.2%
AGEST Group	-18	-6	—
EBITDA	1,279	1,314	102.7%
DH Group	1,020	1,136	111.4%
AGEST Group	259	177	68.5%

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I would like to continue with the results by segment. Please see page 18.

This is 1H results by segment. As for the breakdown of consolidated sales of JPY19,906 million, the DH Group's sales were JPY12,170 million, 107% of the previous year's level, and the AGEST Group's sales were JPY7,925 million, 103.7% of the previous year's level.

As for the breakdown of operating income and consolidated operating income of JPY825 million, the DH Group accounted for JPY832 million, 111.2% of the total, while the AGEST Group had a negative JPY6 million in 1H as a whole. However, it turned profitable in Q2 from a loss in Q1.

Financial Result of DH Group Business



- **Double-digit sales growth of the Global and others** with increasing number of new projects for translation/ LQA and marketing-support, such as strengthening services with the launch of "ELLA", AI-base game translation engine.
- **The Domestic debugging achieved stable sales growth** by strengthening sales including strategically resource-focused initiatives and by **raising the unit price per order by increasing the high-value-added services**, despite the impact of the cancellation or postponement of title-development in some domestic game clients.
- **Double-digit profit growth** due to the impact of higher sales and the decline in SG&A expenses due to the relocation of staff since Q2 FY2023 to prepare for Spin-Off Listing, despite the weaker gross margin ratio due to the impact of the sales-mix change.

(JPY mn)	1H FY2023	1H FY2024	YoY Change
Net sales	11,379	12,170	107.0%
Domestic debugging	6,597	6,800	103.1%
Global and others	4,782	5,370	112.3%
Segment income	748	832	111.2%
EBITDA	1,020	1,136	111.4%

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Next, I will continue with an explanation of the DH Group's results. Here is the business summary of the DH Group.

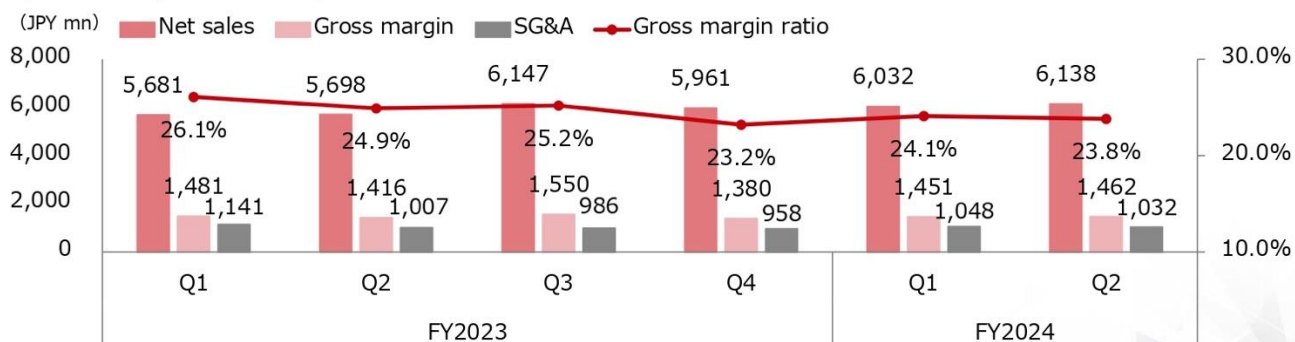
As I mentioned earlier, sales of the DH Group were JPY12.1 billion, which is 107% of the previous year's total. As the breakdown, Domestic debugging, our stable core business, secured JPY6.8 billion, which is 103% of the previous year's sales, while Global and others, our strategic growth area, totaled JPY5.37 billion, which is 112.3% of the previous year's total, resulting in double-digit profit growth.

With regard to Global and others, as mentioned by Mr. Tsukushi earlier, we have strengthened our services by launching a game-specific AI translation engine ELLA in 1H, resulting in an increasing number of new projects for translation and LQA, and marketing support.

On the other hand, in the Domestic debugging business, as for the industry environment and external environment, there has been a severe external environment such as the cancellation and postponement of title development. However, we were able to secure higher sales than the previous year by strengthening sales, and raising the unit price per order by increasing the high-value-added services.

Performance Trends

DH Group Business



Domestic debugging



Global (*) service



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*Net sales from translation, LQA, marketing support, and overseas debugging

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Next, we would like to look at quarterly trends. Please see page 21.

First of all, the graph on the top shows a stable increase in quarterly sales from JPY5.6 billion a year ago to around JPY6 billion in Q1 and Q2 of 1H.

Looking at the breakdown, as I mentioned earlier, Domestic debugging accounted for approximately JPY3.3 billion to JPY3.4 billion. The graph on the lower left shows stable growth. On the other hand, global services shown on the right, which are global services centered on translation, LQA, and marketing support services, grew from less than JPY700 million a year ago to around JPY1 billion, which is about 1.4 times, or 1.3 times to around 1.4 times the level of the previous year.

Financial Result of AGEST Group Business



- Though foreign businesses have been still weak, on the other hand, **domestic QA solutions** under a booming market-environment achieved **double-digit sales growth** despite irregular sales in Q1.
- Decrease in IT service and others due to **strategic contraction** of unprofitable services.
- Segment income in 1H showed a loss significantly affected by a temporary decline in profitability due to the reschedule of a particular project in Q1. However, it **recovered to be profitable in Q2 (Jul-Sep)**, and it is expected to generate **stable income from 2H onward**.

(JPY mn)	1H FY2023	1H FY2024	YoY Change
Net sales	7,639	7,925	103.7%
QA solution	6,294	6,843	108.7%
IT services and others	1,345	1,081	80.4%
Segment income	-18	-6	—
EBITDA	259	177	68.5%

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I would like to continue by explaining the results of the AGEST Group. Please see page 24.

Here is a summary of the AGEST Group. First, segment sales were JPY7,925 million, which is 103.7% of the previous year's level. As a breakdown, QA solutions accounted for JPY6,843 million, 108.7% of the previous year's level, and IT services and others accounted for JPY1,081 million, 80.4% of the previous year's level.

In the QA solution business, foreign businesses had been somewhat weak, but considering the domestic QA solution business only, this achieved double-digit revenue growth, thanks to the booming market environment. Although the figures were a little weak due to irregular projects in Q1, double-digit growth was achieved in Japan for 1H as a whole.

On the other hand, IT services and others, which showed a YoY decline, resulted in a decrease in revenue due to the impact of deliberate actions such as strategic contraction of unprofitable businesses.

Although there was a temporary decline in profitability in Q1 due to the impact of the specific projects mentioned earlier, in Q2, the AGEST Group has returned profitable as a segment, and we are expecting a continuous generation of stable income from 2H onward.

AGEST Group Business

Performance Trends



QA solution division KPI

Number of clients with orders(*)

Q2 FY2023

822 companies

Q2 FY2024

867 companies

Breakdown of YoY changes
in number of clients with orders
Domestic +41 companies
Overseas +4 companies

Annual sales per client(*)

Q2 FY2023

¥14 mn

Q2 FY2024

¥15 mn

Number of engineers

Q2 FY2023

1,082 people

Q2 FY2024

1,064 people

Breakdown of YoY changes
in number of engineers
Domestic +47 people
Overseas -65 people

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* "Number of clients with orders" and "Annual sales per client" are calculated from the results of the latest 12 months

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Next, please see page 26 for the quarterly changes.

First, here are the sales. Quarterly sales have moved from around JPY3.8 billion a year ago to around JPY4 billion, and most recently to JPY4 billion in Q2.

The gross profit margin was around 27% to 28% but typically dropped to 23% when the irregularity occurred in Q1, as explained earlier. However, since particular factors have been eliminated, the gross profit margin for Q2 has recovered to nearly 27%. We will continue to control the gross profit margin, aiming for close to 30%, at around 27% or 28%.

Meanwhile, SG&A expenses for Q2 of the current fiscal year were less than JPY1 billion. The AGEST Group intends to improve profitability, including control of SG&A expenses.

Next is the KPI. The number of clients with orders is 867 companies, which is an increase of 45 companies from a year ago. The annual sales per client was JPY15 million, an increase of JPY1 million over the previous year, and both the number of clients and the unit price per client improved compared to the previous year.

On the other hand, the number of engineers at the end of September was 1,064, a decrease of 18 compared to a year ago. This was due to a decrease of 65 engineers overseas as the number of engineers in Vietnam was controlled according to the business scale. However, looking only at the number of engineers in Japan, which has been growing steadily, the number has increased by 47 compared to the previous year, which means that the number of engineers in Japan has been steadily expanding at a pace of about 100 engineers per year.

FY2024 Consolidated Financial Forecast



- AGEST Group Biz revised its businesses forecasts based on 1H business result.
- DH Group Biz, which is progressing almost as planned, unchanged from the initial forecast.
- Reflecting the impact of the gain on sale of shares in MK Partners, Inc., our consolidated subsidiary, following the share transfer in October 2024 to 2H forecast.

(JPY mn)	FY2023 (Actual)	FY2024 Initial Forecast (As of May 9, 2024)	FY2024 Revised forecast (As of November 7, 2024)	Comparison to Initial Forecast	
Net sales	38,790	44,100	42,020	-2,080	95.3%
DH Group	23,488	25,720	25,720	—	—
AGEST Group	15,975	18,380	16,490	-1,890	89.7%
Adjustments	-674	—	-190	-190	—
Operating income	2,039	3,100	2,540	-560	81.9%
DH Group	1,734	2,040	2,040	—	—
AGEST Group	305	1,060	500	-560	47.2%
Operating income margin	5.3%	7.0%	6.0%		-1.0Points
Ordinary income	2,059	3,100	2,470	-630	79.7%
Profit attributable to owners of parent	176	2,100	1,600	-500	76.2%

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Finally, I would like to explain the consolidated financial forecast for the full year. Please see page 29.

As mentioned by Mr. Tsukushi earlier, some revisions have been made this time based on the 1H results. As shown in the table, the DH Group is performing almost as planned in 1H, so we are maintaining our initial plan for sales and operating income unchanged.

On the other hand, the AGEST Group's forecast has been revised downward because of some shortfalls in 1H.

As a result, the revised sales forecast is JPY2 billion less than the initial plan, and operating income is JPY500 million less than the initial plan, resulting in net sales of JPY42,020 million, 108% of the previous year's level. Operating income was revised to JPY2,540 million, 124% of the previous year's level, to increase plans for both sales and income on an operating income basis.

In addition to the change in operating income, we have also revised the initial plan's forecast for non-operating and extraordinary income and loss, including a revision to JPY2,470 million for ordinary income and JPY1,600 million for net income.

This is the revised plan. Although it has been revised downward, the entire Company will work together in 2H to definitely achieve this plan. That is all from me.

Next, Mr. Tsukushi will explain the growth strategy. Mr. Tsukushi, please go ahead.

Purpose of the Spin-Off Listing



■ Purpose of Our Spin-Off Listing

1. Focus on one single business

Accelerate growth by focusing on each business with each unique growth strategy.

2. Realize management to react environment changes quickly

Implement swift management decisions without overlooking small changes, by separating the Company to two independent groups and making management focusing on a single business.

3. Develop a unique corporate culture

Develop each unique corporate culture suited to the one with diverse human resources brimming with entertainment enthusiasm and the other with engineer group with IT skill background.

4. Capital policies in line with growth strategies

Flexibly procure funds and return profits to shareholder in line with each corporate stage and growth-strategy.

5. Avoidance or elimination of conglomerate discounts

Clarify each brands such as the one with the balance between growth and shareholder return and the other focusing on business growth, and provide better opportunities to meet each investor's style.

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Tsukushi: I will now explain again the growth strategy for the entire Group and the DIGITAL HEARTS Group.

Once again, I would like to confirm this Spin-Off Listing that is now at the center of our business strategy.

I briefly mentioned the capital policy and conglomerate discount in the executive summary section earlier. Also from a management perspective, the advantages of separating each business by a spin-off are that it allows us to concentrate on a certain specialized business, and as a result, respond to changes immediately in this rapidly changing market.

In addition, in the areas of human resources and corporate culture, which are the foundation for business and growth, we can develop a culture and personnel system that match the characteristics of each business. Thus, from a management perspective, we believe that the spin-off listing is a very important action in our current status to grow our business.

Two distinct business focuses



	DH Group Business	AGEST Group Business
Market environment	➢ Game and entertainment industries ➢ Increasing production costs and rapid global expansion ⇒ Larger demand for global services	➢ IT service industry for enterprise ➢ Chronic shortage of IT personnel and acceleration of DX investment ⇒ Growing demand for outsourcing of testing process
Our unique added value	➢ Deep knowledge and wealth of expertise in the game/entertainment industry, developed since its establishment ⇒ Bring Japan's "Game/Entertainment Quality" to the World	➢ Knowledge of top-level QA engineers in Japan, Europe, and the U.S. ➢ Test automation expertise in Silicon Valley ⇒ New QA as collaboration of AI and highly skilled engineers
Growth stage	➢ Strong client base and dominant shares with over 20 years experience of debugging service in Japan ➢ Aiming strong growth in global markets	➢ Rapid growth against the backdrop of "DX" investing ➢ Acceleration of changes due to rapid evolution of IT technology
Capital policy	➢ Balancing between investment and shareholder returns, based on stable cash-flow generated in its strong domestic debugging service	➢ Accelerate growth investment in technology and M&As by flexibly procuring funds including from the market
Human resources and corporate culture	➢ Diverse human resources brimming with entertainment enthusiasm ⇒ Working with smiles and each individuality	➢ Engineer group specializing in QA and following the latest tech trends ⇒ Update cutting-edge technologies

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This page explains the differences by classifying matters into several items.

Originally, the AGESt Group started as a derivative of the entertainment debugging business of DIGITAL HEARTS, but once we started this business and reached a certain scale, the difference in the market, as well as the added value of the services we provide to this market, and the difference in the growth stage became quite apparent.

In addition, when considering our future growth strategy, we realized in our practices that there is a significant difference in capital policy, as well as human resources, corporate culture, and culture, as I mentioned earlier. We have reached the management decision to conduct Spin-Off Listing because we considered that we can develop the potential of each business if we focus on each of them.

"Global Quality Partner" in the game/entertainment industry

Provide services to game / entertainment companies in Japan and around the world to help them create fun and safe content, bringing smiles to the faces of people who love games.



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Next, I would explain the business model of the DIGITAL HEARTS Group in more detail.

As I mentioned at the beginning, the DH Group's goal is to become a global quality partner in the gaming and entertainment industry. We provide services to game and entertainment companies and their customers mainly in Japan and also around the world to help them create and disseminate enjoyable and safe content.

We have been providing debugging services to game developers and publishers in Japan, but we are now looking to expand our services horizontally to include game development, art production, voice recording, or translation, LQA, customer support, marketing, and more to meet the wide range of client's outsourcing needs.

As you can see on the right side of this page, our group has about 8,000 testers, many base offices in Japan and overseas, and many test terminals to provide services. The most important point is that we not only provide support to domestic and foreign game makers but also develop our services with the ultimate goal of providing enjoyment to players.

Fellow game enthusiasts who are actually players themselves and have a great deal of insight into games participate in our company and provide these kinds of services. This is a characteristic of our company, and the fact that all of us, including our programmers, engineers, testers, and translators, with a strong love for games, are providing services to game makers or players is one of the major strengths of our company.

Business Results of DH Group - Clients -



DH Group has had business results with most of the domestic game manufacturers, and recently been expanding its base with foreign business players and indie games as well.

■ Examples of clients

* Alphabetical order

505
GAMES

AKATSUKI
GAMES

applibot



ATLUS

BOI

CAPCOM

colopl



Cygames

DeNA

Dimps
DIGITAL INNOVATOR

DRECOM
with emberknight

f+samurai

FROM SOFTWARE

G2Studios

ガンバスター

gumi

HASHILUS

historia

kakaopiccoma

KLab

KODANSHA

KOJIMA
PRODUCTIONS

LEVEL5

LINEヤフー
コミュニケーションズ

MARVELOUS

MIXI

Falcom

P

株式会社 ポケモン

RUDEL

SNK

SPIKE CHUNSOFT



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These are the logos of our client companies.

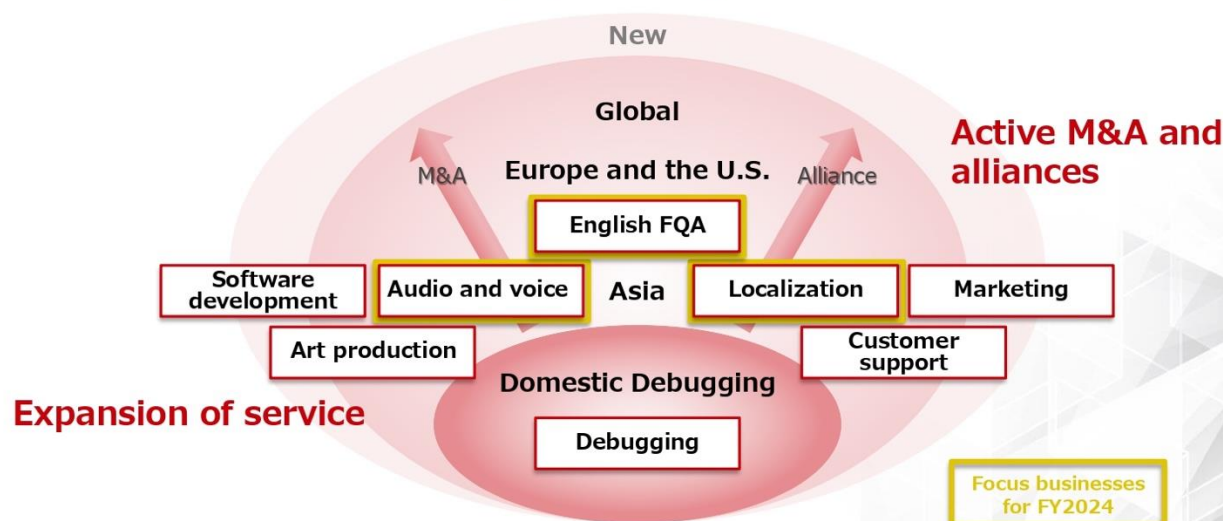
Although we have transactions with major game platformers and various global companies other than those stated here, unfortunately, we can only present a limited number of client logos due to permission restrictions. However, as you can see, we work with major game developers and publishers both domestically and internationally.

Growth Strategy of DH Group



To become a global partner providing one-stop solution from domestic debugging company by expanding its businesses domains on both of service-axes and regional-axes, based on the business result and experiences, customer base, and human resources developed in the over 20 years of debugging service in Japan.

Geographical expansion



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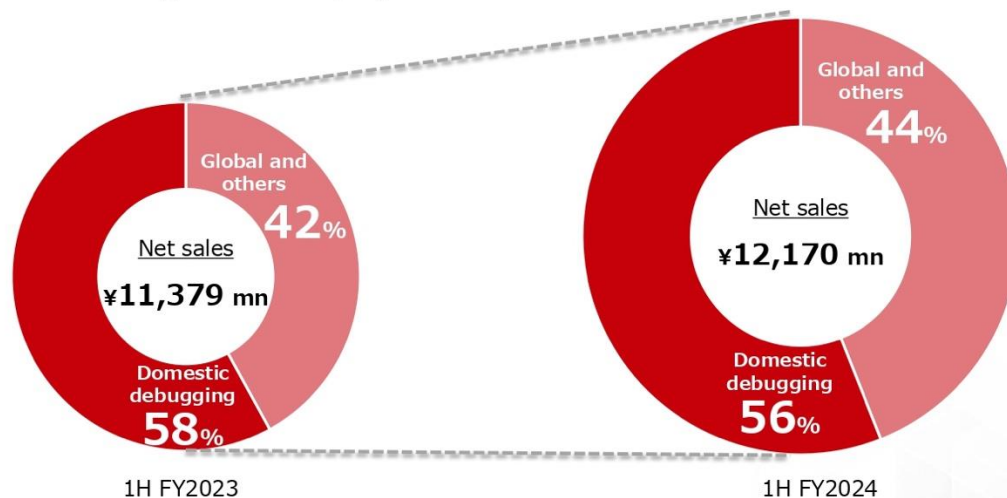
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The DIGITAL HEARTSS Group's business growth strategy is very simple. As described here, with the Domestic debugging business that we have cultivated up to now as our core, we will develop our services horizontally, and in terms of regions, we will expand our services to Asia, Europe, the United States, and the rest of the world. As a means to achieve this, and by also actively pursuing M&A and alliances, we will firmly expand our services and business areas, aiming to achieve significant growth.

Sales growth



Global and others achieved double-digit sales growth and contributed to the group with increasing in its sales proportion.



Domestic debugging



Detecting defects behind console games and mobile games from user perspective.

Global and others



Services for global expansion of game content, such as translation, LQA(*), marketing-support, 2D/3D graphic production, and audio/voice recording.

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*LQA...Linguistic Quality Assurance

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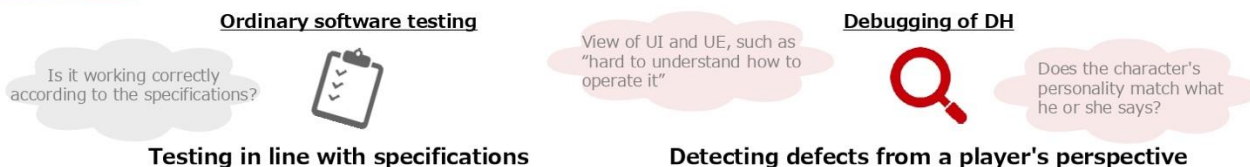
Here is the current sales growth compared to the previous year.

While we are steadily growing our overall sales, we are striving to expand our global business in particular, so we are focusing on our global business to drive, even slightly, the overall growth. By the way, as stated below, the global business includes services such as translation, LQA, marketing, and audio voice recording.

Strength of DH Group



Point1 "Entertainment QA" not just "Eliminating bug or defect"



Point2 Business model utilizing unique human resources



Point3 Unique market position



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What is stated here is the strength of the DH Group.

First, the quality assurance, debugging, and QA that we do is not just quality assurance to find functional defects or things that differ from the specifications. As I mentioned earlier, our testers and debuggers, who have a user perspective, do not just check for functional problems, but assure quality by detecting defects by fully utilizing the user's perspective, including consideration of matters such as whether it is user-friendly, or whether the translation reflects the character's personality. This is one of our major characteristics.

Another characteristic is that our team consists of diverse members with many experiences and knowledge, such as a group of part-timers who love games and have a user's perspective, as I mentioned above, or otherwise, a person who loves games and has experience with various places, such as a domestic hardware game maker, a major game publisher, and a professional translator. I believe that this is one of our unique points for providing our services.

The third characteristic is the unique market position. I recognize the uniqueness of this is that it is generally very difficult for Japanese companies to expand their business globally, and that they are not good at it. I assume that it is difficult for Japanese companies to succeed overseas simply because there are differences in countries, regions, and work styles when bringing products and services that have been successful in Japan to other countries.

The image of the global expansion that we are aiming for is, as I explained earlier, that the game content we are dealing with will expand globally even without our involvement. So, no matter where the game is made, not only in Japan but in any other country, the market is always the world, and we will always release our products for users and gamers around the world to play. The services we are currently creating together with

Japanese game companies, such as QA, debugging, translation, and voice recording, are all created according to global specifications. Thus, this solution itself is not just for Japanese companies but is a service that is needed by companies everywhere.

A clear example is translation. We will provide services for simply converting Japanese to English, Chinese, Korean, and European languages, but translation needs also include Chinese companies' needs to prepare translations for multiple languages, including Japanese. Korean game companies must also go global. In the sense that American and European games need to be translated into Japanese, Chinese, and Korean, the services we develop will be necessary for all global clients. Our ability to provide services to our immediate customers will be directly converted into our ability to provide services to global clients, meaning that our services will naturally become globalized. We believe that this will lead to the global expansion of our business.

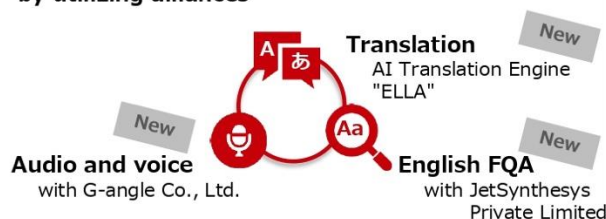
Business Progress of DH Group



Building a structure to provide one-stop global solutions and implementing marketing activities to increase brand awareness.

Expansion of services

Expand services as "One-stop gateway to Asia" by utilizing alliances



Enhance added value

Unit price hike per order by improving the added value through DHQ initiatives



Cultivate new global clients

Focus on increasing the brand awareness and acquiring global clients through large game industry exhibitions in China, Europe, and Japan.

Exhibition scene at game shows



ChinaJoy 2024



gamescom 2024



TOKYO GAME SHOW 2024

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And here is the business progress. We have really been expanding our services steadily, including developing an AI translation engine for translation, and partnering with G-angle Co., Ltd. for voice recording. Furthermore, we are steadily expanding our services, including the establishment of a joint venture company in India in order to debug English source programs.

Moreover, as a matter of course, quality is important to us, so as part of our efforts to focus on quality, we are developing services using a quality method called Digital Hearts Quality, or DHQ for short. In this flow, we are also increasing the unit price of orders by properly assuring quality.

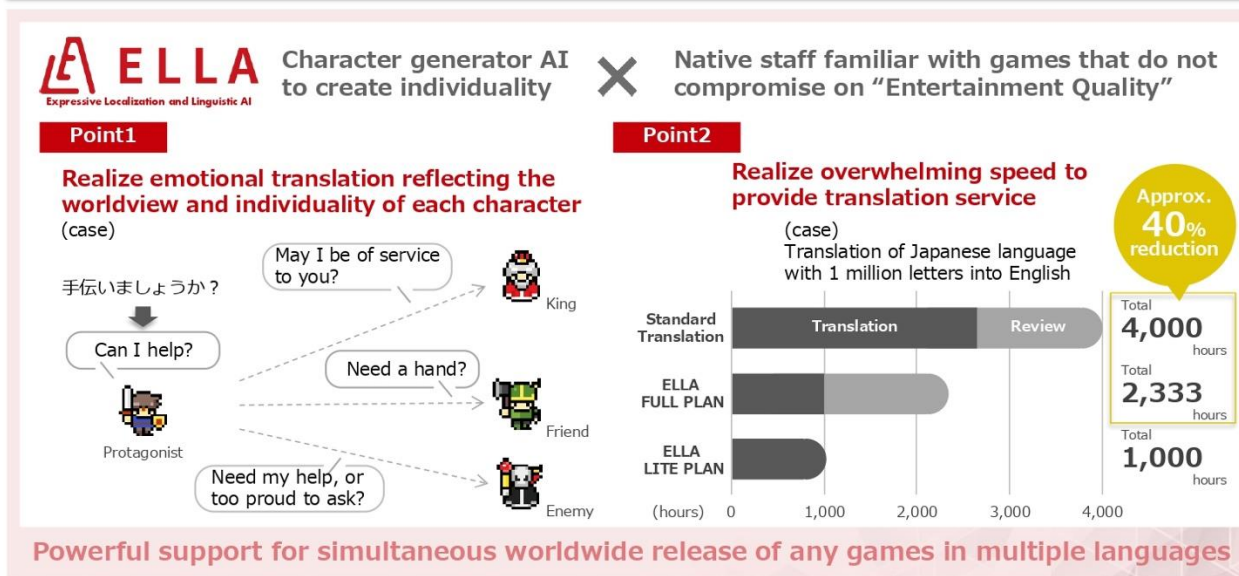
In addition, even if we can surely globalize our services, clients will not reach us if our brand recognition is weak. From that perspective, we have actively participated in worldwide game industry exhibitions this year, and promoted our global branding through events such as ChinaJoy in China, gamescom in Europe, and the recent TOKYO GAME SHOW.

“ELLA” - AI Translation Engine specializing in game



AI translation engine “ELLA” will be revolutionizing, by expressing “Emotion” in the translation of games, which has been said to be impossible in machine translation.

Opportunity in growing translation needs	: Global penetration of smartphones and game consoles ⇒ Rapid expansion of global demand
Shortcomings of traditional machine translation	: Not suitable for translation of games and entertainment contents requiring a sense of immersion



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Finally, I will provide a few supplementary explanations about this game-specific AI translation engine.

Although this contains a bit of an exaggeration, we have developed and launched ELLA, an AI translation engine that expresses emotions and properly reflects the worldview of games, which has been said to be difficult in machine translation. I believe that this will lead to a kind of revolution in the global expansion of game content.

With the global spread of smartphones and gaming devices, as well as PC games now available on the Steam platform, content can be downloaded from anywhere in the world, and we are witnessing a truly rapid expansion of global demand.

If the existing traditional machine translation could be used for this immediately, global expansion would be possible in terms of both speed and cost. However, unfortunately, the current machine translation system cannot cope with games and entertainment content that require a sense of immersion, a worldview, and a reflection of the character's personality. Machine translation can translate some tutorials and instruction manuals, but it is not ready yet for the content of the game.

So we teamed up with Rozetta Corp., a company that develops AI translation engines, to take a plunge and create an AI translation engine for games, and the result is ELLA.

One point here is that it is important to bring out the individuality of the characters in the game, so we developed a separate AI for character data, which enabled us to achieve a translation that reflects the worldview and individuality of the characters. Of course, because we use AI translation, some final checks are done by native staff. But in terms of speed, it is overwhelmingly faster, and it will depend on the pair of languages, but even in English now, if we do a Japanese to English translation, the speed can be shortened by 40% compared to conventional human translation. By doing this, we aim to strongly support the multilingualization and simultaneous worldwide release of any games.

This concludes my explanation regarding the growth strategy of DH.

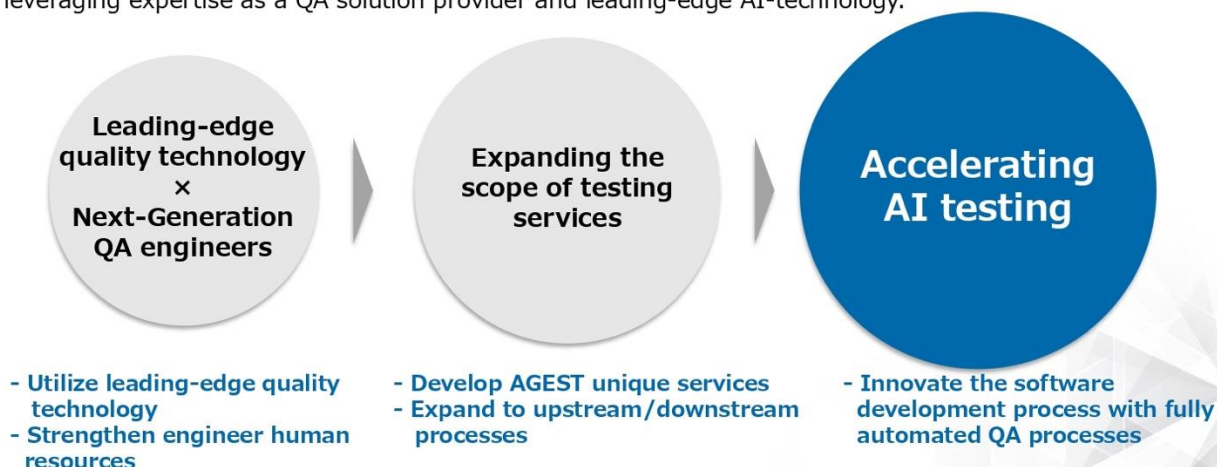
Ninomiya: I am Ninomiya from AGEST. First, I apologize for the downward revision following 1H results. Our apologies. Meanwhile, since the gross profit margin has been improving steadily since Q2, we strongly believe that we will be able to achieve the revised budget for the full year.

Growth Strategy of AGEST Group



AI testing company supporting “Quality” of enterprise system with leading-edge technologies

To meet diversifying QA demands, we continue to implement leading-edge quality-related technologies and expand the testing service areas. Aiming to develop innovative, **fully autonomous AI-testing solutions** by leveraging expertise as a QA solution provider and leading-edge AI-technology.



Improve “QA quality”, “Speed” and “Productivity” by utilizing QA leading-edge technologies

- I . Strengthen Next-Generation QA engineers capable of responding to leading-edge QA technologies.
- II . Expand into new fields such as “QA services utilizing AI” and “Shift-Left” services.
- III . Aiming for significant productivity improvement through unique development of fully autonomous AI and full-scale launch of AI testing service.

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Now I will explain about AGEST's growth strategy.

First of all, as mentioned earlier, the needs for QA are becoming increasingly diverse. During this period, we have been working to acquire leading-edge quality technologies to meet these diversifying needs.

In addition, we have been striving to develop next-generation QA engineers, a new type of engineer who can develop and also has knowledge of QA. This has allowed us to expand our unique service areas, such as upstream processes represented by QA for Development, shift-left services, DevOps services, and provision of post-release quality services. We have been expanding our business areas in these ways.

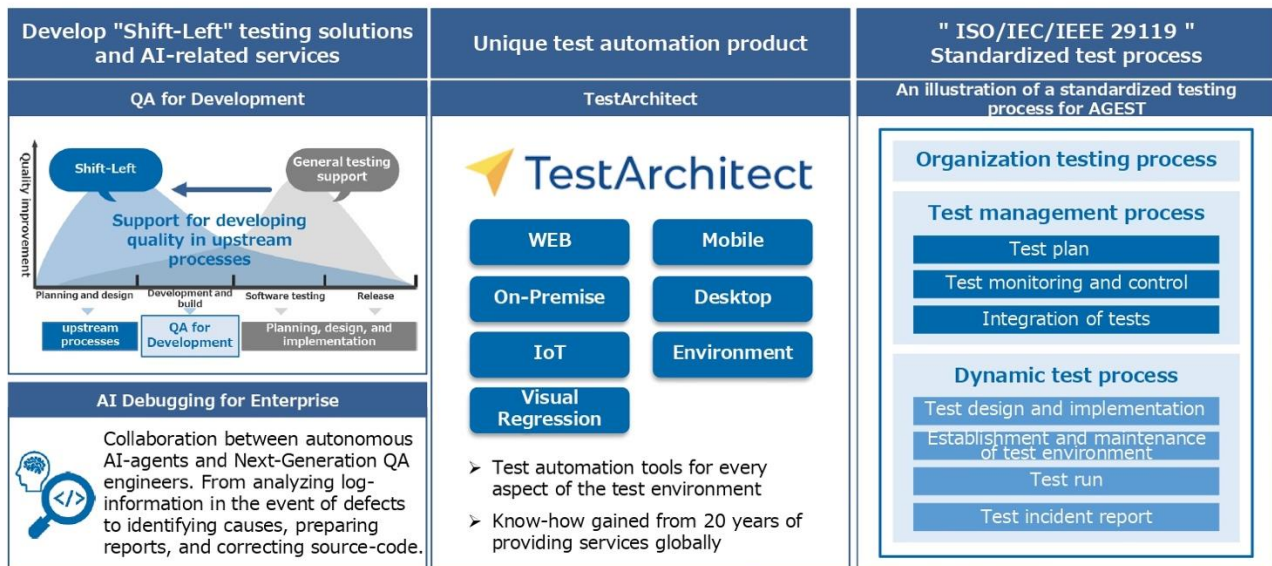
We will introduce a new AI testing tool called TFACT in January. Our goal is to significantly improve productivity by accelerating AI testing. We hope to become a top runner in AI testing and make this a pillar of our growth strategy for the future.

Background of AGESt's Technological Capability as the Base of AI Utilization



Building on the technological capabilities of the AGESt, to develop new AI-based QA services. Aiming to become the de facto industry-standard.

- Promoting the development of services using AI and other cutting-edge technologies, such as "QA for Development" for "Shift-Left" and QA services utilizing AI, as early as possible for competitors.
- AGESt's unique test automation products help it develop the linking tools and others necessary for AI-testing.
- The AGESt testing process complies with international standards and can be quickly applied to the standardization required to implement AI-testing.



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I would like to talk about the technical background of why we can utilize AI.

From the very beginning, we have had our own special method for shift-left, in the form of QA for Development. Furthermore, from the early stage, we had already been providing AI-related services in this area, such as AI technical code review and AI debugging.

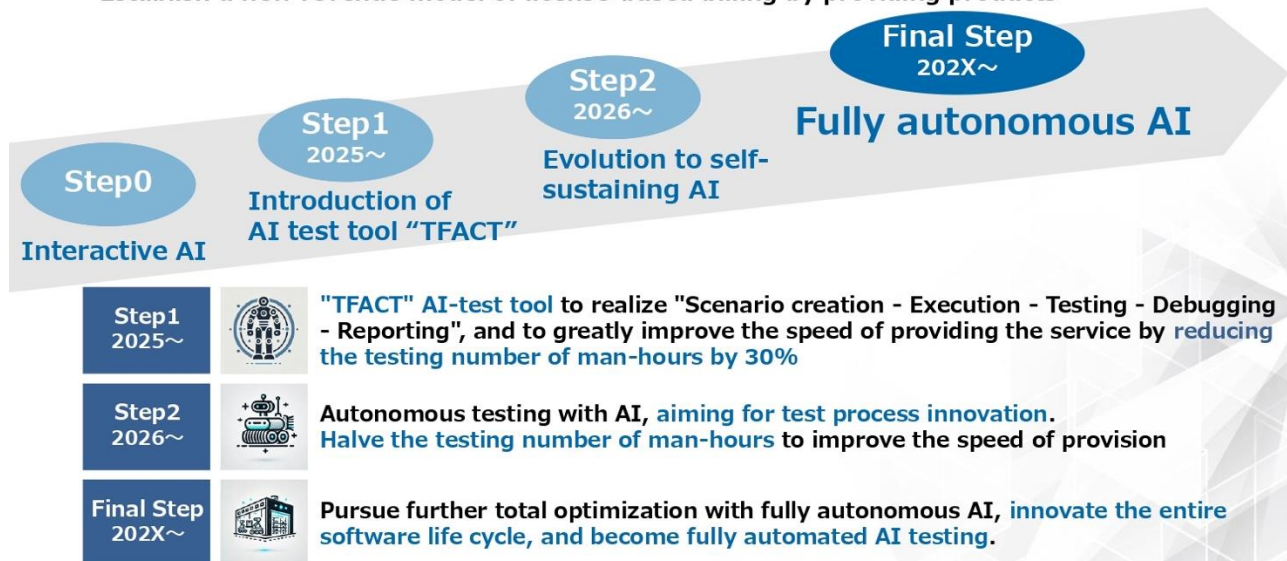
We also have TestArchitect, a test automation tool that has been used globally for 20 years. Furthermore, this TestArchitect is a special test automation tool that can be applied to various environments, not simply web or mobile, but also desktop applications. The fact that this know-how can be applied to AI-based testing is also one of our major strengths.

With regard to the testing process, for the past several years, we have been dedicated to using a testing process that conforms to ISO 29119, an international standard. The introduction of AI testing this time will also require standardization, and we could also respond to this issue promptly. Based on this technological foundation, we would like to link this to the future evolution of AI.

Aims of AI-testing by AGEST

Aiming to develop new QA services by utilizing AI

- To develop the industry's de facto standard as a fully autonomous AI test
- Significantly reduce testing number of man-hours and dramatically improve the value provided by accelerating speed
- Strengthen Next-Generation QA engineers and improve order capacity by utilizing AI testing
- Establish a new revenue model of license-based billing by providing products



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As for the vision of AI that we are aiming for, step one will be realized through TFACT starting in January. This will automate the scenario creation, execution, testing, debugging, and reporting. This will result in reducing the testing number of man-hours by 30%. Therefore, a reduction in testing numbers means that the speed at which a client releases a product to the market will naturally increase by 30% or more. As such, we aim to dramatically improve the value provided.

Furthermore, the use of this AI testing will naturally reduce the testing number of man-hours, resulting in improving order capacity. Therefore, we believe that it will contribute significantly to the increase in sales and improvement in gross profit margin.

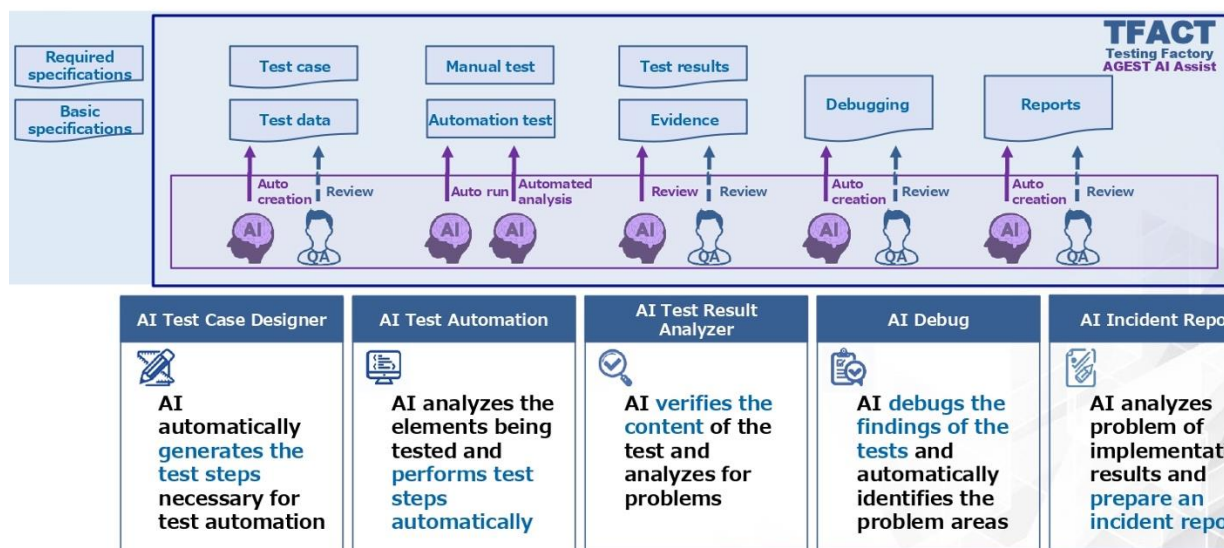
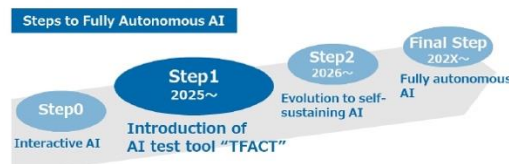
In addition, we believe that we will be able to establish a new revenue model of license-based billing by providing products, which we are aiming to achieve in 2H of the next year. First, next year, we will be working on step one.

Then, in 2H of next year or the year after, we will add more functions for autonomous testing. With this, our goal for the year after next is to try to halve the testing number of man-hours.

Furthermore, we believe that ultimately, the areas in which AI can work will expand considerably. However, we are also focusing on the consulting field using next-generation QA engineers. Therefore, we are assuming to develop a combination of these areas, and ultimately aim to enable full automation with AI to a certain extent.

DIGITAL HEARTS HLDGS.

- **AI-functions strongly supports Next-Generation QA engineers.**
- **AI performs Scenario creation - Execution - Testing – Debugging – Report preparation.**
- **Efficient collaboration with test automation tools**
- **AI-functions reduce testing number of man-hours by 30%**



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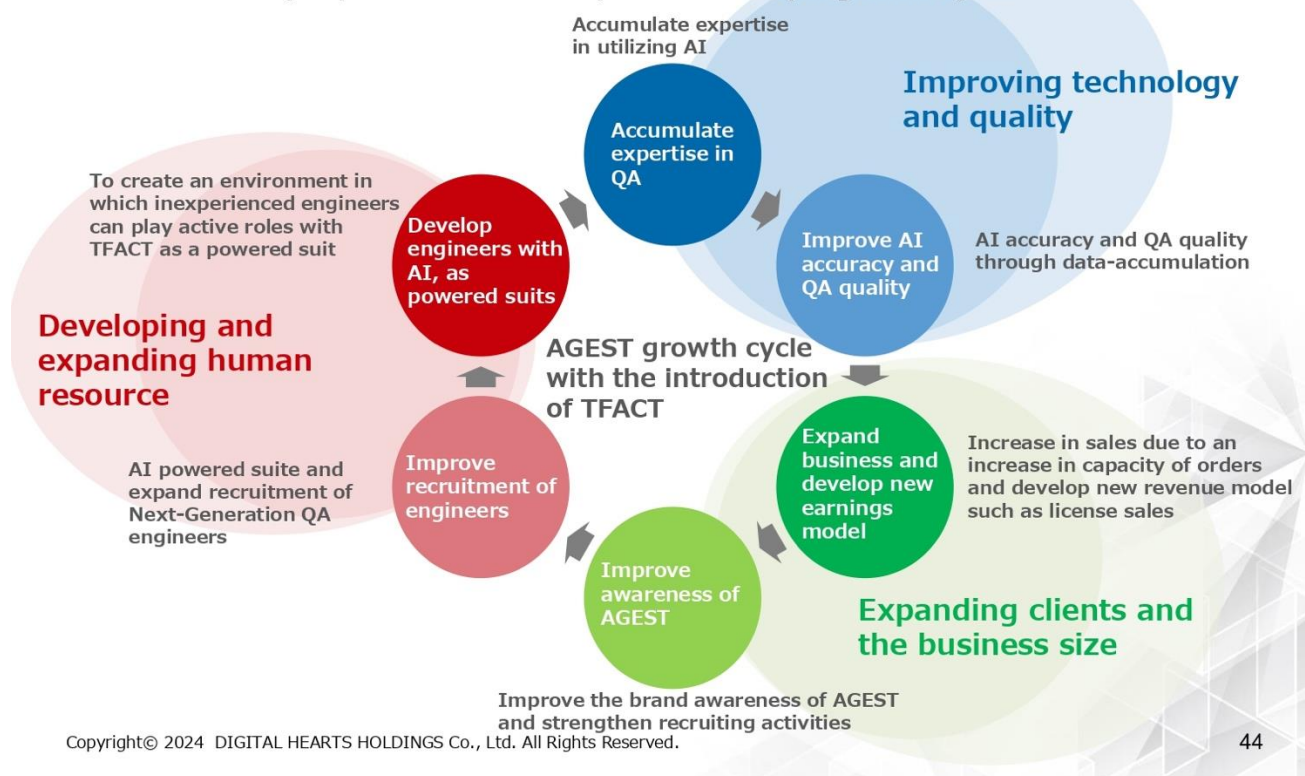
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Furthermore, since we are a latecomer to the market, we cared a lot about usability. Therefore, TFACT is a test management tool with high usability, that can follow processes compliant with international standards, and that also includes AI functionality. Thus, it is possible to use the test management tool alone, or to use this AI function together with our service.

Specifically, for step one, AI will automatically generate this test step. Furthermore, as a result of the elemental analysis of this test, this test step will be executed automatically. The results will then be verified and analyzed to find where the problems lie. In addition, AI will also automate the identification of where the defect is in the code, rather than what is happening on the screen as an event. Moreover, the incident reports will also be automated, so by using this tool, approximately 30% of all testing number of man-hours can be automated. We would like to increase this percentage to 50% and 100% in the future.

Growth Cycle of AGEST

As a pioneer in AI-testing, aiming to establish an industry de facto standard for QA processes and to continuously expand its business by AGEST's unique growth cycle.



By introducing TFACT, we hope to create a new growth cycle, a growth cycle that will allow us to continuously expand our business.

First of all, by introducing TFACT, we will be able to accumulate know-how using AI, and this will be the know-how that we can gain. Furthermore, of course, because it is AI, the more it is utilized, the more data will be accumulated. This will improve the accuracy of the AI and the quality of the QA we provide. We believe that as quality improves, the number of customers will naturally increase. Furthermore, as I mentioned earlier, the order capacity will be greatly expanded through the use of AI. In addition, we will be able to sell licenses and establish a revenue model in this area, which we believe will lead to a renewed expansion of our client base and business performance.

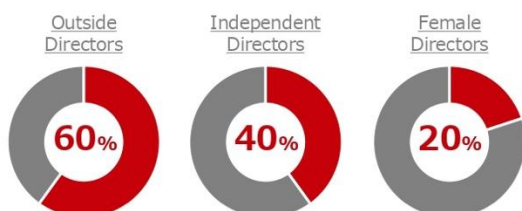
We would also like to significantly increase AGEST's awareness by increasing the number of clients and by possessing leading-edge technology. We would like to improve our company's awareness overall, with the help of Spin-Off Listings as well.

By this, we are hiring engineers, our next-generation QA engineers, in a special way. So, this will also lead to an expansion of this recruitment. Furthermore, as a benefit of AI, even personnel with few skills can supplement their skills by utilizing this AI. So, we can also achieve the number of personnel needed for general testing and recruiting capabilities for this area.

Therefore, with TFACT at the center, we aim to firmly establish a cycle of improvement in technology and quality, expansion of customers and business performance, and growth and expansion of human resources. We will aim to become a company that continuously expands business and establishes a de facto standard in the QA industry. We thank you for your continuous support.

Board of Directors

Consists of members from diverse backgrounds, including founder, corporate management experiences in various industries, certified public accountants, and lawyers, and holds discussions from a diverse perspective.



Audit & Supervisory Board

Members with specialized knowledge and experience in finance, accounting, compliance, etc., audit the execution of duties by directors.

Investment Committee

Implement appropriate investment with a certain discipline by deliberating in advance for large scale investments including M&As.

Risk Management Committee

Identify risks and formulate countermeasures on a cross-group basis.

(As of March 31, 2024)

Ratio of female managers *1

12.4%

Ratio of foreign employees *1

9.5%

Ratio of employees with disabilities *2

2.9%

Number of ISTQB qualification holders *3

500 people

*1 Reporting target: All domestic group companies

*2 Reporting target: DIGITAL HEARTS HOLDINGS Co., Ltd., DIGITAL HEARTS Co., Ltd., AGESE, Inc., DIGITAL HEARTS PLUS Co., Ltd.

*3 Reporting target: All group companies
ISTQB...International Software Testing Qualifications Board

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Tsukushi: Lastly, I would like to mention about our governance initiatives, diversity initiatives, and human capital management initiatives, which are the business foundation that supports our company's growth. As you can see, we have firmly and stably developed them. Please take a look at them later.

(References) Comparison with competitors



(JPY mn)	The Company (Current)	The Company (Current)	DH Group			AGEST Group			
	FY2023	FY2024 Revised Plan	DH Group	DH Group	Competitor P	AGEST Group	AGEST Group	Competitor S	Competitor V
	FY2023	FY2024 Revised Plan	FY2023	FY2024 Revised Plan	FY2023	FY2023	FY2024 Revised Plan	FY2023	FY2023
Net sales	38,790	42,020 (44,100)	23,488	25,720	46,980	15,975	16,490 (18,380)	110,627	10,362
Operating income	2,039	2,540 (3,100)	1,734	2,040	404	305	500 (1,060)	10,537	840
Operating income margin	5.3%	6.0% (7.0%)	7.4%	7.9%	0.9%	1.9%	3.0% (5.8%)	9.5%	8.1%
Profit attributable to owners of parent	176	1,600 (2,100)	—	—	-1,967	—	—	5,127	518
EBITDA	3,077	3,516 (4,076)	2,320	—	1,573	757	—	13,424	1,033
PER	102.02	(8.59)	—	—	—	—	—	54.39	15.43
EBITDA multiple	6.29	(4.75)	—	—	10.72	—	—	21.06	8.11
Market Capitalization	19,351	19,351	—	—	16,864	—	—	282,659	8,386

*1 PER, EBITDA multiple, and market capitalization are calculated based on the closing stock price on November 6, 2024.

*2 The figures in () for our plan are the initial plan disclosed on May 9, 2024 and the figures calculated based on that initial plan.

*3 Some of the EBITDA figure is calculated by us based on the published materials of each company.

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Also, this is just for reference, but after our spin-off, the DH Group and AGEST Group will be separated, so we have included our current financial statements and multiples as well as a comparison with our competitors for your reference. Please take a look at them later.

As I have explained, we are now striving to take a big leap forward in both the DH Group and AGEST Group businesses, using the Spin-Off Listing as a stepping stone. We look forward to your continued strong support.

Thank you very much for your time today.

[END]