DIGITAL HEARTS HOLDINGS Co., Ltd.

Briefing of Results for the Fiscal Year Ended March 31, 2026

May 14, 2026

Event Summary

[Speakers]

DIGITAL HEARTS HOLDINGS Co., Ltd.

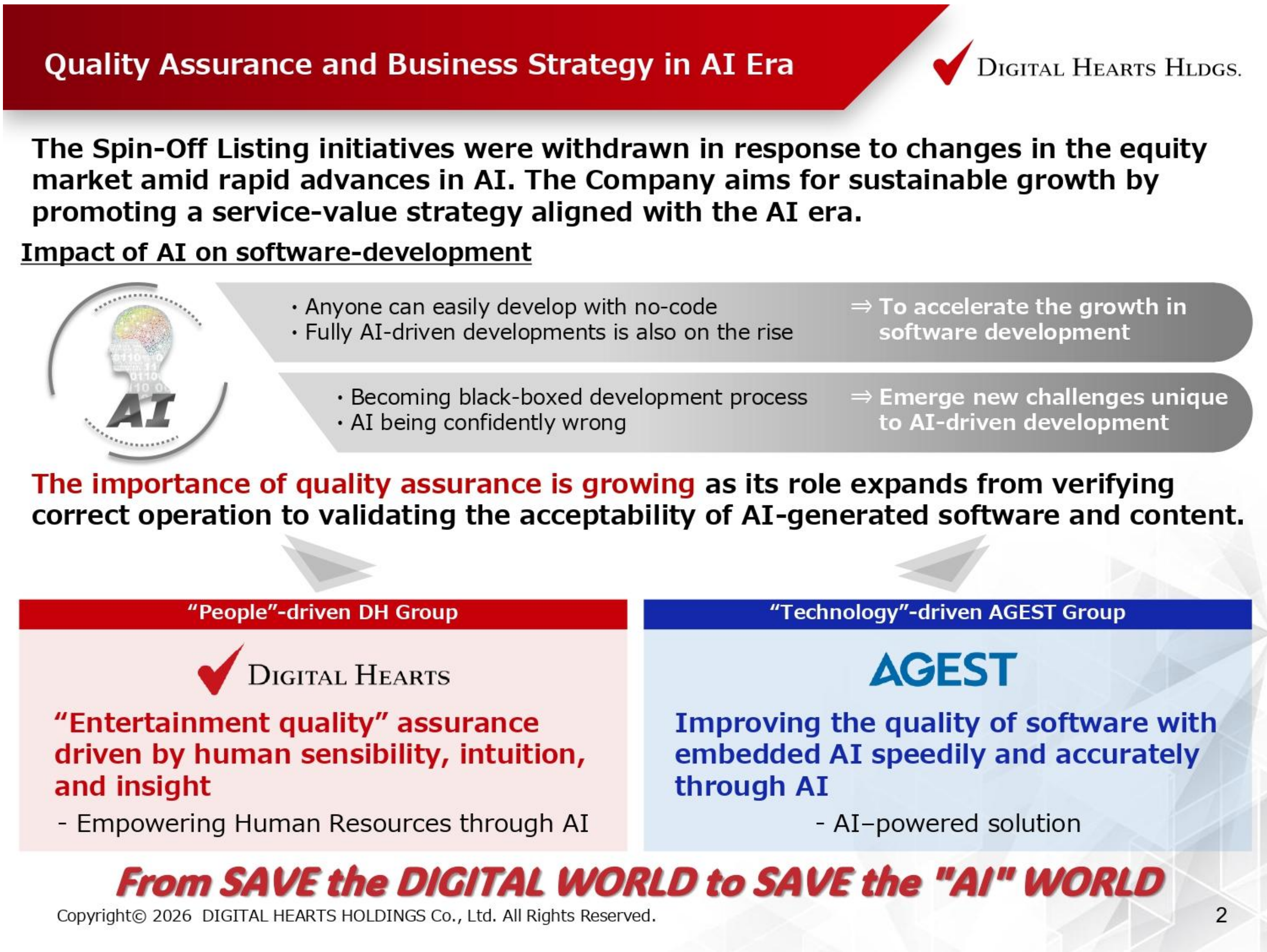
Toshiya Tsukushi — Representative Director, President and CEO

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

AGEST, Inc.

Yasumasa Ninomiya — Representative Director, President and CEO, AGEST, Inc.

Presentation



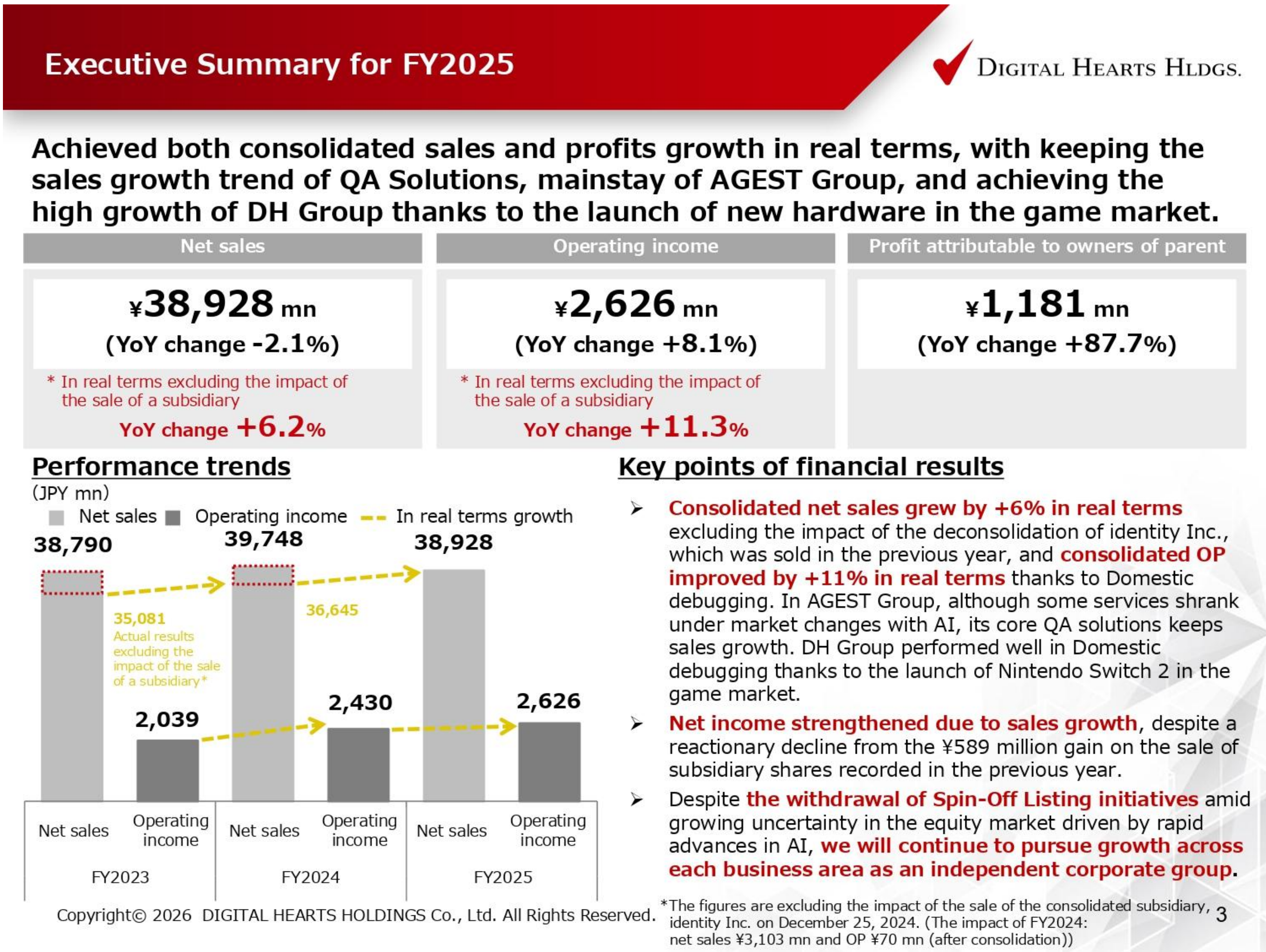
Itami: I am Itami, the CFO. I will now briefly explain our business performance and other results for the fiscal year ended March 31, 2026.

First, this is the environment surrounding our company. We believe that this one has undergone significant changes over the past year due to advances in AI technology.

In the stock market, the situation has been considerably unstable since the beginning of 2026, with share prices of IT-related stocks in particular falling sharply. Therefore, we have made a strategic policy change by withdrawing the AGEST spin-off listing initiatives, which we had been preparing for three years, in March, and have reaffirmed our commitment to building a business foundation that can win in the AI era as our highest priority issue.

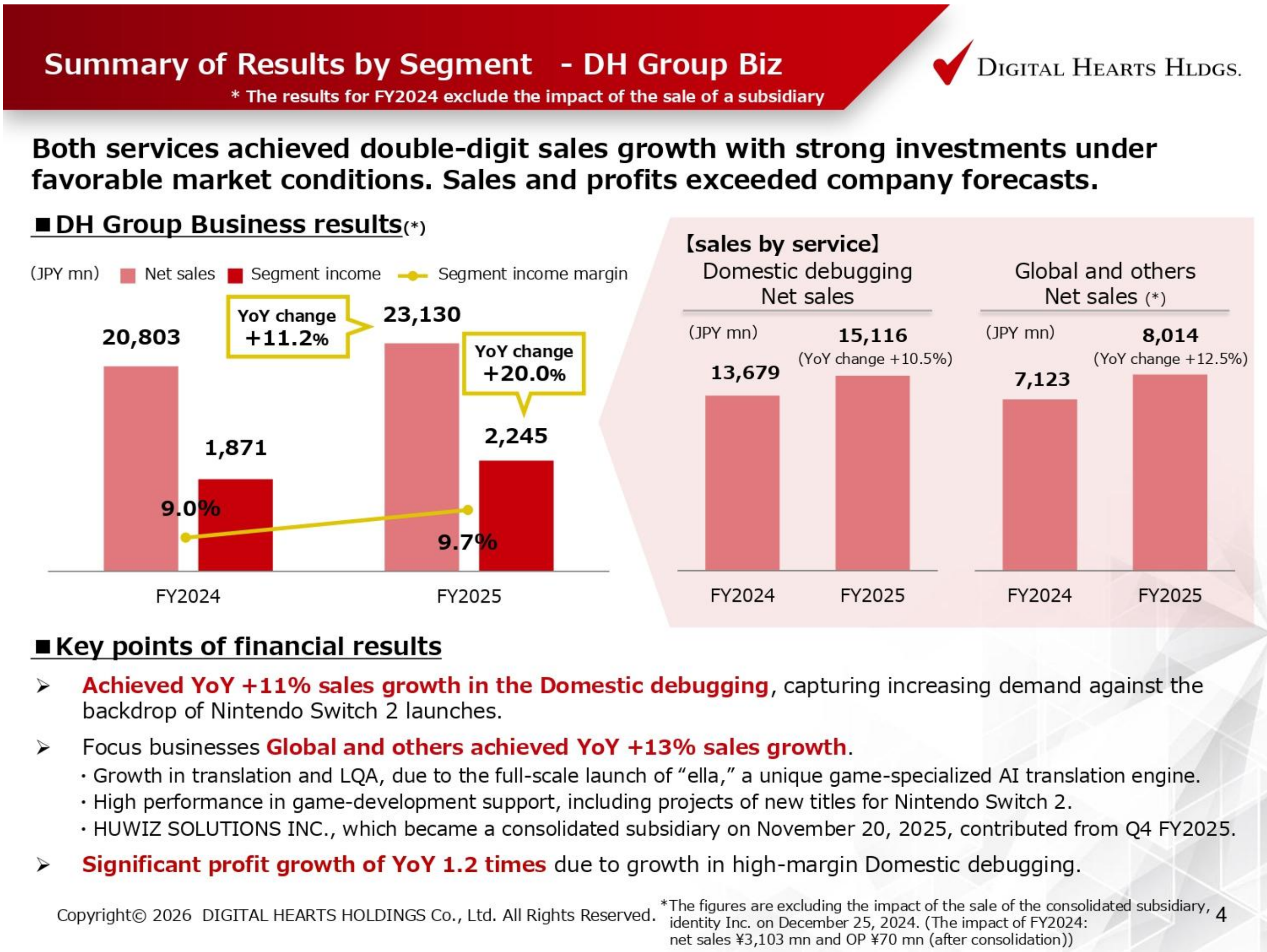
As for the impact of AI on business, we recognize that the use of AI in the development of games and enterprise software is beginning to make significant progress. In our core business of quality assurance and QA services, it is becoming more important than ever to verify not only whether the content and applications created by AI work correctly and according to specifications, but also whether they are enjoyable and easy to use for users. Quality assurance is becoming more and more important.

In this new era of daily AI changes, the DH Group Business is committed to entertainment quality driven by the sensibility, intuition, and insight of its unique human resources, as shown here. In the AGEST Group Business, we are aiming to evolve into a QA and security model for the AI era by leveraging the technical capabilities we have accumulated as a company specializing in QA, and we will work to build a business foundation that will enable the entire group to win in the AI era.



These are the consolidated financial results for the fiscal year ended March 31, 2026.

Net sales were JPY38.9 billion, minus 2% from the previous year, and operating income was JPY2.6 billion, plus 8% from the previous year. In real terms, excluding the impact of the sale of a subsidiary in December 2024, net sales increased 6% YoY and operating income rose 11%. Regarding profit attributable to shareholders of the parent company, although there was an extraordinary loss of JPY726 million due to the impact of JPY238 million in goodwill impairment and JPY140 million in extra retirement allowances for AGEST's early retirements program, net income reached JPY1.1 billion, 1.8 times higher than the previous year.



Next, I will explain each of the segments.

First is the DH Group Business. I will explain the figures on a real basis, excluding the impact of the sale of the subsidiary in 2024.

DH Group Business’s sales totaled JPY23.1 billion. In a favorable market environment, both Domestic debugging and Global and others achieved double-digit revenue growth. In Domestic debugging, sales increased by 11% compared to the previous year, due to the growth in demand following the launch of the Nintendo Switch 2 and other factors. In Global and others, net sales increased 13% YoY due to the full-scale development of our proprietary AI translation engine ella and the acquisition of a debugging company in Canada. As a result, segment income was JPY2.2 billion, a significant increase of 1.2 times from the previous year.

During the past year, the DH Group Business has promoted aggressive M&A and business alliances as an investment in growth for the future. From left to right, we have formed a partnership with a Singaporean porting company, acquired additional shares of G-angle, a Japanese voice recording company, established an LQA company in Bangkok, Thailand, formed a capital and business alliance with an American localization company, and made a Canadian debugging company our subsidiary. We intend to expand our solutions and our overseas customer base by further strengthening our ties with these new group companies and alliance partners.

Summary of Results by Segment - AGEST Group Biz

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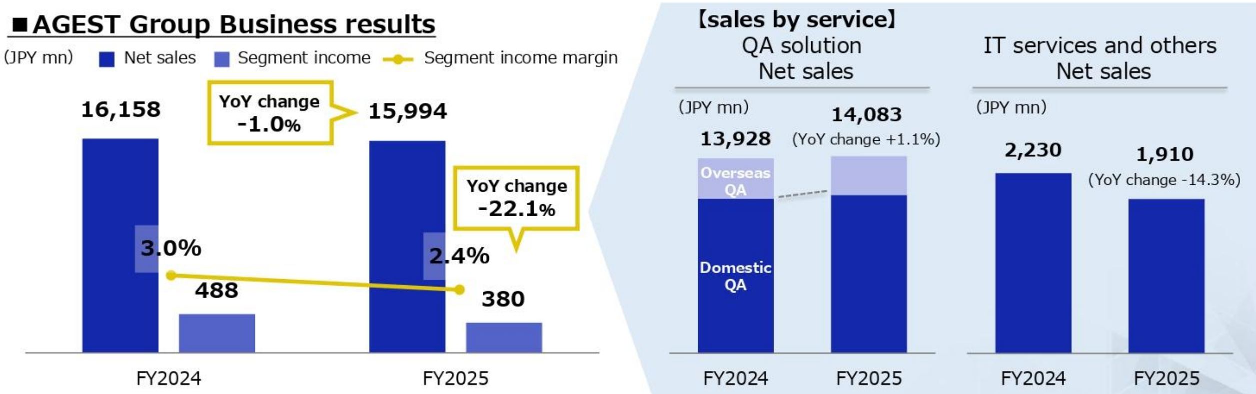
Mainstay QA solutions saw higher sales, while low-profit IT services and others continued to strategically shrink.
Aggressively strengthened marketing in Q4 to grow in the next fiscal year and beyond.



■Key points of financial results

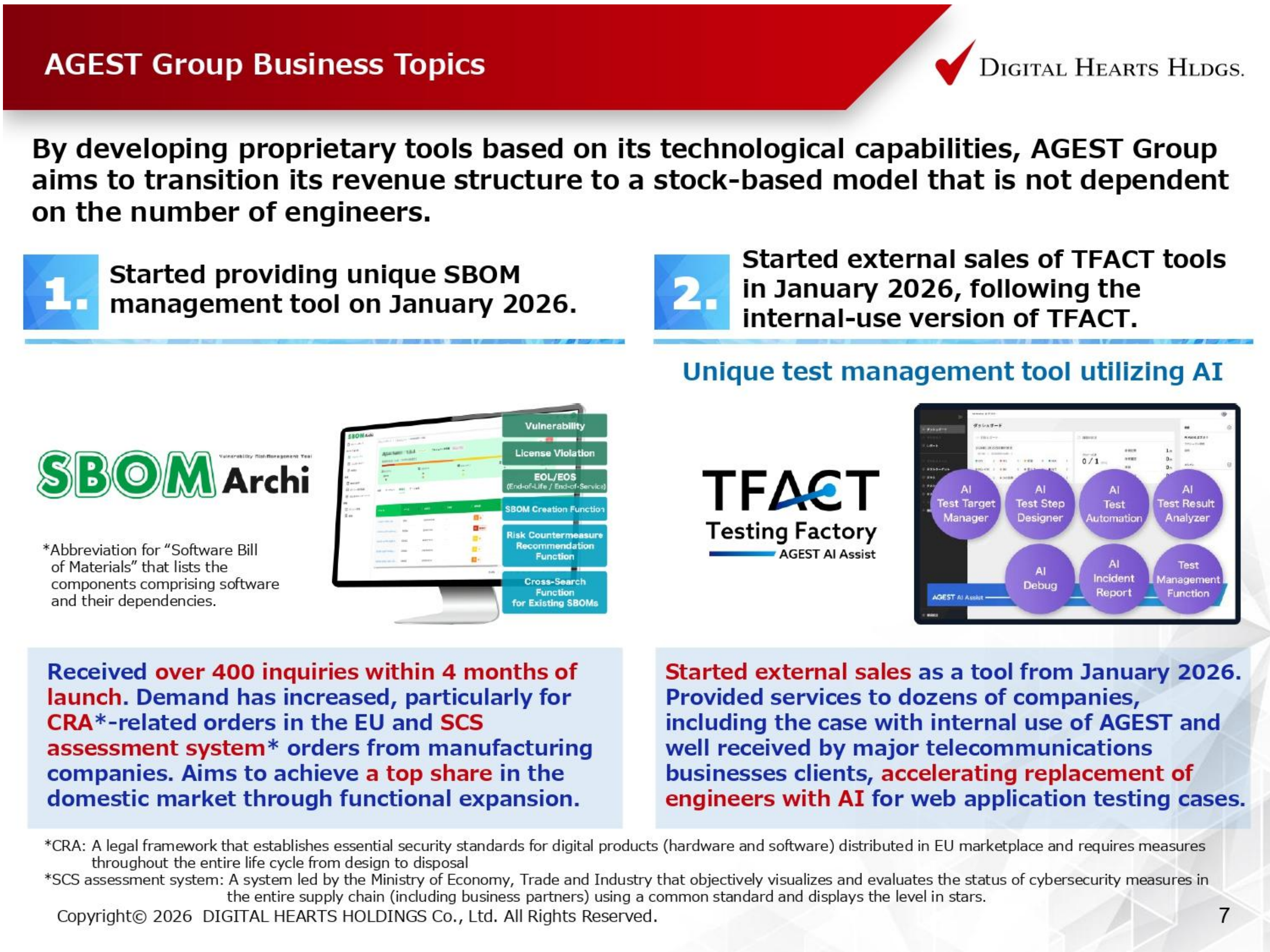
- **Domestic QA solutions kept its sales growth**. Despite the decline in development support service amid wider AI penetration, test projects grew.
- **Overseas QA solutions achieved sales growth excluding the impact of a subsidiary**(*) sold in the previous fiscal year, and **substantial profit growth** due to its businesses restructuring.
- **In IT services and others**, net sales decreased due to the continued **strategic contraction of less profitable businesses and the temporary impact of price hike** by vendors of security monitoring tools.
- **Aggressively growth invest in Q4 for the next fiscal year and beyond**, including strengthening promotional activities for new services.

*We sold MK Partners, Inc., a consolidated subsidiary, in Q3 FY 2024.

Next, I would like to explain the AGEST Group Business.

First, sales of JPY15.9 billion were almost on par with the previous year. This was due to the steady growth of testing projects in Japan, which was partly affected by the shrinking system development and the strategic downsizing of the BPO business, but these factors were offset and sales were almost on par with the previous year.

In terms of segment income, we have aggressively invested in in-house development such as TFACT, an AI testing tool, and SBOM Archi, a security tool, and other such growth investments over the past year. Segment income was JPY380 million, slightly lower than the previous year, due in part to expanded promotions to coincide with the launch of these new services in Q4.



Let me briefly explain SBOM Archi and TFACT which I just mentioned.

SBOM Archi, AGEST's own vulnerability risk management tool, has been available since January 2026, and we have already received over 400 inquiries. We have received considerable interest from our customers, and we hope to achieve the top share in the domestic market by sequentially expanding the functions.

Next is TFACT, a unique AI-powered test management tool. This also has been sold externally since January 2026. We have already provided our services to dozens of companies, and we would like to accelerate the replacement of engineers with AI in the testing of web and applications, in response to the needs of our customers in the AI era.

As AI technology continues to evolve, AGEST intends to shift its profit structure to a recurring model that does not depend on the number of engineers by leveraging its technological capabilities and developing these proprietary tools.

Next, I would like to briefly touch on our business plan for the fiscal year ending March 31, 2027.

First is the DH Group Business. This represents the "Entertainment quality" required in the AI era. In order to provide this quality to our clients around the world, we will continue to strengthen the acquisition of debugging projects, including those for Nintendo Switch 2, by taking advantage of our strengths, as well as by utilizing the collaboration with new partner companies I mentioned earlier, to acquire more and more new global clients. Furthermore, by introducing an AI collaborative operation platform, we would like to utilize AI to improve tester productivity, which is one of our strengths.

On the other hand, in the AGEST Group Business, we will evolve to a QA and security model that maximizes the use of AI technology. We intend to increase profitability by building a revenue base that does not depend on the number of engineers by utilizing TFACT and SBOM Archi as mentioned earlier, strengthening human resources by reskilling our own engineers, and streamlining back-office functions and promoting operational efficiency by utilizing AI.

Thus, in each of these businesses, the Company is working to establish a foundation for existing businesses that can survive in the AI era, while at the same time launching CVC Related Business as a new disclosure segment. We are launching a new CVC Related Business in order to try various new challenges in a speedy manner with a new investment style that differs from the traditional one.

Consolidated Financial Forecast for FY2026

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- **Aim for record-high consolidated net sales, with AGEST Group maintaining sales at the same level as FY2025 while shifting its business model, and DH Group driving overall growth under favorable market conditions.**
- **Despite increased growth investments, including AI, the Group targets higher consolidate OP, supported by revenue growth and improved profitability in AGEST Group.**
- **Net income is expected to reach a record ¥1.8 bn, up 1.5 times YoY.**

(JPY mn)	Full-year FY2025 (Actual)	Full-year FY2026 (Forecast)	YoY Change
Net sales	**38,928**	**41,080**	**+5.5%**
DH Group	23,130	25,380	+9.7%
AGEST Group	15,994	15,700	-1.8%
CVC Related	–	–	–
Adjustments	-196	–	–
Operating profit	**2,626**	**2,730**	**+4.0%**
DH Group	2,245	2,270	+1.1%
AGEST Group	380	530	+39.3%
CVC Related	–	-70	–
OP margin	**6.7%**	**6.6%**	**-0.1points**
Ordinary income	**2,582**	**2,730**	**+5.7%**
Profit attributable to owners of parent	**1,182**	**1,850**	**+56.6%**

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This is our specific business plan.

First, in terms of sales, the AGEST Group, which will continue to transform its business model, hopes to secure sales on par with the previous year, while the DH Group, which continues to enjoy favorable market conditions, will drive sales, aiming for a record-high consolidated sales of JPY41 billion.

Operating income is expected to be JPY2.7 billion, and net profit is expected to be JPY1.8 billion, the highest level ever, although we will of course aggressively invest in growth based on the sales base.

Shareholder Return

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Changed dividend policy from FY2025 year-end dividend and introduce shareholder benefit program. Aiming for continuous and stable shareholder returns while continuing to invest in future growth.

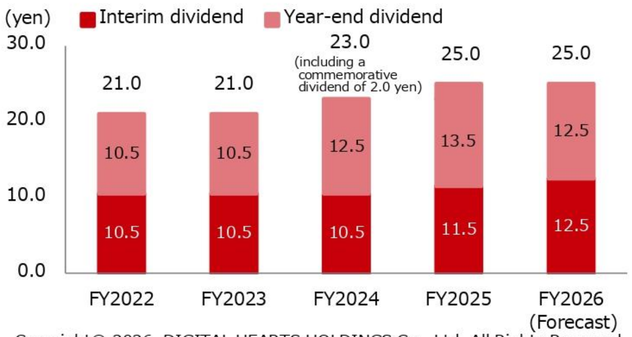
■ Dividend policy

Basic policy	(Before)	Dividend payout ratio with a minimum target of 20%
	(After)	Stable and sustainable dividends guided by a progressive dividend policy

⇒ Revised it to "progressive dividend" to emphasize a commitment to stable and sustainable dividends, reflecting our track record of maintaining dividends since listing.

■ Dividend forecast for FY2026

Annual dividends are expected to be **¥25.0** (dividend payout ratio 30.1%), stable dividends at the same level as FY2025.



■ Shareholder benefit program

Eligible shareholder

Shareholders who hold 500 shares or more of our shares and are listed or recorded in the shareholder register as of the record date (March 31 of each year) are eligible.

Details of shareholder benefit

For each eligible shareholder
QUO Card
worth 10,000 yen

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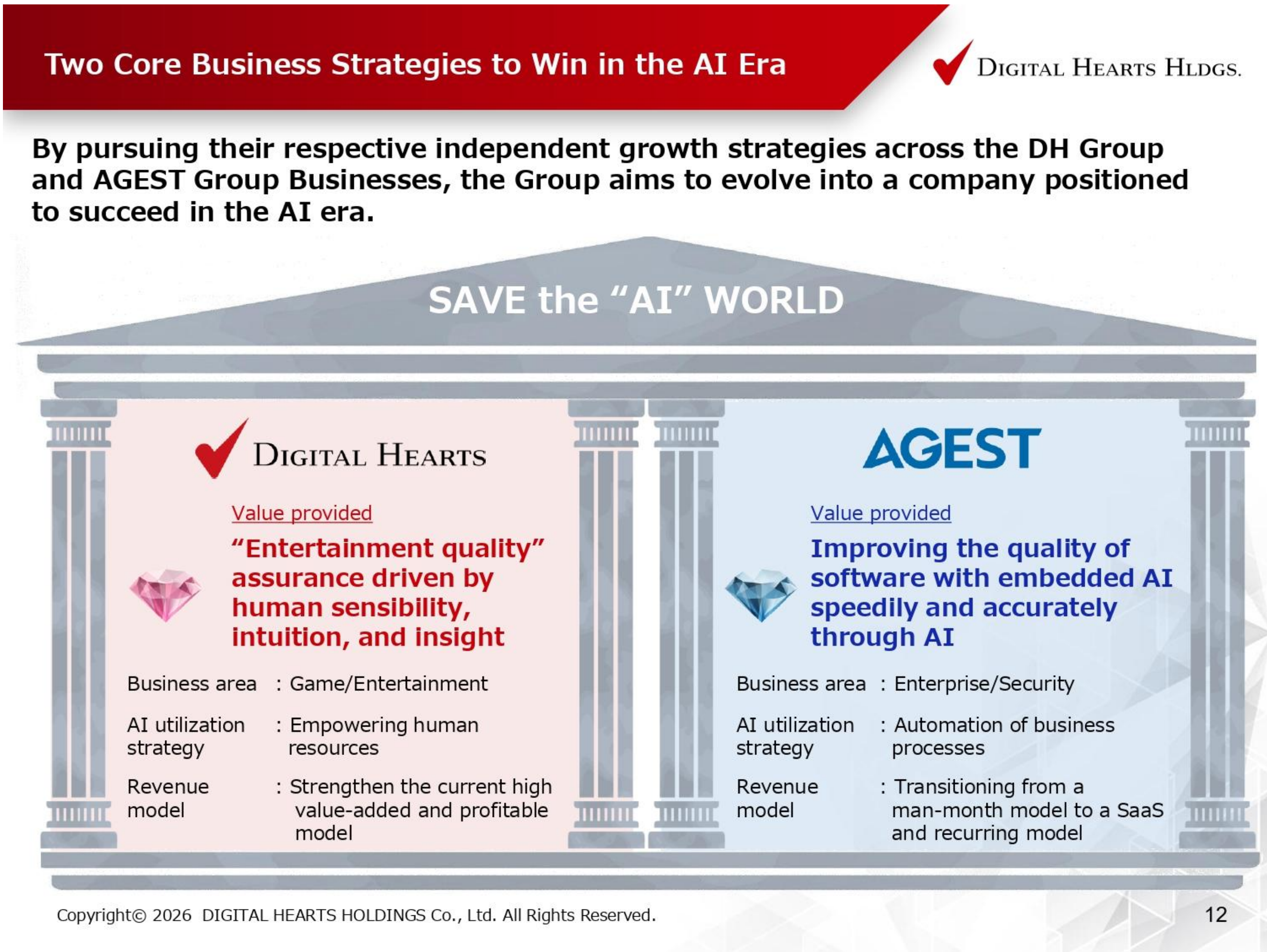
Finally, I would like to explain our shareholder return policy.

First, effective from the year-end dividend for the fiscal year ended March 31, 2026, the Company changed its dividend policy to a progressive dividend and introduced a shareholder benefit program using QUO cards. Next, the full-year dividend plan for the fiscal year ending March 31, 2027 is JPY25, maintaining a payout ratio of 30%. While continuing to invest in growth, we will aim for continuous and stable shareholder returns.

This is all for me.

Next, Mr. Tsukushi will explain our growth strategy.



Tsukushi: I am Tsukushi, Representative Director, President and CEO of DIGITAL HEARTS HOLDINGS.

First, I would like to explain our business positioning and business policy in the AI era, which is of great interest to investors and analysts.

In the DH Group's game business area, AI is gradually being used in programming and concept design. On the other hand, as the use of AI advances in the debugging of our core services, we expect that human-led debugging will become even more important. This is because the basic premise of games is that people enjoy them, and the elements that drive user engagement, such as fun, discomfort, empathy, and immersion, need to be confirmed by people, not by AI. Fortunately, our testers, many of whom are heavy users of the game, are able to provide meaningful feedback from the user's perspective.

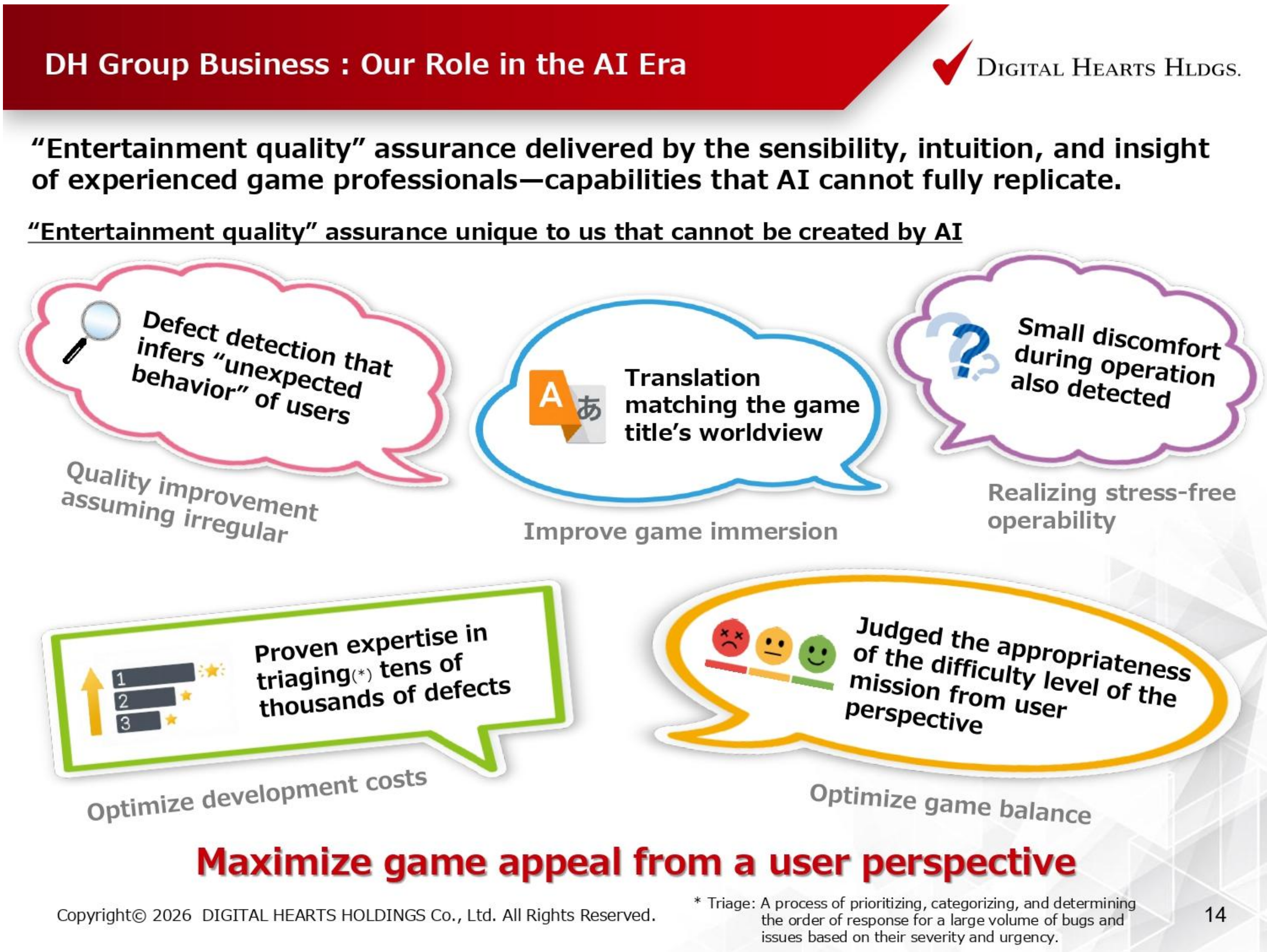
In addition, it is expected that games will be developed using AI and that the percentage of indie games will increase, but even in these cases, human-led debugging is becoming more important due to concerns about quality. Of course, AI can perform some debugging tasks, but it is still limited, and in game development, where specifications are constantly changing, fully automated debugging with AI is still difficult. Rather, we would like to continue to provide the high value of "Entertainment quality" assurance by streamlining human work and operations through AI and utilizing the sensibility, intuition, and insight that only humans can provide, and remain firmly committed to the success of our clients, even in the AI era.

On the other hand, in the enterprise area of the AGEST Group, it is assumed that the automation of testing using AI will continue to progress rapidly. AGEST has been proactively promoting the use of AI in the testing process, anticipating such trends and taking advantage of its unique strengths as a specialized company. As a result, in 2025 we released TFACT, an AI test management tool, which has significantly reduced testing man-hours. In addition, in order to respond to the trend toward in-house testing in software development, a SaaS version of TFACT was launched in January 2026, and a shift from the traditional man-month model to a recurring revenue model is also underway. We will provide services that will win out in the AI era by speedily and accurately improving the quality of AI-embedded software through AI.

Now, let me briefly explain the business environment of the DH Group Business.

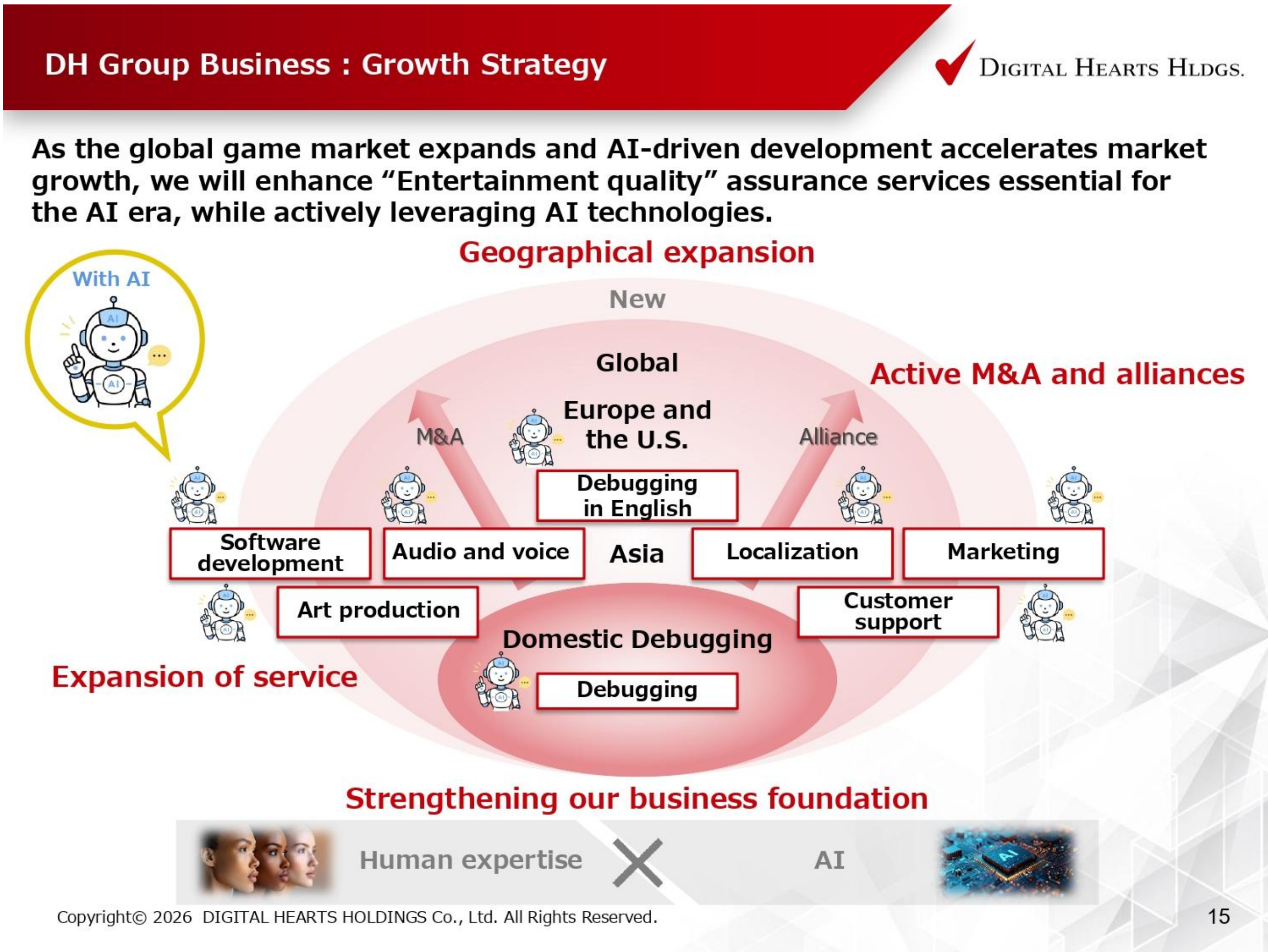
Last year, with the sales of Nintendo Switch 2, the domestic and international console game market was revitalized, and the borderless nature of game content, not only Japanese games, is further accelerating. With the spread of AI, the number of game titles being developed is expected to increase at an accelerating rate, and game platforms, including Nintendo Switch 2, will become multi-platform, and the number of languages to be supported will only increase. These changes in the game development environment have allowed the handling of large volumes and even review content, as our company has done.

There is also a strong tailwind for companies that have a large amount of equipment that can handle all platforms and the capability to provide one-stop multi-language translations. As I mentioned earlier, human debugging and translation are still needed to make the most of the worldview and fun aspects of games, and I expect the needs and new business opportunities for our services to expand.



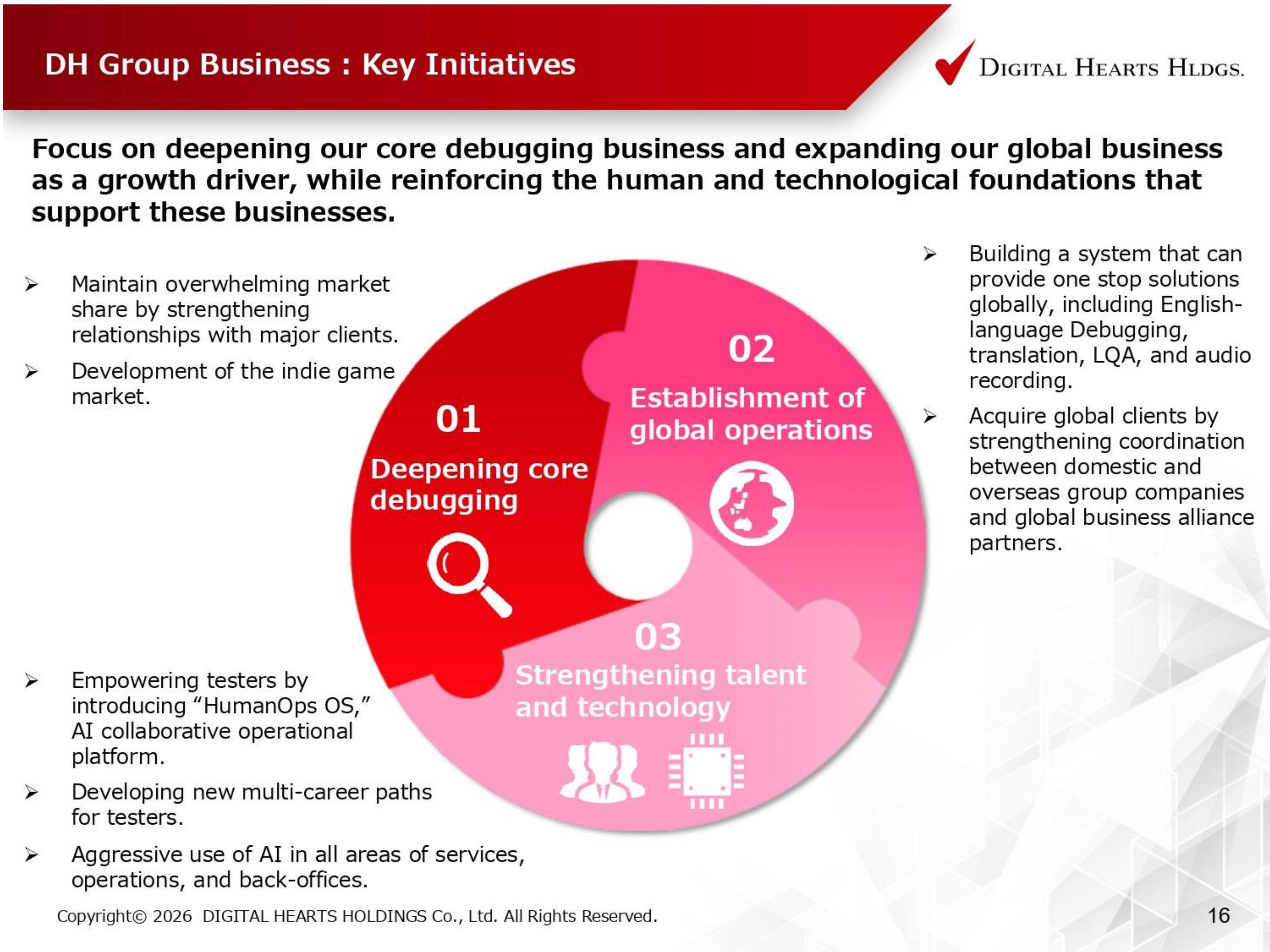
Now, I would like to explain in more detail the significance of our company's existence, which is important in this AI era, and our unique human entertainment quality assurance that cannot be created by AI.

Our testers detect defects by performing unexpected actions that users are likely to do, and find even the slightest discomfort that is felt only by gamers who know the game inside and out. We also help optimize game development costs by advising on game balance, including the appropriate level of difficulty for completing a game, and by determining the priority of fixes from the user's perspective among thousands or even tens of thousands of defects. I am proud to say that maximizing the appeal of games from the user's perspective is the raison d'etre of our company, which is recognized for its value even in the age of AI.



This page is about growth strategies.

Our strategy has remained unchanged for several years. Starting from the foundation of the game debugging business in Japan, which we have cultivated over the 25 years since our founding, we have steadily expanded our service areas and our geographic reach from Japan to Asia, Europe, and North America, while effectively utilizing M&A and alliances. Naturally, we will accelerate this growth strategy by strengthening our business foundation of people and AI by actively incorporating AI, developing tools specialized for game translation, and utilizing AI in some of our game development and debugging operations to improve productivity and quality.



Finally, I would like to explain the priority measures for the fiscal year ending March 31, 2027.

In the debugging business, we will further strengthen our relationships with major clients through high-quality services. Meanwhile, we will expand our services to the indie game market.

In the global business, we will provide a one-stop, multi-service and multi-language service, while steadily expanding our global customer base. We will also support the growth and development of employees that form the foundation of our business by utilizing AI and providing multiple career paths to support the success of each and every tester.

We will strengthen our key employees and technological foundation, and strive to deepen our core business of debugging and expand our global business, which is a growth driver.

Now, Mr. Ninomiya will continue with an explanation of AGEST Group's growth strategy.

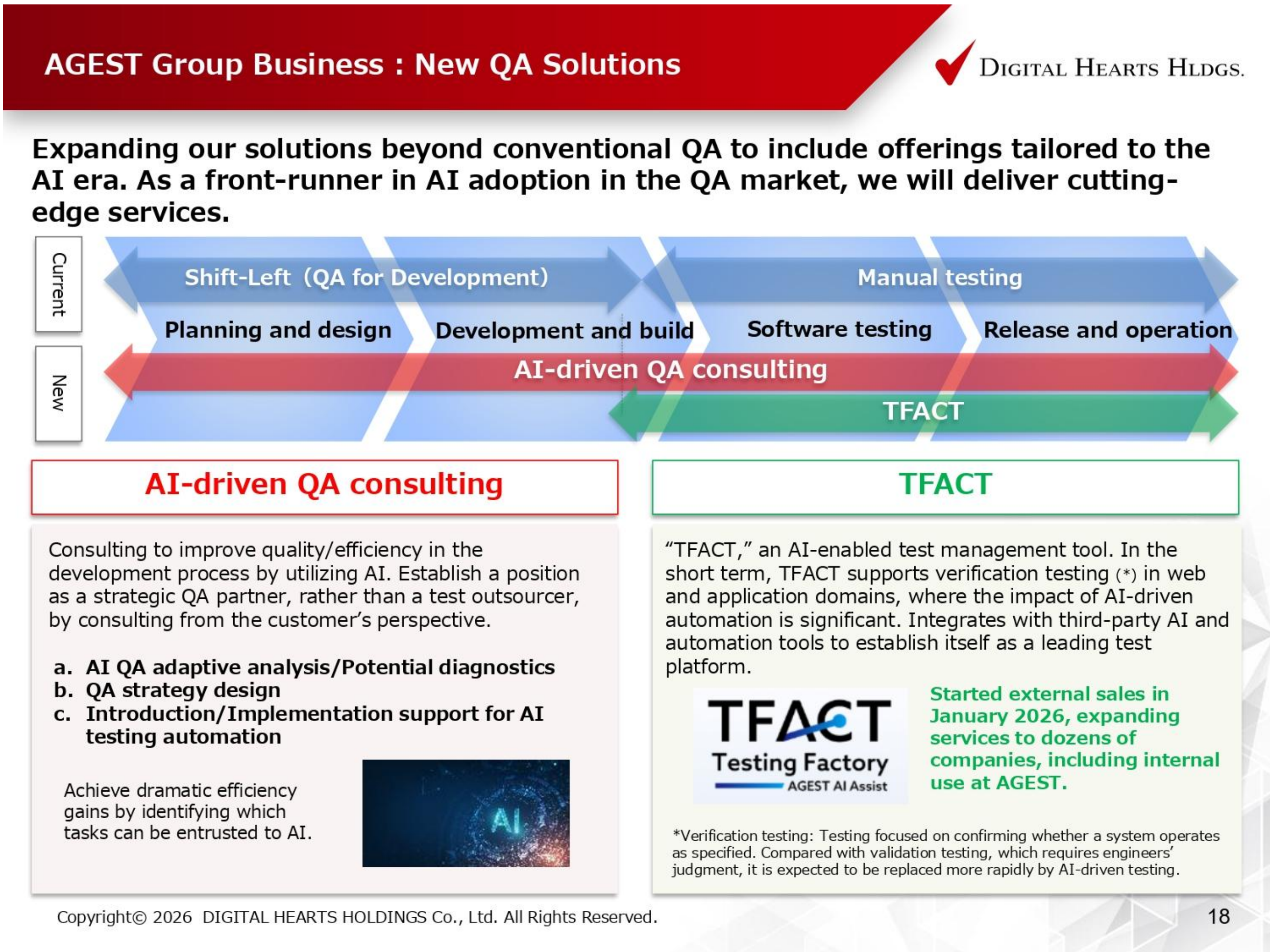
Ninomiya: I will now explain AGEST's growth strategy.

First of all, as you know, the environment surrounding AGEST has changed significantly. Since the advent of Claude, programming, so-called AI-driven development, etc., the QA market has become an environment where automation is advancing significantly. Also, with regard to security, cyberattacks have become considerably more complex. Most recently, with the Claude Mythos issue, new threats have emerged, and AI-driven attacks have been reported. Furthermore, new threats such as infiltration from the supply chain are expanding, so the country needs to establish new laws and a new environment. In that sense, I believe that this is both a threat and a great opportunity for us to firmly expand our business by keeping up with this new change.

Traditionally, the business has been centered on a man-month model in terms of business model. We would like to promote this business shift to a pay-as-you-go or recurring model by utilizing AI tools such as TFACT, which we have been preparing for the past two years, and SOC and our SBOM management tool in security.

As mentioned earlier, the new service TFACT was put into service in Q4 of FY2025. We also launched SBOM. During FY2026, we would like to prepare several new services to further accelerate our recurring business.

Also, since this was the timing for structural reform, we made drastic reductions in hiring, back-office operations, and other areas in order to break away from this man-month model. We believe that AI can naturally improve efficiency in this area, and we would like to transform ourselves into a more profitable and lean company.

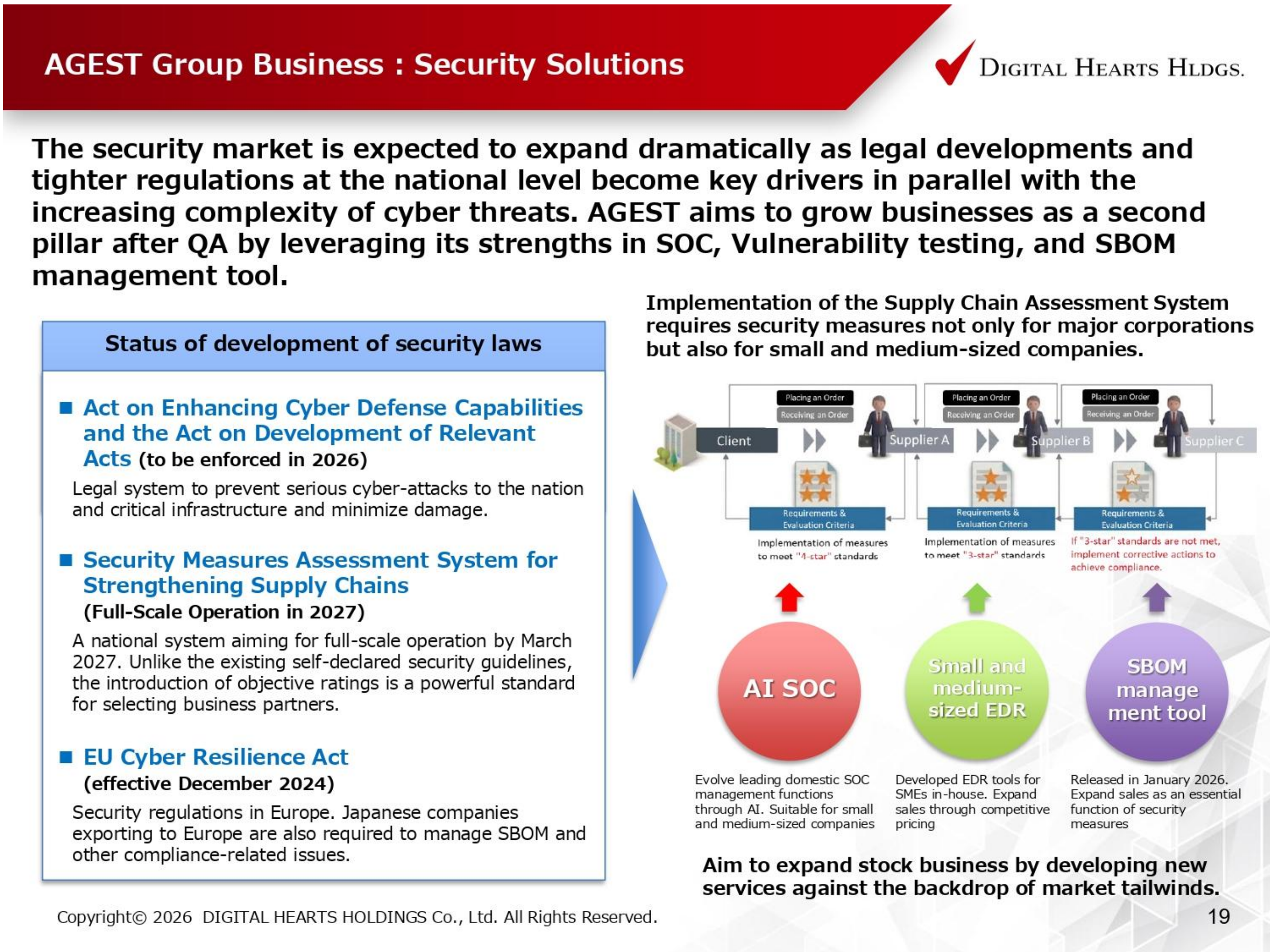


Specifically, it will be our new QA solutions.

It does not mean that current services will soon, and unceasingly, disappear. We are still able to extend the testing part of our businesses smoothly. In particular, we would like to continue providing "QA for Development", which supports developers, as well as manual testing services, as before.

However, what is still increasing recently is the area of AI-driven consulting. Specifically, as noted here, we are being asked to diagnose, for example, whether or not AI can be used and in what areas, or how much efficiency can be improved by using AI. Furthermore, there is a growing need to design QA strategies such as how much quality can be assured by using AI in the first place, and what the methodology for doing this is. Furthermore, we would like to develop services in this area, from upstream to downstream, including the introduction of automation that will eventually implement this AI, or building support.

Regarding the implementation phase, TFACT has already been released. First, in the area of web and apps, through TFACT, we will be moving forward with a strong automation of functional testing. TFACT is not just an AI automation tool, but also encompasses test management functions. Therefore, it is possible to use TFACT to manage other companies' tools by connecting them via API, or to use only a part of TFACT's AI functions. Therefore, we would like to use TFACT as a platform for testing.



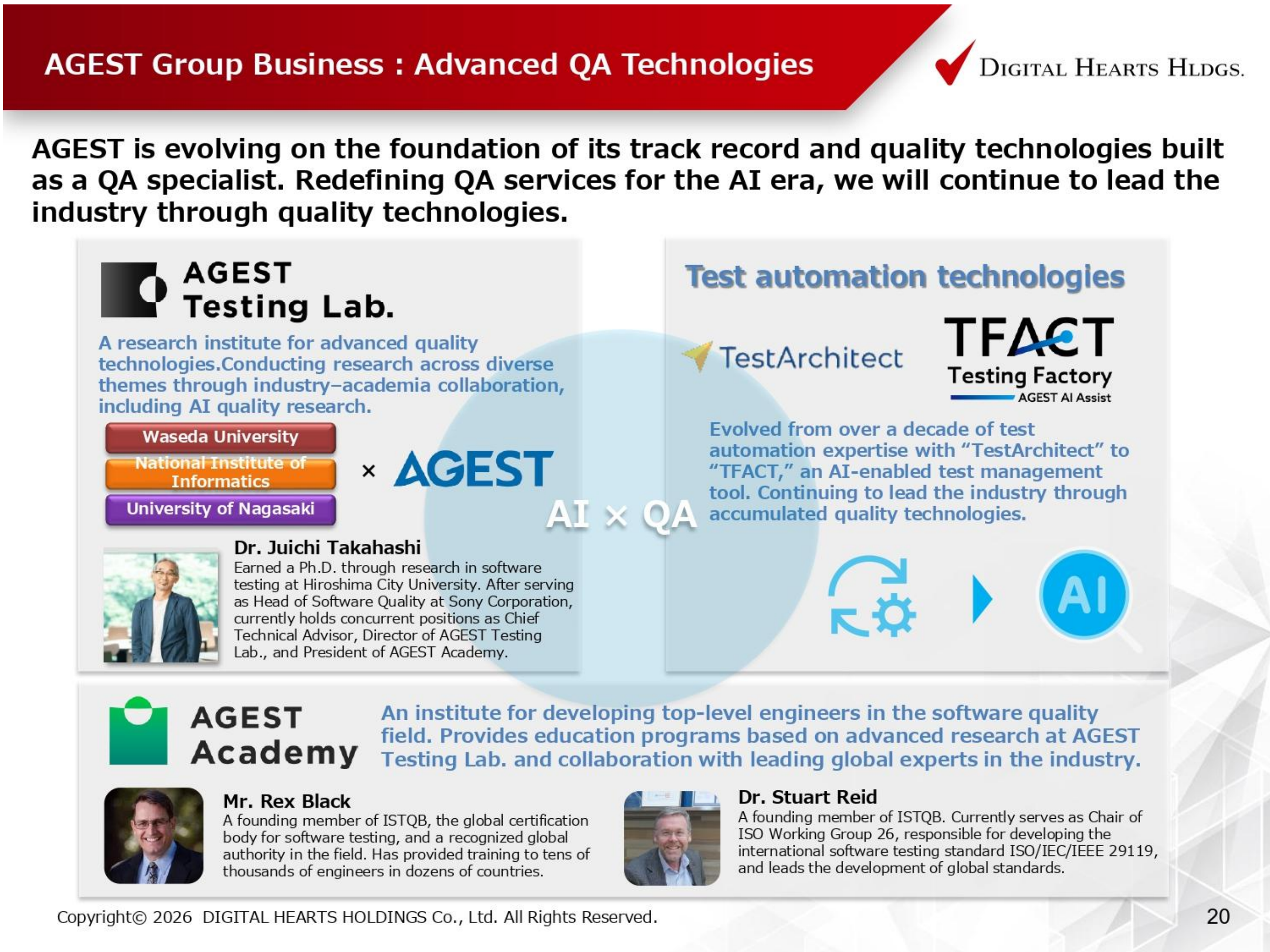
Next, let’s look at security. This is a fairly new threat, although I think this has been discussed quite a bit most recently with Claude Mythos. Countermeasures will also be a major challenge. Therefore, our goal is to create and provide solutions to these new technologies and threats.

Furthermore, there is considerable progress in the development of security-related laws. Security measures are expected to be incorporated into frameworks such as the Act on Enhancing Cyber Defense Capabilities and the Act on Development of Relevant Acts, as well as the Security Measures Assessment System for Strengthening Supply Chains. In the EU region, the Cyber Resilience Act will be enforced, and all devices connected to the network will require SBOM management. We are also hearing talk of a Japanese version of Project Glasswing, and we would like to keep up with this kind of information to create a solution.

Specifically, SOC services are scheduled to be released by the fiscal year ending March 31, 2027. AI-based attacks are much more sophisticated and faster. Until now, it would take about 30 minutes to become infected, but this is now being reduced to 10 minutes or so. Therefore, we are planning to release an AI-based SOC, AI SOC, since it is naturally not possible to respond to this issue using only human operators.

Furthermore, we plan to launch an EDR solution for small and medium-sized companies during FY2026, targeting a market segment where adoption remains limited, while also enabling us to accumulate a broader range of security-related data and insights.

In addition, SBOM management tool has already been quite well received. We believe that we can also work to increase ARPU by adding functions to this as well. Against the backdrop of this market environment, we would like to expand our new recurring business model.



This is our foundation to back this up.

I still believe that research on new techniques and education, including reskilling, is vital. We are already conducting research on new testing techniques for AI in industry-academia collaboration. Furthermore, we are also working to accelerate reskilling by incorporating it into our educational curriculum. As for automation, we have been developing TestArchitect for 10 years now, including in the US and Europe.

This tool is not only for simple web and applications, but also for business systems, embedded devices, and everything else that can be automated. We are now offering TFACT as a function only for web and applications, but by the end of FY2026, by combining this with TFACT, we hope to promote the automation technology that only we can provide, for all devices and environments.

We intend to shift to a business model that can win out in this AI era, including through such services.

That is all from me.

Tsukushi: Lastly, I would like to explain the establishment of the new CVC division.

Amidst the increasing uncertainty surrounding technology and the business environment, such as the rapid development of AI, we would like to establish a new CVC, corporate venture capital, division in order to conduct more agile exploration than with conventional M&A.

The objective is to speedily expand the options for the future by targeting innovative technologies, ideas, and business models that are not an extension of the core business, as well as the inclusion of innovator talent, while limiting risk.

First, we would like to make a CVC investment of approximately JPY500 million per year.

It was in January, 2026 that I heard the term Anthropic shock. Subsequently, conflicts in the Middle East continued, bringing the issue of economic security even closer to the forefront. As Mr. Ninomiya said earlier, there is now Mythos. Really, in less than five months, these things happened one after another, and I really felt again the fast changes in our business operating environment.

In response to such changes in the environment, we have made the decision to withdraw the AGEST Spin-Off Listing initiative, which we have been pursuing for the past three years, and to focus on how quickly we can adapt to the environment of this AI era as our most important business challenge. Personally, I am naturally very disappointed and frustrated, but I will do my best to prove that this decision was the right one.

We will realize a safe and secure digital society. We hope you will continue to support the DIGITAL HEARTS Group. Thank you for your attention.

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