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Securities code: 3676

(Date of issuance) June 10, 2025

(Start date for electronic provision of documents) June 4, 2025

To our shareholders

3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
DIGITAL HEARTS HOLDINGS Co., Ltd.  
Representative Director and President Toshiya Tsukushi

## Notice of the 12th Ordinary General Meeting of Shareholders

We would like to express our sincere thanks for your continued support.

This is to notify you that our 12th Ordinary General Meeting of Shareholders will be held as follows.

When convening this general meeting of shareholder, we take measures to electronically provide information (matters to be electronically provided) as a reference document for the general meeting of shareholder and such information is posted to our website as the Notice of the 12th Ordinary General Meeting of Shareholders on our website. Therefore, we ask that you access and confirm the following website.

Our website <https://www.digitalhearts-hd.com/ir/library/meeting/>



In addition to the above website, the information is also available on the Tokyo Stock Exchange (TSE) website. Please access the TSE website (TSE Listed Company Information Service) below, enter "DIGITAL HEARTS HOLDINGS" in the "Issue name (company name)" field or the securities code "3676" in the "Code" field, search, and then select "Basic information" and "Documents for public inspection/PR information" in sequence. Please refer to the "[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting]" section.

Tokyo Stock Exchange website (TSE-listed company information service)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>



As you are entitled to exercise your voting rights by any of the following methods. We respectfully ask that you review our reference materials for our general meeting of shareholders and take steps to exercise your voting rights.

[If you wish to exercise your voting rights in writing]

Indicate whether you are for or against the agenda items set forth in the enclosed voting rights exercise form and return this form to us so that we receive it by no later than 6:00 p.m. on June 25, 2025 (Wednesday).

[If you wish to exercise your voting rights online]

Indicate whether you are for or against the agenda items by no later than 6:00 p.m. on June 25, 2025 (Wednesday), in accordance with the on-screen instructions provided by our website for accessing the <https://evote.tr.mufig.jp/> for exercising voting rights. When exercising voting rights online, you are asked to read the instructions for exercising voting rights online on page 4.

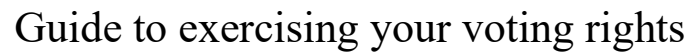
Kindest regards

### Notes

1. Date and time June 26, 2025 (Thursday) 3:00 p.m.
  2. Location 3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
Conference Room 2, 7F, Tokyo Opera City Tower
  3. Agenda of the Meeting
    1. To report the contents of our business report, the contents of our consolidated financial statements, and the results of an audit of our consolidated financial statements as conducted by an Accounting Auditor and our Audit & Supervisory Board for our 12th fiscal year (From April 1, 2024 to March 31, 2025).
    2. To report on the contents of our financial statements for our 12th fiscal year (From April 1, 2024 to March 31, 2025).
- Matters for reporting
- Matters for approval
- |            |   |
|------------|---|
| Proposal 1 | Election of five (5) Directors                                  |
| Proposal 2 | Election of four (4) Audit & Supervisory Board Member           |
| Proposal 3 | Election of one (1) Substitute Audit & Supervisory Board Member |

- © When attending this meeting on the day in question, please submit the enclosed voting rights exercise form to the reception desk at the venue.
- © Among matters concerning measures for the provision of electronics, the following matters are not indicated in the documents to be issued to shareholder who have received requests for the issuance of documents in accordance with relevant laws and regulations or Article of Incorporation provisions. The Audit & Supervisory Board Member and our Accounting Auditor have audited the documents subject to the audit, including the following matters:
  - Consolidated financial statements: "Consolidated Statement of Changes in shareholder' Equity" and "Notes to the Consolidated Financial Statements"
  - Non-consolidated financial statements: "Statement of Changes in shareholder' Equity" and "Notes to the Financial Statements"

Regardless of whether or not a request for the issuance of a document is made for this general meeting of shareholder, a document that mentions any matters concerning measures to provide electronically that exclude the above matters shall be sent to the shareholder in a uniform manner.
- © If any amendment is made to matters concerning measures to provide electronics, a statement to that effect, before and after the amendment, shall be posted to each of the websites listed above.
- © The Notice of Resolutions and shareholder Newsletters concerning this general meeting of shareholder will be posted to our website (<https://www.digitalhearts-hd.com/>) in lieu of being physically mailed.
- © No gift will be provided to attending shareholder. We ask for your understanding on this point.



There are three ways to exercise voting rights as outlined below:

# Guide to filling out the voting rights exercise form

Proposal 1 & 2	In case you approve all the candidates → Please circle the "approval""贊" column
	In case you disapprove all the candidates → Please circle the "disapproval""否" column
	In case you disapprove certain candidates → Please circle the "approval""贊" column and fill in the candidate number(s) of the candidate(s) you disapprove
Proposal 3	In case you approve → Please circle the "approval""贊" column
	In case you disapprove → Please circle the "disapproval""否" column

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## Guidance Notes on the Exercise of Voting Rights through the Internet

The exercise of voting rights through the Internet is allowed through either of the following two methods:

- (1) Reading the QR code
- (2) Entering the Code for Exercise of Voting Rights and password.

### **(1) Reading the QR code**

Step 1: Read the QR code on the lower right-hand side of the Form for Exercise of Voting Rights with your smartphone.

You are able to log-in to the website for exercising voting rights without entering the Code for Exercise of Voting Rights and password.

\*Note: "QR code" is a registered trademark of DENSO WAVE INCORPORATED.

Step 2: Please continue by following the directions on the screen and enter your approval or disapproval of each resolution.

### **(2) Entering the Code for Exercise of Voting Rights and password**

Step 1: Access to the website for exercising voting rights

Website URL for exercise of voting rights: <https://evote.tr.mufg.jp/>

Step 2: Enter "Code for Exercise of Voting Rights" indicated on the Form for Exercise of Voting Rights and click "Login." When accessing for the first time, it will move on to the password change screen.

Step 3: Enter the initial password indicated on the Form for Exercise of Voting Rights and set up a new password for actual use.

Step4: Please continue by following the directions on the screen and enter your approval or disapproval of each resolution.

By exercising your voting rights online via the Internet  
For operating the computer and smartphone  
Contact us at the contact information presented to the right  
if you have any questions.

Help Desk, Securities Agency Division, Mitsubishi UFJ Trust and  
Banking Corporation  
**0120-173-027**  
(Toll-free / Hours of operation: 9:00 a.m. to 9:00 p.m.)

Institutional investors can use the Electronic Voting Rights Exercise Platform for Institutional Investors administered by ICJ, Inc.

## Reference Materials for the General Meeting of Shareholders

### Proposals and reference items

#### Proposal 1: Election of five (5) Directors

The terms of office of all five (5) Directors will come to an end at the conclusion of this general meeting. Therefore, the election of five (5) Directors (including three (3) Outside Directors) is requested.

The candidates for the position of Director are as follows.

Candidate Number	Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions	Number of the Company's shares held
1	[Reelection] Toshiya Tsukushi (Born June 23, 1965)	<p>April 1989      Joined Showa Shell Sekiyu K.K. (currently Idemitsu Kosan Co.,Ltd.).</p> <p>September 1995      Joined Price Waterhouse Consultants Co., Ltd. (currently IBM Japan, Ltd.)</p> <p>July 1999      Joined General Electric Capital Consumer Finance Co., Ltd. (currently Shinsei Financial Co., Ltd.)</p> <p>December 2005      Executive Officer of the same company</p> <p>September 2006      Executive Officer and General Manager of the Business Development Group, Nissen Holdings Co., Ltd.</p> <p>March 2008      Director Executive Officer &amp; General Manager of the Financial Planning Office of the same company</p> <p>June 2009      Director Executive Officer and CFO of the same company</p> <p>June 2017      Executive Officer and CFO of DIGITAL HEARTS HOLDINGS Co., Ltd.</p> <p>October 2017      Director and General Manager of the Administration Division, DIGITAL HEARTS Co., Ltd.</p> <p>June 2018      Director and CFO of DIGITAL HEARTS HOLDINGS Co., Ltd.</p> <p>March 2020      Representative Director and President of FLAME Hearts Co., Ltd. (present)</p> <p>March 2021      Director of Metaps Entertainment Limited (currently DIGITAL HEARTS CROSS Marketing and Solutions Limited)</p> <p>April 2021      Director (overseeing global operations), DIGITAL HEARTS Co., Ltd.</p> <p>June 2021      Director, Executive Vice President and CFO of DIGITAL HEARTS HOLDINGS Co., Ltd.</p> <p>April 2022      Representative Director and President of DIGITAL HEARTS Co., Ltd. (present)</p> <p>April 2022      Director of AGEST, Inc.</p> <p>April 2023      Director, Executive Vice President and COO of DIGITAL HEARTS HOLDINGS Co., Ltd.</p> <p>April 2024      Representative Director, President and CEO of the same company (present)</p>	18,075 shares
	<p>[Grounds for election]</p> <p>Toshiya Tsukushi has been promoting overall management of the group and M&amp;A in Japan and overseas as a director since June 2018. He became vice president in June 2021 and president and CEO in April 2024, taking charge of the management of the group. He also has knowledge and experience in management and is expected to continue to spearhead our group management and help increase our corporate value.</p>		

Candidate Number	Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions		Number of the Company's shares held
2	[Reelection] Eiichi Miyazawa (Born July 19, 1972)	April 2001	Established DIGITAL HEARTS Co., Ltd. Representative Director and President	9,424,569 shares
		May 2006	Representative Director and President, CEO of the same company	
		April 2010	Representative Director, President and CEO of the same company	
		October 2013	Representative Director, President and CEO of DIGITAL HEARTS HOLDINGS Co., Ltd.	
		July 2017	Director and Chairman of the same company	
		April 2024	Representative Director and Chairman of the same company (present)	
	[Grounds for election] Eiichi Miyazawa is the founder of the Company, has been spearheading the management of this corporate group since it was founded, possesses a wealth of experiences, achievements, and knowledge pertaining to management, and is expected to continue to help increase the corporate value of the Company.			

Candidate Number	Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions		Number of the Company's shares held
3	[Reelection] [Outside / Independent] Takashi Yanagiya (Born November 13, 1951)	October 2001	Full-Time Director, Nomura Securities Co., Ltd.	10,000 shares
		April 2002	Representative Director Senior Managing Director of the same company	
		June 2003	Representative Executive Officer & Senior Managing Executive Officer of the same company	
		April 2006	Representative Executive Officer, Executive Officer & Vice-President of the same company	
		April 2008	Executive Officer & Vice-President of the same company	
		October 2008	Executive Officer & Vice-President of the same company	
		April 2012	Permanent Advisor of the same company	
		August 2012	Advisor of the same company	
		March 2013	Resigned from the same company	
		June 2013	Outside Director of ALPHA SYSTEMS INC.	
		June 2014	Outside Director of DIGITAL HEARTS HOLDINGS Co., Ltd. (current position)	
		June 2015	Outside Director of Showa Sangyo Co., Ltd.	
		May 2016	Chairman, Board of Trustees, Meiji University (present)	
		May 2016	Chairman, Board of Trustees, Nakano Gakuen (present)	
	[Outline of grounds for election and expected roles] Takashi Yanagiya is expected to continue to provide useful advice to the Board of Directors of the Company and supervise the management of the Company from an objective standpoint based on his extensive experience as a company manager. If he is elected, it is expected that he will also be involved in selecting candidates for officers of the Company and determining officer remuneration and other matters from an objective and neutral standpoint as a member of the Nomination and Remuneration Committee.			

Candidate Number	Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions		Number of the Company’s shares held
4	[Reelection] [Outside / Independent] Emiko Murei (Born January 11, 1969)	April 1992	Joined Chuo Shinko Audit Corporation	— shares
		March 1995	Registered as a certified public accountant (until May 2005)	
		February 2006	Registered as a certified public accountant (present) Chief, MUREI C.P.A. Office (present)	
		April 2007	Specially appointed associate professor, Graduate School of Accounting, University of Hyogo	
		April 2009	Associate Professor, Graduate School of Accounting, University of Hyogo	
		April 2012	Associate Professor, Aoyama Gakuin University Graduate School of Professional Accountancy	
		June 2015	Outside Director, Kansai Super Market Ltd. (currently Kansai Food Market Ltd.) (Audit & Supervisory Committee Member)	
		June 2022	Outside Director of DIGITAL HEARTS HOLDINGS Co., Ltd. (present)	
		April 2023	Professor, Aoyama Gakuin University Graduate School of Professional Accountancy (present)	
[Outline of grounds for election and expected roles] Emiko Murei has extensive experience as a certified public accountant and university teacher and is expected to provide our board of directors with advice on sustainability, finance, and accounting and supervise our management from an objective standpoint. If she is elected, it is expected that she will also be involved in selecting candidates for officers of the Company and determining officer remuneration and other matters from an objective and neutral standpoint as a member of the Nomination and Remuneration Committee. While she has no experience in managing a company other than as an outside officer, she is highly knowledgeable about corporate accounting as a certified public accountant and is believed to be someone who can appropriately execute her duties as a Outside Director.				



Candidate Number	Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions	Number of the Company's shares held
5	[Reelection] [Outside] Ryo Chikasawa (Born May 16, 1984)	September 2008 Registered as a lawyer (Daini Tokyo Bar Association) Joined Mori Hamada & Matsumoto LPC (currently Mori Hamada & Matsumoto) January 2019 Partner lawyer, Mori Hamada & Matsumoto (present) June 2022 Outside Director of DIGITAL HEARTS HOLDINGS Co., Ltd. (present)	— shares
	[Outline of grounds for election and expected roles] Ryo Chikasawa is qualified as an attorney and is expected to provide our board of directors with advice on corporate governance- and compliance-related matters and supervise our management from an objective standpoint. If he is elected, it is expected that he will also be involved in selecting candidates for officers of the Company and determining officer remuneration and other matters from an objective and neutral standpoint as a member of the Nomination and Remuneration Committee. While he has no experience in managing a company, he is highly knowledgeable about global corporate legal affairs as an attorney and is believed to be someone who can appropriately execute her duties as a Outside Director.		

- (Notes) 1. There are no special interests between any of the candidates for Director and the Company. While we have concluded a legal advisory agreement with the law firm to which Ryo Chikasawa belongs, the amount of remuneration under this arrangement equals less than 1% of the sales of the same law firm and less than 1% of our consolidated sales.
2. Takashi Yanagiya, Emiko Murei, and Ryo Chikasawa are candidates for Outside Director.
3. Takashi Yanagiya is currently a Outside Director of us and his term of office will be 11 years as of the conclusion of this general meeting. Emiko Murei and Ryo Chikasawa are currently Outside Director of the Company and their term of office will be 3 years as of the conclusion of this general meeting.
4. We have concluded agreements to limit liability for damages as provided for in paragraph (1) of Article 423 of the Companies Act to the minimum liability amount as prescribed by law in accordance with the provisions of paragraph (1) of Article 427 of the same Act with Takashi Yanagiya, Emiko Murei, and Ryo Chikasawa and, if the re-election of each person is approved, such agreements are slated to be continued with each person.
5. We have concluded a liability insurance agreement for officers as prescribed in paragraph (1) of Article 430-3 of the Companies Act with an insurance company and an outline of the contents of this agreement is as stated on page 27 of the businesses report. Each Director candidate is included in the scope of insured persons under this insurance agreement. If this agenda item is approved in its original form and each Director candidate assumes the office of Director of ours, the candidate will continue to be included in the scope of insured persons under this insurance agreement. In addition, this insurance agreement is slated to be renewed with the same contents during the terms of office of the Directors under this agenda item.
6. Takashi Yanagiya and Emiko Murei satisfy the criteria for independence as prescribed by the Tokyo Stock Exchange. We have designated both individuals as independent officers in accordance with provisions as set forth by the Tokyo Stock Exchange and notified the Tokyo Stock Exchange of the fact thereof. If the re-election of both persons is approved, the Company plans to continue to notify their status as independent officers to the Tokyo Stock Exchange. If the re-election of Ryo Chikasawa is approved, no notification of his status as an independent officer is planned to be made to the Tokyo Stock Exchange in accordance with the internal regulations of the law firm to which he belongs.

[Reference] Skills-matrix of Director candidates

The following is a skill-matrix of Director if proposal 1 is approved in its original form.

Number	Name	Position	Age	Gender	In office Number of years	Expertise and experience					
						Corporate management Global	Finance Accounting M&A	Legal Affairs Risk Management	ESG Sustainability	IT (Quality and DX Security)	Sales Marketing
1	Toshiya Tsukushi	Representative Director and President	60	Male	7	•	•	•	•	•	
2	Eiichi Miyazawa	Representative Director and Chairman	52	Male	12	•			•	•	•
3	Takashi Yanagiya	Outside Director	73	Male	11	•	•	•	•		•
4	Emiko Murei	Outside Director	56	Female	3		•		•		
5	Ryo Chikasawa	Outside Director	41	Male	3	•	•	•	•		

Proposal 2: Election of four (4) Audit & Supervisory Board Member

The terms of office of all four (4) Audit & Supervisory Board Member will come to an end at the conclusion of this general meeting.

Therefore, the election of four (4) Audit & Supervisory Board Member (including two (2) Outside Audit & Supervisory Board Member) is requested.

The consent of the Audit & Supervisory Board has been obtained with respect to this proposal.

The candidates for the position of Audit & Supervisory Board Member are as follows.

The candidates for the position of Audit & Supervisory Board Member are as follows:			
Candidate number	Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions	Number of the Company's shares held
1	[Reelection] Masahide Date (Born October 20, 1971)	September 1996    Joined KAIBUNDO PUBLISHING CO., LTD. April 2002        Joined DIGITAL HEARTS Co., Ltd. April 2003        Section Chief of the Accounting Section, Administration Department of the same company July 2005        Standing Audit & Supervisory Board Member of the same company October 2013     Standing Audit & Supervisory Board Member of DIGITAL HEARTS HOLDINGS Co., Ltd. (present)	24,000 shares
	[Grounds for election] The Company would like to see Masahide Date put to use his accounting experience at DIGITAL HEARTS Co., Ltd., and many years of experience as a auditor as well as his knowledge of the Company in general and accounting matters for audits of the Company.		
2	[Reelection] Keiya Kazama (Born September 24, 1975)	October 2001    Joined Deloitte Touche Tohmatsu (currently Deloitte Touche Tohmatsu LLC) June 2005        Registered as a certified public accountant (present) July 2007        Joined KOYANO C.P.A. OFFICE April 2010        Registered as a certified tax accountant (present) Joined DIGITAL HEARTS Co., Ltd. November 2010   Deputy General Manager of the Administration Division of the same company April 2011        General Manager of the Administration Division of the same company April 2012        Executive Officer & General Manager of the Finance and Accounting Division of the same company June 2013        General Manager of the Finance and Accounting Division & Human Resources and General Affairs of the same Director of the same company October 2013     Director of DIGITAL HEARTS HOLDINGS Co., Ltd. July 2014        Director and CFO of the same company June 2017        Director of the same company June 2018        Audit & Supervisory Board Member of the same company (present) July 2018        Representative, KAZAMA CPA OFFICE (present)	— shares
	[Grounds for election] Keiya Kazama is a certified public accountant and certified tax accountant, possesses extensive knowledge of the Company in general and of financial and accounting matters in part from having served for many years as a person responsible for finance and accounting departments at the Company and its Group companies. The Company would like to see him put the foregoing to use for audits of the Company.		

Candidate number	Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions		Number of the Company's shares held
3	[Reelection] [Outside / Independent]  Yoko Okano (Current family name: Sato) (Born January 6, 1975)	October 2002	Registered as a lawyer (Daini Tokyo Bar Association) Joined Tokyo Aoyama Law Office (currently Baker McKenzie)	— shares
	May 2006 June 2021	Joined Gokita and Miura Law Office (present) Outside Audit & Supervisory Board Member of DIGITAL HEARTS HOLDINGS Co., Ltd. (present)		
[Grounds for election] The Company would like to see Yoko Okano, who is qualified as an attorney, put to use her extensive knowledge of corporate legal affairs and compliance matters for the audits of the Company as a Outside Audit & Supervisory Board Member. While she has no experience in directly managing a company, she is highly knowledgeable about corporate legal affairs and compliance matters as an attorney and is believed to be someone who can appropriately execute her duties as an Outside Audit & Supervisory Board Member.				
4	[New election] [Outside / Independent]  Emiko Akatsu (Born October 7, 1963)	April 1986	Joined Fukutake Publishing Co., Ltd. (currently Benesse Corporation)	— shares
		October 1988 January 1996	Joined General Electric Company Joined General Electric Capital Consumer Finance Co., Ltd. (currently Shinsei Financial Co., Ltd.)	
		June 2002	Director, Human Resources Organization and development and Recruiting Division of the same company	
		June 2005	Director, Training Department of the same company	
		February 2008	Joined Novartis Pharma K.K. General Manager of the Diversity & Inclusion Office of the same company	
		May 2011	Joined ORACLE CORPORATION JAPAN Senior Director, Human Resources Organization Development Department of the same company	
		January 2016	Executive Officer, Director, General Manager of the Employee Engagement Office of the same company	
		March 2018	Joined Takeda Pharmaceutical Company Limited. Head of Human Resources Organization Development (Japan) for the same company's Global HR	
		February 2021	Representative Director and President of Future Me Company, Ltd. (present)	
		June 2022	Outside Director of AJIS CO., LTD. (present)	
[Grounds for election] Emiko Akatsu has been involved in human resources and organizational development officers and human resources strategy consultants at several Japanese and foreign-affiliated companies for many years and possesses specialized knowledge, experience, and high-level knowledge. The Company would like to see her put the foregoing to use for auditing purposes as an Outside Audit & Supervisory Board Member.				

- (Notes) 1. There are no special interests between any of the candidates and the Company.  
2. Yoko Okano and Emiko Akatsu are candidates for Outside Audit & Supervisory Board Member.  
3. The name of Yoko Okano on her family register is Yoko Sato.  
4. Yoko Okano is currently an Outside Audit & Supervisory Board Member of the Company and her term of office will be four (4) years as of the conclusion of this general meeting.

5. We have concluded an agreement to limit liability for damages as provided for in paragraph (1) of Article 423 of the Companies Act to the minimum liability amount as prescribed by law in accordance with the provisions of paragraph (1) of Article 427 of the same Act with Yoko Okano. If her re-election is approved, this agreement is slated to be continued with the same individual. If the election of Emiko Akatsu is approved, an agreement to limit liability for damages with the same contents is slated to be concluded.
6. We have concluded a liability insurance agreement for officers as prescribed in paragraph (1) of Article 430-3 of the Companies Act with an insurance company and an outline of the contents of this agreement is as stated on page 27 of the businesses report. Each of the candidates other than the newly elected candidates under this agenda item is included in the scope of insured persons under this insurance agreement. If this agenda item is approved in its original form and each candidate assumes the office of Audit & Supervisory Board Member of the Company accordingly, all candidates will be included in the scope of insured persons under this insurance agreement.
7. Yoko Okano satisfies the criteria for independence as prescribed by the Tokyo Stock Exchange. We have designated her as an independent officer in accordance with provisions as set forth by the Tokyo Stock Exchange and notified the Tokyo Stock Exchange of the fact thereof. If her re-election is approved, the Company plans to continue to notify her status as an independent officer to the Tokyo Stock Exchange.
8. Emiko Akatsu satisfies the requirements of an independent officer in accordance with provisions as set forth by the Tokyo Stock Exchange. If her election is approved, we plan to designate her as an independent officer and notify the Tokyo Stock Exchange of the fact thereof.

Proposal 3: Election of one (1) Substitute Audit & Supervisory Board Member

In anticipation of a shortfall in the number of Outside Audit & Supervisory Board Member as mandated by law, the election of one (1) Substitute Audit & Supervisory Board Member is requested in advance.

This proposal is to be elected as a vacancy for Yoko Okano and Emiko Akatsu, who will become Outside Audit & Supervisory Board Member when " Proposal 2: Election of four (4) Audit & Supervisory Board Member " is approved as originally proposed. Where the individual assumes office as a Audit & Supervisory Board Member, his term of office will expire at the end of the term of office of the Audit & Supervisory Board Member in which the individual resigned in accordance with provisions of our Article of Incorporation.

In addition, the election may be revoked by way of a board of directors resolution with the consent of board of corporate auditors only prior to the assumption of office by the individual as a Outside Audit & Supervisory Board Member.

The consent of board of corporate auditors has been obtained with respect to this proposal.

The candidate for Audit & Supervisory Board Member to fill a vacancy is as follows.

Name (Date of birth)	Brief background description, positions, responsibilities, and any important concurrent positions	Number of the Company's shares held
[Outside / Independent] Satoru Koga (Born January 22, 1982)	<p>August 2006      Joined Accenture Japan Ltd</p> <p>December 2014   Registered as a lawyer (Tokyo Bar Association)</p> <p>April 2016        Joined the Kimura Masanori Law Office (currently Kimura &amp; Koga Law Office)</p> <p>August 2020      Partner, Kimura &amp; Koga Law Office (present)</p>	— shares
	<p>[Grounds for election]</p> <p>The Company would like to see Satoru Koga, who is qualified as a lawyer, put to use his extensive knowledge of corporate legal affairs and compliance matters for audits as a Outside Audit &amp; Supervisory Board Member of the Company. While he has no experience in directly managing a company, he is highly knowledgeable about corporate legal affairs and compliance matters as an attorney and is believed to be someone who can appropriately execute his duties as a Outside Audit &amp; Supervisory Board Member.</p>	

- (Notes) 1. There are no special interests between Satoru Koga and the Company.
2. Satoru Koga is a candidate for Outside Audit & Supervisory Board Member to fill a vacancy.
3. If Satoru Koga assumes office as Outside Audit & Supervisory Board Member, the Company plans to conclude an agreement to limit liability for damages as provided for in paragraph (1) of Article 423 of the Companies Act to the minimum liability amount as prescribed by law in accordance with the provisions of paragraph (1) of Article 427 of the same Act.
4. We have concluded a liability insurance agreement for officers as prescribed in paragraph (1) of Article 430-3 of the Companies Act with an insurance company and an outline of the contents of this agreement is as stated on page 27 of the businesses report. If this agenda item is approved in its original form and Satoru Koga assumes the office of External Auditor of the Company, he will be included in the scope of insured persons under this insurance agreement.
5. Satoru Koga satisfies the requirements of an independent officer in accordance with provisions as set forth by the Tokyo Stock Exchange. If he assumes the office of Audit & Supervisory Board Member, we plan to designate him as an independent officer and notify the Tokyo Stock Exchange of the fact thereof.

End of document

**Business Report**  
 ( From April 1, 2024  
 to March 31, 2025 )

I. Matters concerning the current state of our corporate group

1. Businesses progress and results

■ Analysis of operating results (consolidated)

	FY2023 (JPY in thousand)	FY2024 (JPY in thousand)	Change (%)
Net sales	38,790,197	39,748,901	2.5
Operating income	2,039,705	2,430,067	19.1
Ordinary income	2,059,115	2,278,445	10.7
Net income attributable to owners of the parent	176,927	629,464	255.8

In the entertainment content-related market in which the DH Group Business operates, against a backdrop of accelerating simultaneous overseas deployment of games, demand for translation and marketing services is growing and new business opportunities are expanding due to the diversification of content such as video and manga apps. At the same time, in the digital-related markets in which our AGEST Group Business operate, demand for outsourcing of test processes continues to grow due to the chronic shortage of IT human resources, and against a backdrop of growing use of Agile development, there is a need to respond to improvements in quality in upstream development processes and improvements in efficiency and precision through the use of leading-edge technologies, including AI.

Under these conditions, we are proactively pursuing new challenges based on the ideal image of the DH Group Business of “To be the Global Quality Partner in the Entertainment Industry,” as the ideal image of the AGEST Group Business, and “To be the AI testing company supporting “Quality” of enterprise systems with leading-edge technology.” As part of these efforts, aiming to maximize the growth potential of both businesses, we are aiming to become a share-distribution-type Spin-Off and listing ("Spin-Off Listing") of AGEST, Inc. ("AGEST"), the core subsidiary of the AGEST Group Business, and are making steady progress on preparations to realize this goal.

In this consolidated fiscal year, we launched a fully independent two-group management structure under a new management structure, and promoted growth strategies specializing in the expertise of both businesses. The DH Group business endeavored to enhance and expand its services, including game localization and LQA (Linguistic Quality Assurance), while also promoting efforts to improve its presence in global markets. For example, it sought to raise corporate awareness of overseas game productions by actively participating in game events of the largest scale in each country, held in Japan, Europe, China, and South Korea. At the same time, AGEST Group Business endeavored to establish a solid position as a test specialized company in Japan through endeavoring to provide high-value-added QA solutions compatible with “Shift-Left,” and promoting the use of cutting-edge technologies in test domains, including the development of test tools using AI.

As a result of the above factors, both businesses performed solidly in this consolidated fiscal year, and both net sales and operating income increased, to JPY39,748,901 thousand net sales (up 2.5% YoY), JPY2,430,067 thousand operating income (up 19.1% YoY), and JPY2,278,445 thousand ordinary income (up 10.7% YoY). Net income attributable to owners of the parent also increased substantially, to JPY629,464 thousand (up 255.8% YoY), due in part to the impact of factors such as the recording of gains on sales of shares in subsidiaries and affiliates.

Business results by segment are reviewed below.

The business segments listed as reporting segments have been modified since the start of the fiscal year ended March 2025. Comparisons and analyses with the previous consolidated fiscal year are based on the new segments.

	FY2023 (JPY in thousand)	FY2024 (JPY in thousand)	Change (%)
Net sales	38,790,197	39,748,901	2.5
DH Group Business	23,488,586	23,906,371	1.8
AGEST Group Business	15,975,914	16,158,981	1.1
Adjustment amount	-674,303	-316,451	—
Operating income	2,039,705	2,430,067	19.1
DH Group Business	1,734,213	1,941,426	11.9
AGEST Group Business	305,492	488,641	60.0

Net sales of each segment includes internal sales or transfers between segments, and segment income is considered to be a Operating income.

#### (1) DH Group Business

This segment mainly consists of Domestic debugging services for detecting bug or defect in console games and mobile games, as well as global and other services such as game localization and LQA (linguistic quality assurance), marketing support, and game development support, and customer support.

In the Domestic debugging services during this consolidated fiscal year, amid the continued weakness of the domestic game-market, we succeeded in achieving growth in sales through steady acquisition of new large-scale transactions thanks to the success of our strategic operating activities, including focusing management resources on clients who are actively developing new titles. In addition, aiming toward future growth in Debugging demand accompanying the launch of new hardware, the Group endeavored to maintain and increase its large-share of the market through expanding test centers Kyoto Lab. and Nagoya Lab., as well as maintenance of test equipment exclusively for new hardware.

In the Global and other services, meanwhile, we reliably secured new transactions and realized double-digit growth in Global service(\*), which is considered a growth driver, through building structures capable of providing one-stop services in areas such as translation, LQA and marketing support, through enhanced coordination between group companies in Japan and overseas, and alliance partners. We also accelerated our efforts toward growth in the next period and beyond, through means including enhancing sales promotions for solutions using “ella” the original game-specific AI-translation engine that we launched during the period under review, and newly launching English-language Debugging in Japan.

Furthermore, combined with endeavoring to create new businesses seeds through more aggressive investment in fields where market growth is expected in the future, such as eSports, web3, and AI, we also sought to rebuild our businesses base for medium- to long-term growth through means including transferring all shares in identity Inc. (“ID”), a wholly-owned subsidiary that provides engineer-dispatched businesses.

As a result of the above factors, the DH Group Business in this consolidated fiscal year recorded growth in both net sales and segment income, to JPY23,906,371 thousand (up 1.8% YoY) and JPY1,941,426 thousand (up 11.9% YoY), respectively, thanks to steady growth in the Domestic debugging and favorable performance of Global service, despite the impact of the exclusion of ID from consolidation.

\* Global service: Generic term for services that provide translation, LQA, marketing support, and overseas Debugging



(2) AGEST Group Business

This segment mainly consists of QA solutions including system testing to detect defects in enterprise systems, security testing such as vulnerability testing, and ERP implementation support. In addition, this segment provides SOC (Security Operation Center) operations that monitor software and networks, detect and counter attacks, and IT services and other services that provide system maintenance and operational support.

In this consolidated fiscal year, we reliably secured new projects and ongoing projects related to testing and ERP, and achieved growth in sales in the domestic businesses through continuing focus on hiring and training high-skill engineers and focusing on solutions-based operating activities suited to client issues in the domestic businesses. In addition, we also endeavored to establish high-value-added solutions, including “Shift-Left” test services that support quality from upstream processes in development, and “Shift-Right” test services that provide quality assurance during the post-test operation phase. At the same time, we endeavored to improve our competitiveness through full-fledged use of AI in the test domain, including our own test tool “TFACT” equipped with standard AI functions.

At the same time, in overseas businesses, where business results are sluggish, we endeavored to shift to a structure capable of generating stable earnings through accelerating the use of Vietnamese engineer in Japanese transactions and promoting revisions to our growth-strategy in businesses in Europe and the United States.

This resulted in considerable growth in both net sales and segment income in the AGEST Group Business in this consolidated fiscal year, as domestic businesses led business results, to JPY16,158,981 thousand (up 1.1% YoY) in net sales and JPY488,641 thousand (up 60.0% YoY) in segment income.

2. Status of capital investments

Capital expenditures made in the current consolidated fiscal year totaled JPY665 million, which primarily consisted of purchases of debugging equipment and the development of new bases.

3. Status of the procurement of funds

Funds required by our group are raised through self-financing and the borrowing of funds. In this consolidated fiscal year, JPY1.4 billion was borrowed from financial institutions.

4. Issues to be addressed

Our corporate group regards the following five points as key issues and will work to address these issues in order to reinforce our earnings base and achieve further growth:

(1) Securing and cultivating human resources

To enable our group to continue to increase its corporate value, we recognize that securing exceptional human resources and the development of existing human resources who will be responsible for the future are important issues for management.

In order to promptly and continuously provide high-quality services in accordance with the liquid development-schedules of customer or client companies, it is essential that we constantly secure testers as numerous temporary employees in the major domestic Debugging of the DH Group Business. To this end, we are endeavoring to secure a wealth of testers through the strategic deployment of our test centers, Lab., centered on DIGITAL HEARTS Co., Ltd.

In addition, QA solutions, which are an area of focus for AGEST Group Business, require the accumulation and improvement of specialized skills related to quality-improvement, including Vulnerability Testing and test automation, in addition to manual testing. Securing and cultivating engineers is therefore essential. To this end, centered on AGEST, Inc., we have deployed AGEST Academy, a proprietary educational institution combining the expertise of software testing experts and other experts who are active globally, as we endeavor to develop an environment that is attractive to engineers and build a human resource base by strengthening new graduates and mid-career hiring. Furthermore, through the active use of external resources, including business partners, we have built a system for responding to rapidly increasing demand.

Going forward, our group will continue to work to expand the pool of human resources through developing work styles and educational systems suited to the needs of a diverse range of human resources.

(2) Increasing value added to services

As new contents and services are becoming increasingly developed against the backdrop of the acceleration of DX and the spread of ai in the digital-related markets in which our group operates, we recognize the ability to flexibly accommodate changes in the market environment and the diversification of customer or client needs. This is a critical management issue.

Our corporate group will meet customer or client demand by having each businesses enhance their respective expertise and strengths in the areas of competitive edge and extensive human resources cultivated in DH Group business, as well as the wide-ranging software-testing expertise retained by AGEST Group business. In addition, AGEST Group will strive to provide high value-added services by proactively working on the development of new services and the use of AI and other technologies.

(3) Deploying services overseas

Our corporate group also considers the deployment of services overseas as a critical management issue that must be addressed if we wish to achieve sustainable growth.

To this end, our group has deployed businesses such as enterprise system testing services and game debugging and localization services through overseas subsidiary in the United States, the United Kingdom, China, South Korea, Taiwan, Vietnam, and other countries and is working to build an overseas businesses base to achieve sustainable growth.

We will continue to expand our businesses operations globally in accordance with a basic policy of providing services in markets where we can expect high levels of profit and growth.

(4) Expanding businesses domains and promoting new businesses

Even as we maintain the DH Group Business as a significant source of revenue, our corporate group recognizes that the development of new businesses along with the expansion of existing businesses domains is a critical management issue for achieving stable growth from a diverse range of revenue sources.

To this end, we have been proactively working to expand the size of our businesses in multifaceted ways using mergers and acquisitions, among other options, and to develop new services in the pursuit of a unique identity. We will continue to focus on the cultivation of new businesses domains and the creation and expansion of new businesses as well as on putting together a stable portfolio of businesses from a diverse range of revenue sources.

(5) Maintaining a stable financial base

Our corporate group has sustained a high level of profitability centered on DH Group Business, which is highly capable of generating strong cash, and has maintained a sound financial structure while providing stable dividends and other returns to shareholder.

However, we recognize that strengthening our financial base is an even more important management issue than before as the global economy changes. We will continue to fortify our cash management and continue to work to secure a stable financial base, such as through taking flexible measures by way of procuring funds from financial institutions when necessary.

We respectfully ask for the continued support and encouragement of our shareholders.

5. Status of assets and income (loss)

Category	9 <sup>th</sup> term FY2021	10 <sup>th</sup> term FY2022	11 <sup>th</sup> term FY2023	12 <sup>th</sup> term (This consolidated fiscal year) FY2024
Net sales (JPY in thousand)	29,178,789	36,517,693	38,790,197	39,748,901
Ordinary income (JPY in thousand)	2,774,078	3,152,548	2,059,115	2,278,445
Net income attributable to owners of the parent (JPY in thousand)	1,778,650	799,550	176,927	629,464
Net income per share (JPY)	82.25	36.50	7.94	28.25
Total assets (JPY in thousand)	17,610,296	19,581,635	21,103,096	19,949,490
Net assets (JPY in thousand)	7,566,223	9,474,520	8,852,361	9,260,695
Net assets per share amount (JPY)	323.21	395.65	377.80	401.76

(Notes) 1. Net income per share is calculated based on the weighted-average number of shares during the term.

2. Indicated monetary amounts are rounded down to the nearest thousand JPY. Provided, however, that net income per share and net assets per share amounts are rounded to two decimal places.

3. The provisional accounting treatments related to business combinations were finalized in the fiscal year ended March 2023. Each figure related to the fiscal year ended March 2022 reflects the contents of the finalization of the provisional accounting treatments.

6. Status of significant parent companies and subsidiary

(1) Relationship to parent companies

Not applicable

(2) Status of significant subsidiary and affiliates

(subsidiary)

Company Name	Capital stock	Of ours Stake owned	Main lines of business
DIGITAL HEARTS Co., Ltd.	JPY 276 million	100.0%	Debugging, game-translating, LQA, and more
AGEST, Inc.	JPY100 million	100.0%	System Testing, security, support for introduction of services, support for software-development, and more
DIGITAL HEARTS USA Inc.	USD 1,464 thousand	100.0%	Localization and more
DIGITAL HEARTS (Shanghai) Co., Ltd.	RMB 6 million	100.0%	Debugging, localization, and more
Actas, Inc.	JPY 89 million	60.0%	Operations of a game information website and more
FLAME Hearts Co., Ltd.	JPY 60 million	100.0%	Commissioned development of games and graphics production
DIGITAL HEARTS Seoul Co., Ltd.	KRW 50 million	100.0%	Localization, marketing, and more
LOGIGEAR CORPORATION	USD 5,776 thousand	100.0% (100.0%)	System Testing and more
AGEST Vietnam Co., Ltd.	VND 8,352 million	100.0% (100.0%)	System Testing and more
Digital Hearts Linguitronics Taiwan Co., Ltd.	NTD5 million	55.0% (55.0%)	Localization and more
DIGITAL HEARTS CROSS Marketing and Solutions Limited	USD 13,490 thousand	100.0%	Intermediate holding company
DIGITAL HEARTS CROSS Shanghai Co., Ltd.	RMB 25 million	100.0% (100.0%)	Marketing
DIGITAL HEARTS CROSS Tokyo Co., Ltd.	JPY 25 million	100.0% (100.0%)	Marketing
DEVELOPING WORLD SYSTEMS LIMITED	GBP 468	100.0% (100.0%)	Introduction support for Oracle products, maintenance and operation support, and more
DWS North America, Inc.	USD 1,000	100.0% (100.0%)	Introduction support for Oracle products, maintenance and operation support, and more
CEGB Co., Ltd.	JPY15 million	100.0% (100.0%)	Introduction of SAP, operation consulting, support for software development, and more
GPC K.K	JPY 30 million	100.0% (100.0%)	SAP/ERP Introduction support, development of open system, contracted development

(Notes) 1. A figure in parentheses in the "Our stake" column denotes the percentage corresponding to indirect ownership (included number).

2. identity Inc., which was a consolidated subsidiary of ours at the end of the previous consolidated fiscal year, has been excluded from our consolidated subsidiary as a result of the sale of all of its shares in the current consolidated fiscal year.

(Affiliated companies)

Company Name	Capital stock	Of ours Stake owned	Main lines of business
JetSynthesys Digital Services Private Limited	Rupee 400 thousand	50.0%	Debugging businesses for Indian and overseas customer or client

7. Major Business activities (as of March 31, 2025)

Businesses		Major services
DH Group Business		Provision of the following services for entertainment content, including console games and mobile games
	Domestic debugging	A service to detect software bug or defect on a user perspective basis and report them to customer or client companies, primarily domestic console games and mobile games
	Global and others	Global services, including the localization, LQA, and marketing support that is essential to introducing game titles in overseas markets as well as Creative Services including contracted development services for game and 2D/3D graphics production, along with Media Services that include operation of the 4Gamer.net game information site
AGEST Group Business		Provision of the following services for enterprise systems
	QA Solution	System Testing for detecting bug or defect in enterprise computer systems, security-testing services, support for introduction of services, software-development support, and other such services
	IT services and others	Services such as security monitoring and maintenance and operation support

8. Major businesses centers and more (as of March 31, 2025)

(1) We

Company Name	Address
Head office	Shinjuku-ku, Tokyo

(2) subsidiary

Company Name	Address
DIGITAL HEARTS Co., Ltd.	Shinjuku-ku, Tokyo
AGEST, Inc.	Bunkyo-ku, Tokyo
DIGITAL HEARTS USA Inc.	United States
DIGITAL HEARTS (Shanghai) Co., Ltd.	China
Aetas, Inc.	Chuo-ku, Tokyo
FLAME Hearts Co., Ltd.	Minato-ku, Tokyo
DIGITAL HEARTS Seoul Co., Ltd.	South Korea
LOGIGEAR CORPORATION	United States
AGEST Vietnam Co., Ltd.	Vietnam
Digital Hearts Linguitronics Taiwan Co., Ltd.	Taiwan
DIGITAL HEARTS CROSS Marketing and Solutions Limited	British Virgin Islands
DIGITAL HEARTS CROSS Shanghai Co., Ltd.	China
DIGITAL HEARTS CROSS Tokyo Co., Ltd.	Shinjuku-ku, Tokyo
DEVELOPING WORLD SYSTEMS LIMITED	United Kingdom
DWS North America, Inc.	United States
CEGB Co., Ltd.	Bunkyo-ku, Tokyo
GPC K.K	Osaka City, Osaka

9. Status of employees (as of March 31, 2025)

Segment	Number of employees (persons)		Increase or decrease from the end of the preceding consolidated fiscal year (number of persons)	
DH Group Business	562	(3,313)	-41	〔-42〕
AGEST Group Business	1,197	(120)	-70	〔-201〕
Total	1,759	(3,433)	-111	〔-243〕

(Notes) 1. The number of employees is the number of persons in employment.  
2. The annual average number of temporary employees is indicated in parentheses in the number of employees column.  
3. The number of temporary employees includes permanent part-time employees and temporary employees.

10. Major lenders (as of March 31, 2025)

Lender	Outstanding balance of loans owing
MUFG Bank, Ltd.	JPY2,160,000 thousand
Sumitomo Mitsui Banking Corporation	JPY1,880,000 thousand
Resona Bank, Limited	JPY880,000 thousand
Mizuho Bank, Ltd.	JPY280,000 thousand



II. Matters concerning shares of the Company (as of March 31, 2025)

1. Total number of issuable shares 76,800,000 shares
2. Total number of shares outstanding 23,890,800 shares (Including 1,604,473 treasury shares)
3. No. of shareholder 7,403 persons
4. Major shareholder (top 10 persons)

Name of Shareholder	Number of shares (share)	shareholding ratio (%)
Eiichi Miyazawa	9,424,569	42.29
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,566,000	7.03
A-1 LLC	1,324,900	5.94
Custody Bank of Japan, Ltd. (Trust Account)	849,600	3.81
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	846,364	3.80
MSIP CLIENT SECURITIES	250,484	1.12
Taichi Yabu	240,000	1.08
STATE STREET BANK AND TRUST COMPANY 505019	226,200	1.01
STATE STREET BANK AND TRUST COMPANY 505103	221,700	0.99
JPMorgan Securities Japn Co., Ltd.	215,470	0.97

(Note) We hold 1,604,473 treasury shares but are excluded from the above list of major shareholder. The shareholding ratio is calculated net of treasury shares.

5. Status of shares issued to our executives as compensation for the execution of duties during the current fiscal year

	Number of shares	Number of persons to whom shares have been issued
Directors (excluding Outside Directors)	5,484 shares	2 persons

iii. Matters concerning the stock acquisition rights of companies

Not applicable

#### IV. Matters concerning officers of the Company

##### 1. Names of Director and Audit & Supervisory Board Member (as of March 31, 2025)

Position	Name	Responsibilities and important concurrent positions
Representative Director and President	Toshiya Tsukushi	CEO Representative Director & President of DIGITAL HEARTS Co., Ltd. Representative Director & President of FLAME Hearts Co., Ltd. Director of DIGITAL HEARTS CROSS Marketing and Solutions Limited
Representative Director and Chairman	Eiichi Miyazawa	
Director	Takashi Yanagiya	Chairman, Board of Trustees of Meiji University Chairman, Board of Trustees of Nakano Gakuen
Director	Emiko Murei	Chief, MUREI C.P.A. Office Professor of Aoyama Gakuin University Graduate School of Professional Accountancy
Director	Ryo Chikasawa	Partner lawyer of Mori Hamada & Matsumoto
Standing Audit & Supervisory Board Member	Masahide Date	
Audit & Supervisory Board Member	Keiya Kazama	Representative, KAZAMA CPA OFFICE
Audit & Supervisory Board Member	Toshifumi Nikawa	
Audit & Supervisory Board Member	Yoko Okano	Attorney at the Gokita and Miura Law Office

- (Notes) 1. Takashi Yanagiya, Emiko Murei, and Ryo Chikasawa are Outside Directors as prescribed in item xv of Article 2 of the Companies Act. Takashi Yanagiya and Emiko Murei satisfy the criteria for independence as prescribed by the Tokyo Stock Exchange. Both individuals have been designated as independent officers in accordance with provisions as set forth by the Tokyo Stock Exchange and notified accordingly to the Tokyo Stock Exchange. Ryo Chikasawa has not been notified to the Tokyo Stock Exchange in accordance with the internal regulations of the law firm to which he belongs.
2. Toshifumi Nikawa and Yoko Okano are Outside Audit & Supervisory Board Member as prescribed in item xvi of Article 2 of the Companies Act. Both individuals satisfy the criteria for independence as prescribed by the Tokyo Stock Exchange. Both individuals have been designated as independent officers as set forth by the Tokyo Stock Exchange and notified accordingly to the Tokyo Stock Exchange.
3. Masahide Date, Standing Audit & Supervisory Board Member, has accounting experience at a DIGITAL HEARTS Co., Ltd. and possesses substantial knowledge of finance and accounting.
4. Keiya Kazama, Audit & Supervisory Board Member, is a certified public accountant and certified tax accountant and possesses substantial knowledge of finance and accounting in part from being in charge of the finance and accounting departments at us and our Group companies.
5. Toshifumi Nikawa, Audit & Supervisory Board Member, has many years of experience at financial institutions and possesses substantial knowledge of finance and accounting.
6. Yoko Okano, Audit & Supervisory Board Member, has many years of experience as an attorney and possesses a wealth of experience and expertise.
7. Toshiya Tsukushi resigned as a director of DIGITAL HEARTS CROSS Marketing and Solutions Limited on April 25, 2025.
8. Takashi Yanagiya resigned from his position as a Outside Director of the Company upon the expiration of his term of office at the conclusion of the 123th ordinary general meeting of shareholder of Showa Sangyo Co., Ltd., as held on June 25, 2024.

2. Overview of contracts limiting liability

Outside Director and Outside Audit & Supervisory Board Member have concluded contracts to limit liability for damages as provided for in paragraph (1) of Article 423 of the Companies Act in accordance with the provisions of paragraph (1) of Article 427 of the same Act. The maximum amount of the liability for damages under these agreements is the minimum amount of liability as prescribed in relevant laws and regulations.

3. Summary of content of executive liability insurance policy

We have concluded a liability insurance agreement for officers as prescribed in paragraph (1) of Article 430-3 of the Companies Act with an insurance company. The scope of insured persons as provided for in this insurance agreement encompasses the officers of the Company and the officers of subsidiaries of the Company and all premiums shall be assumed in full by the Company. This insurance agreement covers damages arising from the assumption of liability by insured persons concerning the execution of duties thereby and from received claims related to the pursuit of the liability of insured persons.

4. Amount of remuneration for Director and Audit & Supervisory Board Member

- (1) On February 19, 2021, we determined the policy for determining the details of the remuneration of individual employees of our Director by way of a board of directors resolution after giving maximum respect to a report submitted by the Nomination and Remuneration Committee, the majority of whose members comprise Outside Director. The contents thereof are as follows.

The board of directors has respected, to the maximum extent possible, the contents of the report as submitted by the Nomination and Remuneration Committee, the majority of whose members comprise Outside Director, and determined the remuneration of individual Director pertaining to the fiscal year in accordance with the maximum amount of remuneration as approved at a general meeting of shareholder and believes that the contents thereof are in accordance with the policy applicable to the determination thereof.

① Basic policy

The basic policy on the remuneration of the Directors of the Company treats remuneration as being linked to shareholder earnings so as to fully function as an incentive for sustainably increasing the value of the company, such that the remuneration of each Director shall be set to an appropriate level based on the duties thereof.

Specifically, the remuneration of an Executive Director shall consist of basic remuneration as fixed remuneration, bonuses as performance-linked remuneration, and share-based remuneration and determined at a meeting of the Board of Directors based on a report submitted by the Nomination and Remuneration Committee. An Outside Director in charge of supervisory functions shall be paid only the basic remuneration in light of the duties thereof.

- ② Policy on determining the amount of basic remuneration (monetary remuneration) for an individual Director

The basic remuneration for our Director shall be fixed and monthly and determined in accordance with the position, responsibilities, and number of years in office (hereinafter referred to as "position and other factors") upon comprehensively taking into account the level of basic remuneration at other companies, our performance, and the level of employee salaries.

- ③ Policy on determining the details of performance-linked remuneration and the method by which the amount or number thereof is calculated

For performance-linked remuneration, a cash bonus reflecting key performance indicators (KPI) is paid to raise awareness of the need to increase performance each fiscal year and an amount calculated according to the extent to which financial KPIs, such as consolidated operating income, have been attained for the given fiscal year and the extent to which ESG-related non-financial KPIs have been attained shall be paid within a certain period of time after the results for the given fiscal year have been finalized. Target KPIs and their values shall be set at the time a plan for the fiscal year is formulated to ensure consistency with the plan and reviewed as needed based on a report submitted by the Nomination and Remuneration Committee in response to environmental changes.

- ④ The details of non-monetary remuneration and the policy on determining the method by which the amount or number thereof is calculated

For non-monetary remuneration, share-based remuneration subject to transfer restrictions shall be granted for the purpose of providing an incentive to increase the corporate value of the Company on a sustainable basis and sharing value with shareholders and the number of shares to be granted as determined upon comprehensively taking position and other factors into account shall be provided at a certain time each year. Shares subject to transfer restrictions shall be administered in a dedicated account opened with a securities firm during the term of the restrictions on the transfer thereof in order to prevent their disposition, such as by way of the transfer thereof or the attachment of a security right therein, during the term of the restrictions on the transfer thereof.

- ⑤ Policy on determining the percentages of remuneration for an individual as a Director of the amount of monetary remuneration, the amount of performance-linked remuneration, and the amount of non-monetary remuneration

The Nomination and Remuneration Committee shall investigate remuneration percentages by type of Executive Director based on remuneration levels benchmarked against companies of a comparable scale of business as the Company or companies belonging to related industries and business categories as the Company with the weight of performance-linked remuneration and share-based remuneration rising for higher-ranking positions.

- ⑥ Matters concerning the determination of the details of the remuneration for an individual Director

With respect to the amount of remuneration for an individual Director, the Board of Directors shall resolve the amounts of basic remuneration and bonuses for an individual Director and the number of shares to be allocated as share-based remuneration based on the contents of a report submitted by the Nomination and Remuneration Committee, the majority of whose members comprise Outside Directors, with the utmost respect given for such report.

(2) Total amount of remuneration corresponding to the fiscal year

	Total amount of remuneration etc.	Total amounts of remuneration etc. by type			Number of subject executives
		Basic remuneration	Performance-linked remuneration	Non-monetary remuneration	
Director (Outside Director)	JPY90,275 thousand (JPY19,725 thousand)	JPY63,849 thousand (JPY19,725 thousand)	JPY18,051 thousand (-)	JPY8,374 thousand (-)	6 persons (3 persons)
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	JPY18,547 thousand (JPY6,480 thousand)	JPY18,547 thousand (JPY6,480 thousand)	- (-)	- (-)	4 persons (2 persons)
Total (Outside Officers)	JPY108,822 thousand (JPY26,205 thousand)	JPY82,397 thousand (JPY 26,205 thousand)	JPY18,051 thousand (-)	JPY8,374 thousand (-)	10 persons (5 persons)

(Notes) 1. The amount of remuneration etc. for Director does not include the amount corresponding to the employee's salary for Director who also serve as employees.

2. Bonuses are paid as performance-linked remuneration and the amount of provision for directors' bonuses corresponding to the current fiscal year is indicated above. The method by which the amount of performance-linked remuneration is calculated is as described in [(1) ③ Policy on determining the details of performance-linked remuneration and the method by which the amount or number thereof is calculated]. The following contents have been set up as performance indicators to serve as the basis for calculating the amount of performance-linked remuneration so as to be consistent with the annual plan. achievements or result on performance indicators for the current fiscal year is as follows.

KPI		Target value		Achievements or result	Valuation weight
Financial KPI	Operating income	Consolidated	JPY3.1 billion	JPY2.43 billion	80%
		DH Group Business	JPY2.04 billion	JPY1.94 billion	
		AGEST Group Business	JPY1.06 billion	JPY480 million	
	ROIC	15.0%		16.1%	
Non-financial KPI	Various indicators in accordance with the three themes concerning human capital management (promotion of diversity, enhancement of engagement, and improvement of the work environment)	Set target values for each indicator, evaluate them individually, and then perform a comprehensive evaluation		-	20%

3. Non-monetary remuneration consists of the granting of shares of our common stock as share-based remuneration subject to transfer restrictions and the number of shares to be granted as determined upon comprehensively taking performance, position, and other factors into account shall be provided at a certain time each year. The status of payments under this fiscal year is " II . 5. The status of shares issued to our executives as compensation for the execution of duties during this fiscal year is indicated.

4. It was resolved at the 3rd ordinary general meeting of shareholder as held on June 29, 2016, that the total amount of monetary remuneration for the Director shall be no more than JPY340 million per year (of which the amount per year for Outside Director shall be no more than JPY30 million; exclusive of salaries for employees who also serve as employees). The number of Director as of the conclusion of this general meeting of shareholder is five (of whom two are Outside Director).

It was resolved at the 8th ordinary general meeting of shareholder as held on June 24, 2021, that the amount of remuneration for the granting of shares subject to transfer restrictions to Director, which is distinct from monetary remuneration and excludes Outside Director, shall be no more than JPY260 million per year (exclusive of salaries for employees given to Director who also serve as employees). The number of Director persons excluding Outside Director as of the conclusion of this general meeting of shareholder is three.

It was resolved at the 3rd ordinary general meeting of shareholder as held on June 29, 2016, that the total amount of monetary remuneration for the Audit & Supervisory Board Member shall be no more than JPY24 million per year. The number of Audit & Supervisory Board Member as of the conclusion of this general meeting of shareholder is four (of whom three are Outside Audit & Supervisory Board Member).

5. Matters concerning outside officers

(1) Relationship between the entity where an officer holds an important concurrent position and us

While Takashi Yanagiya also serves as the Chairman of Meiji University and the Chairman of Nakano Gakuen, there is no particular relationship between us and the entity where the officer holds

a concurrent position.

While Emiko Murei also serves as the chief of the MUREI C.P.A. Office and a professor at Aoyama Gakuin University Graduate School of Professional Accountancy, there is no special relationship between us and the entity where the officer holds a concurrent position.

Ryo Chikasawa also serves as a partner in the Mori Hamada & Matsumoto and has concluded a legal advisory agreement with the entity where the officer holds a concurrent position in this case. The amount of remuneration under this arrangement equals less than 1% of the sales of the entity where the officer holds the concurrent position and less than 1% of our consolidated sales.

Yoko Okano also serves as an attorney at the Gokita and Miura Law Office, but there is no particular relationship between us and the entity where the officer holds a concurrent position.

(2) Status of major activities in this fiscal year

Category	Name	Status of major activities and an outline of duties carried out in connection with the role expected of the Outside Director
Outside Director	Takashi Yanagiya	He attended the board of directors held on this fiscal year 16 out of 16. He primarily expresses, based on knowledge derived from his extensive experience as a corporate manager, his opinions on a proactive basis from this perspective at meetings of the Board of Directors and fulfills an appropriate role in ensuring the validity and appropriateness of decision-making, such as by supervising and giving advice from an objective standpoint. He also attended six out of six meetings of the Nomination and Remuneration Committee held on the fiscal year as a member of this committee and carried out supervisory functions in the process of selecting candidates for positions as officers of the Company and the process of determining the remuneration of officers from an objective and neutral standpoint.
Outside Director	Emiko Murei	She attended the board of directors held on this fiscal year 16 out of 16. She primarily expresses, based on specialized knowledge obtained as a university teacher and certified public accountant, her opinions on a proactive basis from this perspective at board of directors and fulfills appropriate roles in ensuring the validity and appropriateness of decision-making, such as by supervising and giving advice from an objective standpoint. She also attended six out of six meetings of the Nomination and Remuneration Committee held on the fiscal year as a member of this committee and carried out supervisory functions in the process of selecting candidates for positions as officers of the Company and the process of determining the remuneration of officers from an objective and neutral standpoint.
Outside Director	Ryo Chikasawa	He attended the board of directors held on this fiscal year 16 out of 16. He primarily expresses, based on specialized knowledge obtained as an attorney, his opinions on a proactive basis from this perspective at meetings of the Board of Directors and fulfills an appropriate role in ensuring the validity and appropriateness of decision-making, such as by supervising and giving advice from an objective standpoint. He also attended six out of six meetings of the Nomination and Remuneration Committee held on the fiscal year as a member of this committee and carried out supervisory functions in the process of selecting candidates for positions as officers of the Company and the process of determining the remuneration of officers from an objective and neutral standpoint.
Outside Audit & Supervisory Board Member	Toshifumi Nikawa	He attended 16 out of 16 meetings of the board of directors and 12 out of 12 meetings of Board of Corporate Auditors held on this fiscal year. He primarily makes statements required to deliberate agenda items from this perspective at board of directors based on knowledge gained through working at a financial institution. He also makes timely, necessary statements on, among other matters, the Company's compliance system and development of internal controls by the Company at Board of Corporate Auditors.
Outside Audit & Supervisory Board Member	Yoko Okano	She attended 16 out of 16 meetings of the board of directors and 12 out of 12 meetings of Board of Corporate Auditors held on this fiscal year. She primarily makes statements required to deliberate agenda items from this perspective at board of directors, based on specialized knowledge obtained as an attorney and other factors. She also makes timely, necessary statements on compliance-related matters at Board of Corporate Auditors.

V. Status of our Accounting Auditor

1. Name of our Accounting Auditor

Grant Thornton Taiyo LLC

2. Remuneration paid to the Accounting Auditor for the fiscal year

Category	Amount of remuneration for Accounting Auditors corresponding to the current fiscal year
Amount paid	JPY39,600 thousand
Total amount of money and other property benefits to be paid to the Accounting Auditor by the Company and our subsidiaries	JPY71,146 thousand

(Notes) 1. As a result of checking the achievements or result between audit hours by audit item and by hierarchy in the previous fiscal year's audit plan, changes in the remuneration amount, and the status of the execution of duties by the Accounting Auditor based on the Practical Guidelines for Coordinating with Accounting Auditors as published by the Japan Audit & Supervisory Board Member Association and reviewing the validity of the fiscal year's audit plan and remuneration amount, the Audit & Supervisory Board Member Association gave its consent as provided for in paragraph (1) of Article 399 of the Companies Act.

2. The audit agreement concluded by and between us and the Accounting Auditor does not clearly distinguish amounts of remuneration for auditing between audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act. As it is also not possible to distinguish these amounts in any practical sense, the sum of these amounts are stated in the amount of remuneration corresponding to the fiscal year.

3. While no policy on determining remuneration for audits to be paid to our Accounting Auditor has been set forth, remuneration is determined upon taking the number of days an audit takes to complete, the contents of the work involved, and other factors comprehensively into account.

4. Some of our consolidated subsidiary have been subject to audits performed by auditing firms other than our Accounting Auditor.

3. Contents of non-audit services

Not applicable

4. Overview of contracts limiting liability

We and Grant Thornton Taiyo LLC have concluded an agreement to limit liability for damages as provided for in paragraph (1) of Article 423 of the Companies Act in accordance with the provisions of paragraph (1) of Article 427 of the same Act. The maximum amount of the liability for damages under these agreements is the minimum amount of liability as prescribed in relevant laws and regulations.



5. Policy on determining the dismissal or non-reappointment of the Accounting Auditor

The Board of Corporate Auditors shall decide that the dismissal or non-reappointment of the Accounting Auditor shall be made a purpose of a general meeting of shareholder where the execution of the duties of the Accounting Auditor is impeded or where otherwise deemed necessary.

The Board of Corporate Auditors shall dismiss the Accounting Auditor with the unanimous consent of the Audit & Supervisory Board Member of the Company where it is deemed that the Accounting Auditor falls under any of the items set forth in paragraph (1) of Article 340 of the Companies Act. In such cases, the Audit & Supervisory Board Member elected by Board of Corporate Auditors shall report the fact of and the grounds for the dismissal of the Accounting Auditor at the first general meeting of shareholder to be convened subsequent to the dismissal of the Accounting Auditor.

6. Matters concerning any suspension of business currently in effect

Not applicable

7. Matters concerning any suspension of business to which the Company has been subject in the last two years

On December 26, 2023, our Accounting Auditor was subject to a three-month suspension of operations (from January 1, 2024, to March 31, 2024) by the Financial Services Agency related to the conclusion of a new agreement.

8. Matters concerning an Accounting Auditor who has resigned or who has been dismissed

Not applicable

## VI. Company systems and policies

### 1. Matters concerning the development of systems for ensuring the appropriateness of operations

The contents of a basic policy on establishing internal control systems as resolved by the Board of Directors are as follows.

#### (1) System for ensuring that the execution of duties by our Directors, employees, the Directors of our subsidiaries, and employees complies with laws, regulations, and Article of Incorporation

- ① We and our group companies shall, in accordance with the Group Compliance Guidelines, construct a system for ensuring that the execution of duties by the Director and employees of us and our group companies complies with laws, regulations, and Article of Incorporation as well as with social norms, corporate ethics, and internal rules and for having such duties executed in an appropriate and sound manner.
- ② We provide compliance training to the officers and employees of our Group in order to cultivate an awareness of compliance throughout the entire Group.
- ③ We and our group companies shall take decisive actions in accordance with the law against antisocial forces and organizations that pose a threat to the order and safety of civil society, ban any relationship therewith, and refrain from engaging in conduct that has the effect of aiding or abetting the activities thereof.
- ④ We and our group companies shall develop and operate internal controls in accordance with the Financial Instruments and Exchange Act and other relevant laws and regulations in order to ensure the reliability of financial reporting.

#### (2) System concerning the retention and control of information pertaining to the execution of duties by our Directors

- ① We shall record information pertaining to the execution of duties by the Director in documents or on electromagnetic media and appropriately retain and manage the foregoing in accordance with relevant laws and regulations and internal rules.
- ② In response to any request to access such information as made by the Director or Audit & Supervisory Board Member, such information shall be promptly made available for perusal.

#### (3) Regulations and other systems concerning the control of the risk of loss to us and our subsidiaries

- ① We shall address risks that could potentially cause losses to the management of the Group in accordance with the Regulations Governing the Management of Group Risks. In addition, the board of directors, Risk Management Committee, and other bodies shall study a policy for dealing with especially serious risks and shall accurately identify and manage such risks.
- ② In the event that a serious risk materializes, we shall establish an emergency response team headed by our President or a person appointed by our President and appropriately implement countermeasures on a timely basis.
- ③ Each Group company shall appropriately establish its own risk-management system and crisis-management system.

- (4) Systems to ensure that the efficient execution of the duties of our Directors and the Directors of the subsidiaries
- ① We shall formulate a management strategy for the entire Group and a basic policy to constitute the basis of the management of the Group, provide guidance to Group companies, and conduct regular checks of the state of progress for the entire Group through the board of directors of Group companies and Group companies shall formulate and implement businesses plans based on the aforementioned strategy and basic policy.
  - ② We shall prescribe standards applicable to the chain of command, authority, and other organizational matters in the Group and Group companies shall develop rules and systems accordingly.
- (5) System for ensuring the appropriateness of operations of the corporate group that comprises us and our subsidiaries
- ① We shall prescribe Regulations Governing the Management of Affiliated Companies, engage in appropriate management and provide appropriate guidance in accordance with the status of Group companies based on these regulations and the relevant laws and regulations, and treat the determination of important matters at Group companies as matters for which board of directors are to be submitted and subject to approval.
  - ② We shall build a unity of purpose for the entire Group and instruct and supervise Group companies through the Director of Group companies.
  - ③ We shall dispatch officers to Group companies to monitor and supervise these companies and our Internal Audit Department shall conduct audits of us and our Group companies and otherwise strengthen our audit system in collaboration with the Audit & Supervisory Board Member from the standpoint of ensuring compliance on the part of our company and our Group companies with relevant laws and regulations and with internal regulations.
  - ④ We shall establish an internal reporting system for the Group in order to enable officers and employees of our Group to directly report on compliance matters concerning ourselves and our Group companies to the Internal Audit Department and Audit & Supervisory Board Member.
  - ⑤ Each Group company shall report important information to us via our President and the status of progress with respect to sales and businesses, monthly financial statements, and other matters concerning the operations of the Group company in general regularly to our Administrative Department.
- (6) Matters concerning an employee whose Audit & Supervisory Board Member has requested the assignment of an employee (auxiliary employee) to assist in his or her duties, matters concerning the independence of this employee from our Director, and matters for ensuring the effectiveness of instructions issued to this employee
- ① Where our Audit & Supervisory Board Member has requested the assignment of an auxiliary employee, the employee shall be assigned a full-time employee or employee with a concurrent position.

- ② The auxiliary employee shall comply with our Employment Regulations but the right to issue commands and orders shall belong to our Audit & Supervisory Board Member and personnel matters pertaining to the auxiliary employee, such as any transfer, personnel evaluation, or disciplinary action affecting the auxiliary employee, shall be determined with the consent of our Audit & Supervisory Board Member.
- (7) System for reporting to our Audit & Supervisory Board Member
- ① Our Director and employees shall make necessary reports and provide information as requested by our Audit & Supervisory Board Member.
- ② The Director and employees of us and our Group companies shall report statutory matters as well as matters that seriously affect our Group, the status of internal audits, and the status of reports made through the Group's internal reporting system to our Audit & Supervisory Board Member.
- (8) System for ensuring that persons who report to our Audit & Supervisory Board Member are not subject to disadvantageous treatment as a result thereof
- The Company bans the imposition of disadvantageous treatment on any director or employee of the Company or any of its Group companies who has submitted a report to an Audit & Supervisory Board Member of the Company on the grounds that such a report was made and shall ensure that the directors and employees of the Company and its Group companies are fully aware of this ban.
- (9) Matters concerning the policy on procedures applicable to prepayments or reimbursements of costs incurred for the execution of duties by our Audit & Supervisory Board Member and the treatment of costs or debts incurred for the execution of such duties
- ① Where any Audit & Supervisory Board Member of the Company makes a request for the prepayment of costs for the execution of his or her duties, the costs for which the request was made shall be promptly processed except where it is demonstrated that the costs for which the request was made do not need to be incurred for the execution of duties by the Audit & Supervisory Board Member concerned.
- ② Our Director shall take measures to secure a budget for the costs to be incurred for the execution of duties by our Audit & Supervisory Board Member so as to ensure the effectiveness of audits.
- (10) System for ensuring that auditing of our Audit & Supervisory Board Member is effectively conducted
- ① Our Audit & Supervisory Board Member shall, where required, conduct hearings of opinions to be obtained from the Director, important employees, and other parties at our subsidiaries and affiliates.
- ② Our Audit & Supervisory Board Member shall meet regularly with the Director of us and our affiliates.
- ③ Our Audit & Supervisory Board Member shall attend important meetings of us and our Group companies and may verify the status of deliberations concerning and reporting on important matters at these meetings.
- ④ Our Audit & Supervisory Board Member shall regularly exchange information and opinions with the Internal Audit Department and the Accounting Auditor and conduct audits in collaboration with each other.

2. Outline of the operational status of systems for ensuring the appropriateness of operations

The main operational status of the aforementioned internal-control systems in our 12th fiscal year (April 1, 2024, to March 31, 2025) is as follows.

(1) Compliance initiatives

The Company's compliance initiatives entail efforts to raise awareness of compliance matters among the directors of the Company and its Group companies through the sharing of information and provision of training related to compliance through meetings of the Compliance Committee and other meetings held by the Company and its Group companies in accordance with the Group Compliance Guidelines.

In addition, the Company endeavors to increase the effectiveness of compliance by establishing a reporting system applicable to the entire Group on the basis of an internal reporting system for the Group.

(2) Initiatives concerning the management of the risk of loss and risks

With respect to initiatives concerning the management of risks for the entire Group, risks are ascertained, evaluated, and otherwise managed through meetings of the Compliance Committee and other meetings held by the Company and its Group companies.

(3) Initiatives for ensuring the appropriateness and efficiency of the execution of duties

Our board of directors comprises five Directors, including three Outside Directors, and four Audit & Supervisory Board Member, including two Outside Audit & Supervisory Board Member. During our 12th fiscal year (April 1, 2024, to March 31, 2025), 16 board of directors meetings were held to allow the Board of Directors to engage in deliberations to confirm the status of the execution of duties by Director, confirm the status of the operations at individual Group companies, analyze the performance of us and our Group companies, and deal with other relevant matters and oversee the status of the execution of duties by Director of us and our Group companies and other relevant matters. In addition, officers dispatched by the Company are appropriately involved in important decision-making matters pertaining to management at Group companies and such matters are also submitted to and approved at meetings of the Board of Directors of the Company in accordance with the Regulations Governing the Management of Affiliated Companies as prescribed by the Company and rules of authority as prescribed by each Group company.

(4) Execution of duties by the Audit & Supervisory Board Member

Audit & Supervisory Board Members shall attend meetings of the Board of Directors and other committees of the Company and major meetings held by subsidiaries to confirm the status of deliberations and reports concerning important matters and share information at meetings of the Board of Corporate Auditors in accordance with the audit plan. In addition, Audit & Supervisory Board Members shall endeavor to ascertain a broad range of risks through operational audits conducted in collaboration with the Internal Audit Department and interviews with officers and employees and shall regularly meet with the Accounting Auditor.

3. Basic policy on control of the Company

There are no particular stipulations that have been made by the Company with respect to a basic policy concerning persons with control over decisions on the financial and business policies of the Company.

4. Matters concerning transactions with a parent company

Not applicable

5. Policy on the determination of dividends from surplus

The Company's basic policy is to pay dividends with a dividend payout ratio of at least 20% while regarding the ongoing and stable redistribution of profits to shareholders as an important management issue and working to secure internal reserves required to invest in business growth and reinforce management practices. In addition, our basic policy is to distribute dividends from surplus twice a year, which shall consist of an interim dividend and a year-end dividend, and all such dividends shall be determined through board of directors resolutions in order to enable their flexible implementation as set forth in the Article of Incorporation.

In accordance with the aforementioned basic policy, the Company paid an ordinary dividend of JPY 21.00 per share, and since we are now in the 25th year since the founding of Digital Hearts Ltd., the predecessor of the Company, we have decided to pay a commemorative dividend of JPY2.00 per share, thanks for the daily support of our shareholders. As a result, the annual dividend for the current fiscal year, including the ordinary dividend and the commemorative dividend, was JPY23.00 per share (JPY10.50 for the interim dividend and JPY12.50 for the year-end dividend).

The annual dividend from surplus for the next fiscal year is slated to be JPY23.00 per share (JPY11.50 for the interim dividend and JPY11.50 for the year-end dividend).

We will also work to further increase our corporate value by effectively harnessing our internal reserves after dividends as funds for further enhancing our existing businesses and investing in new businesses and endeavoring to sustainably improve our performance and maintain and increase our ROE.

Matters concerning the year-end dividend

(1) Matters concerning the allocation of dividends to shareholder and the total amount thereof

We have paid JPY12.50 per common stock and a total of JPY278,579 thousand

(2) Effective date of the distribution of the dividend from surplus

June 11, 2025

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(Note) Monetary amounts indicated in this businesses report are rounded down to the nearest unit.

## Consolidated Balance Sheet

(As of March 31, 2025)

(Unit: JPY thousand)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	14,069,461	current liabilities	10,473,095
Cash and deposits	7,593,742	Short-term loans payable	5,200,000
Notes and accounts receivable-trade and contract assets	5,545,690	Accounts payable-other	2,280,008
Inventories	65,405	Accrued expenses	982,267
Income taxes receivable	3,890	Income taxes payable	574,690
Other	903,078	Accrued consumption taxes	456,156
Allowance for doubtful accounts	-42,346	Provision for bonuses	150,622
Noncurrent assets	5,880,029	Provision for directors' bonuses	22,332
Property, plant and equipment	1,475,383	Other	807,017
Buildings	745,173	Noncurrent liabilities	215,700
Vehicles	1,245	Deferred tax liabilities	22,606
Tools, furniture and fixtures	662,598	Net defined benefit liability	16,232
Land	17,568	Asset retirement obligations	109,190
Lease assets	48,797	Other	67,670
Intangible fixed assets	1,748,471	Total liabilities	10,688,795
Goodwill	1,035,427	(Net assets)	
Other	713,043	Shareholders' equity	7,859,061
Investments and other assets	2,656,174	Capital stock	300,686
Investment securities	1,340,609	Capital surplus	66,018
Deferred tax assets	246,897	Retained earnings	9,298,826
Lease and guarantee deposits	883,231	Treasury stock	-1,806,469
Other	208,493	Accumulated other comprehensive income	1,094,783
Allowance for doubtful accounts	-23,057	Valuation difference on available-for-sale securities	10,734
		Foreign currency translation adjustment	1,084,048
		Non-controlling interests	306,850
		Total net assets	9,260,695
Total assets	19,949,490	Total liabilities and net assets	19,949,490

(Note) Indicated monetary amounts are rounded down to the nearest thousand JPY.

## Consolidated Income Statement

( From April 1, 2024  
to March 31, 2025 )

(Unit: JPY thousand)

Account	Amount	
Net sales		39,748,901
Cost of sales		29,611,147
Gross profit		10,137,754
Selling, general, and administrative expenses		7,707,686
Operating income		2,430,067
Non-operating income		
Interest income	27,085	
Subsidy income	14,736	
Cash-back income	8,228	
Other	10,661	60,712
Non-operating expenses		
Interest expenses	32,823	
Foreign exchange losses	90,254	
Equity in losses of affiliates	38,721	
Non-deductible consumption taxes	24,269	
Other	26,265	212,334
Ordinary income		2,278,445
Extraordinary income		
Gain on sales of stocks of subsidiaries and affiliates	589,206	
Gain on reversal of restructuring of businesses	35,868	625,075
Extraordinary loss		
Loss on retirement of noncurrent assets	9,901	
Loss on valuation of investment securities	1,184,076	
Loss on valuation of stocks of subsidiaries and affiliates	52,350	
Provision of allowance for doubtful accounts	6,678	
Penalty fee	3,865	
Other	1,200	1,258,072
Net income before taxes		1,645,449
Income taxes-current	949,909	
Income taxes-deferred	25,171	975,080
Current net income		670,368
Net income attributable to non-controlling shareholder		40,904
Net income attributable to owners of the parent		629,464

(Note) Indicated monetary amounts are rounded down to the nearest thousand JPY.



## Balance Sheet

(As of March 31, 2025)

(Unit: JPY thousand)

Account	Amount	Account	Amount
(Assets)		(Liabilities)	
Current assets	1,505,938	current liabilities	4,433,043
Cash and deposits	749,885	Short-term loans payable	4,200,000
Prepaid expenses	57,742	Accounts payable-other	53,265
Accounts receivable - other	151,253	Accrued expenses	15,287
Short-term loans to subsidiaries and affiliates	460,000	Income taxes payable	101,850
Other	87,056	Deposits received	10,527
Noncurrent assets	7,204,518	Provision for bonuses	3,331
Property, plant and equipment	115,574	Provision for directors' bonuses	18,051
Buildings	78,193	Accrued dividends	2,826
Tools, furniture and fixtures	37,380	Other	27,903
Intangible fixed assets	123,528	Total liabilities	4,433,043
Software	105,433	(Net assets)	
Trademark rights	11,891	Shareholders' equity	4,266,679
Other	6,203	Capital stock	300,686
Investments and other assets	6,965,415	Capital surplus	3,037,240
Investment securities	937,968	Legal capital surplus	300,686
Shares of subsidiaries and associates	5,508,219	Other capital surplus	2,736,553
Investments in capital of subsidiaries and affiliates	610	Retained earnings	2,735,221
Long-term loans to subsidiaries and affiliates	1,750,000	Other retained earnings	2,735,221
Deferred tax assets	5,640	Retained earnings brought forward	2,735,221
Other	106,464	Treasury stock	-1,806,469
Allowance for doubtful accounts	-1,343,487	Valuation and translation adjustments	10,734
		Valuation difference on available-for-sale securities	10,734
		Total net assets	4,277,413
Total assets	8,710,457	Total liabilities and net assets	8,710,457

(Note) Indicated monetary amounts are rounded down to the nearest thousand JPY.

# Income Statement

( From April 1, 2024  
to March 31, 2025 )

(Unit: JPY thousand)

Account	Amount	
Operating revenue		
Consulting fee income	1,178,857	
Fiduciary obligation fee	263,032	
Dividends from subsidiaries and affiliates	1,314,727	2,756,617
Operating expenses		1,493,969
Operating income		1,262,647
Non-operating income		
Interest income	14,980	
Reversal of allowance for doubtful accounts	80,377	
Other	9,602	104,960
Non-operating expenses		
Interest expenses	27,155	
Foreign exchange losses	666	
Loss on investments in limited liability businesses partnerships	16,747	
Other	6,392	50,962
Ordinary income		1,316,645
Extraordinary income		
Gain on sales of stocks of subsidiaries and affiliates	391,318	391,318
Extraordinary loss		
Loss on valuation of investment securities	1,184,076	
Loss on valuation of stocks of subsidiaries and affiliates	26,240	1,210,316
Current net income before taxes		497,647
Income taxes-current	121,617	
Income taxes-deferred	71,412	193,030
Current net income		304,616

(Note) Indicated monetary amounts are rounded down to the nearest thousand JPY.

Accounting Auditor's Report on the consolidated financial statements

Independent Auditor’s Report

May 21, 2025

To the Board of Directors of

DIGITAL HEARTS HOLDINGS Co., Ltd.

Grant Thornton Taiyo LLC

Tokyo Office

Designated limited liability partner	Certified Public	Kenichi Nakamura
Executive partners	Accountant	
Designated limited liability partner	Certified Public	Jun Ono
Executive partners	Accountant	

Auditor’s opinion

We conducted an audit of consolidated financial statements consisting of the consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholder' equity, and notes to the consolidated financial statements corresponding to the consolidated fiscal year extending from April 1, 2024, to March 31, 2025, of the DIGITAL HEARTS HOLDINGS Co., Ltd. in accordance with the provisions of paragraph (4) of Article 444 of the Companies Act.

It is our opinion that the aforementioned consolidated financial statements properly present, in all material respects, the financial situation and situation in terms of profit and loss as pertains to the period corresponding to the consolidated financial statements in question of the corporate group that comprises DIGITAL HEARTS HOLDINGS Co., Ltd., and its consolidated subsidiaries in accordance with generally accepted principles of auditing in Japan.

Evidence for the auditor's opinion

We conducted our audit in accordance with generally accepted principles of auditing in Japan. Our responsibilities under these principles of auditing are described under “Auditor's responsibilities in auditing of consolidated financial statements.”In accordance with rules of professional ethics in Japan, we are independent from the Company and its consolidated subsidiaries and fulfill other ethical responsibilities of an auditor. We believe that we have obtained sufficient and appropriate grounds for auditing to serve as the basis for statement of our opinion on the audit.

Other contents

The contents thereof are the businesses Report and supplementary schedules. Management is responsible for preparing and disclosing the contents thereof. The Audit & Supervisory Board Member and the Audit & Supervisory Board Member Board are also responsible for monitoring the performance of Director duties in maintenance and operation of the reporting process.

Our opinion on the consolidated financial statements does not include any other contents, and we do not express an opinion on the other contents.

In conducting an audit of the consolidated financial statements, our responsibilities are to read the other contents thoroughly and examine whether there are any material differences between the contents of other statements and the consolidated financial statements or the knowledge we have obtained in the process of auditing and to pay attention to whether there are any other signs of material mistakes in the contents of other statements other than such material differences.

We are required to report the fact thereof if, based on the work carried out, we determine that there are material errors in the contents thereof.

There are no other matters that need to be reported to us regarding the contents thereof.

Responsibilities of management, the Audit & Supervisory Board Members, and the Audit & Supervisory Board regarding the consolidated financial statements

Management is responsible for proper preparation of consolidated financial statements conforming to generally accepted principles of corporate accounting in Japan. This includes the development and operation of internal controls as deemed necessary by management for the purpose of preparation of consolidated financial statements that present information accurately and are free from material misrepresentation due to malfeasance or error.

In preparing the consolidated financial statements, management is responsible for assessing the propriety of preparing consolidated financial statements based on the going-concern assumption and disclosing, as necessary, matters related to the going-concern assumption in accordance with generally accepted principles of corporate accounting in Japan.

The Audit & Supervisory Board Members and the Board of Corporate Auditors are responsible for monitoring the performance of the duties of the directors in maintenance and operation of the financial reporting process.

#### Responsibilities of Audit & Supervisory Board Members in an audit of the consolidated financial statements

Our responsibilities are to secure, based on our audit, reasonable assurance concerning whether or not the consolidated financial statements as a whole are free from material misrepresentation due to malfeasance or error and to state, in the audit report, an independent opinion on the consolidated financial statements. Misstatement may arise due to malfeasance or error, and it is judged to constitute material misstatement if it reasonably can be expected to impact decision-making by users of the consolidated financial statements, either individually or in sum.

Through the audit process in accordance with generally accepted principles of auditing in Japan, we implemented the following measures based on our judgment as specialists and a professional spirit of skeptical inquiry:

- Identification and assessment of the risks of material misrepresentation due to malfeasance or error; Drafting and implementation of audit procedures suited to the risks of material misrepresentation; Making judgments on selection and application of audit procedures; and, Securing sufficient and appropriate audit evidence to serve as the basis for statement of our opinion.
- While the purpose of a consolidated financial statements audit is not to offer an opinion on the efficacy of internal controls, in assessing risks we do consider internal controls related to the audit, in order to propose audit procedures appropriate to the circumstances.
- We assess the propriety of the accounting policies adopted by management and their methods of application as well as the reasonability of accounting estimates made by management and the appropriateness of related notes.
- We reach a conclusion on whether or not management's preparation of consolidated financial statements based on the going-concern assumption is appropriate and whether, based on audit evidence obtained, any material uncertainties can be identified with regard to phenomena or circumstances that could lead to material doubts regarding the going-concern assumption. If any material uncertainties are recognized regarding the going-concern assumption, attention must be drawn to the notes to the consolidated financial statements in the audit report. If the notes to the consolidated financial statements concerning material uncertainties are inappropriate, then an opinion must be expressed that mentions such exceptions to the consolidated financial statements. The auditor's conclusions are based on audit evidence obtained through the date of the audit report, and there is a possibility that future events or conditions could make it impossible for the Company to continue as a going concern.
- We assess whether or not the presentation and notes in the consolidated financial statements conform to generally accepted principles of corporate accounting in Japan; the presentation, structures, and content of the consolidated financial statements, including related notes; and whether or not the consolidated financial statements accurately present the transactions and accounting facts on which they are based.
- We plan and implement an audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence concerning the financial information of the Company and its consolidated subsidiary to serve as the basis for statement of our opinion on the consolidated financial statements. We are responsible for directing, supervising, and inspecting the audit of the consolidated financial statements. We are responsible for expression of an independent audit opinion.

We report to the Audit & Supervisory Board Members and Board of Corporate Auditors on the scope and timing of the planned audit; any material discoveries of the audit, including material deficiencies in internal controls systems identified in the process of auditing; and other matters required under auditing standards.

We report to the Audit & Supervisory Board Member and the Audit & Supervisory Board Member Council on the fact that we maintain independence in accordance with rules of professional ethics in Japan and on any matters that reasonably could be considered to impact the independence of auditors and if measures are taken to eliminate impediments or if safeguards are applied to mitigate impediments to an acceptable level.

#### Conflicts of interest

There are no conflicts of interest between the Company / consolidated subsidiaries and our firm or the Engagement Partners that should be disclosed under the provisions of the Certified Public Accountants Act.

End of document

Accounting Auditor's Report

Independent Auditor's Report

May 21, 2025

To the Board of Directors of

DIGITAL HEARTS HOLDINGS Co., Ltd.

Grant Thornton Taiyo LLC

Tokyo Office

Designated limited liability partner

Executive partners

Certified Public Accountant

Kenichi Nakamura

Designated limited liability partner

Executive partners

Certified Public Accountant

Jun Ono

Auditor's opinion

We conducted an audit of the financial statements consisting of the balance sheet, income statement, statement of changes in shareholder' equity, notes to the financial statements, and supplementary schedules related thereto (hereinafter referred to as "financial statements") corresponding to the fiscal year of the 12th fiscal year, which extended from April 1, 2024, to March 31, 2025, of DIGITAL HEARTS HOLDINGS Co., Ltd. in accordance with the provisions of item (i) of paragraph (2) of Article 436 of the Companies Act.

It is our opinion that the aforementioned financial statements properly present, in all material respects, the financial situation and situation in terms of profit and loss as pertains to the period corresponding to the financial statements in question in accordance with generally accepted principles of auditing in Japan.

Evidence for the auditor's opinion

We conducted our audit in accordance with generally accepted principles of auditing in Japan. Our responsibilities under these principles of auditing are described under "Auditor's responsibilities in auditing of financial statements." In accordance with rules of professional ethics in Japan, we are independent from the Company and fulfill other ethical responsibilities of an auditor. We believe that we have obtained sufficient and appropriate grounds for auditing to serve as the basis for statement of our opinion on the audit.

Other contents

The contents thereof are the businesses Report and supplementary schedules. Management is responsible for preparing and disclosing the contents thereof. The Audit & Supervisory Board Member and the Audit & Supervisory Board Member Board are also responsible for monitoring the performance of Director duties in maintenance and operation of the reporting process.

Our opinion on the financial statements does not include any other contents, and we do not express an opinion on the other contents.

In auditing the financial statements, our responsibilities are to read the other contents thoroughly and examine whether there are any material differences between the contents of other statements and the financial statements or the knowledge we have obtained in the process of auditing and to pay attention to whether there are any other signs of material mistakes in the contents of other statements other than such material differences.

We are required to report the fact thereof if, based on the work carried out, we determine that there are material errors in the contents thereof.

There are no other matters that need to be reported to us regarding the contents thereof.

Responsibilities of management, Audit & Supervisory Board Members, and Board of Corporate Auditors regarding the financial statements

Management is responsible for proper preparation of financial statements conforming to generally accepted principles of corporate accounting in Japan. This includes the development and operation of internal controls as deemed necessary by management for the purpose of preparation of financial statements that present information accurately and are free from material misrepresentation due to malfeasance or error.

In preparing the financial statements, management is responsible for assessing the propriety of preparing financial statements based on the going-concern assumption and disclosing, as necessary, matters related to the going-concern assumption in accordance with generally accepted principles of corporate accounting in Japan.

The Audit & Supervisory Board Members and the Audit & Supervisory Board are responsible for monitoring the performance of the duties of the directors in maintenance and operation of the financial reporting process.

Responsibilities of Audit & Supervisory Board Members in an audit of the financial statements

Our responsibilities are to secure, based on our audit, reasonable assurance concerning whether or not the financial statements as a whole are free from material misrepresentation due to malfeasance or error and to state, in the audit report, an independent opinion on the financial statements. Misstatement may arise due to malfeasance or error, and it is judged to constitute material misstatement if it reasonably can be expected to impact decision-making by users of the financial statements, either individually or in sum.

Through the audit process in accordance with generally accepted principles of auditing in Japan, we implemented the following measures based on our judgment as specialists and a professional spirit of skeptical inquiry:

- Identification and assessment of the risks of material misrepresentation due to malfeasance or error; Drafting and implementation of audit procedures suited to the risks of material misrepresentation; Making judgments on selection and application of audit procedures; and, Securing sufficient and appropriate audit evidence to serve as the basis for statement of our opinion.
- While the purpose of a financial statements audit is not to offer an opinion on the efficacy of internal controls, in assessing risks we do consider internal controls related to the audit, in order to propose audit procedures appropriate to the circumstances.
- We assess the propriety of the accounting policies adopted by management and their methods of application as well as the reasonability of accounting estimates made by management and the appropriateness of related notes.
- We reach a conclusion on whether or not management's preparation of financial statements based on the going-concern assumption is appropriate and whether, based on audit evidence obtained, any material uncertainties can be identified with regard to phenomena or circumstances that could lead to material doubts regarding the going-concern assumption. If any material uncertainties are recognized regarding the going-concern assumption, attention must be drawn to the notes to the financial statements in the audit report. If the notes to the financial statements concerning material uncertainties are inappropriate, then an opinion must be expressed that mentions such exceptions to the financial statements. The auditor's conclusions are based on audit evidence obtained through the date of the audit report, and there is a possibility that future events or conditions could make it impossible for the Company to continue as a going concern.
- We assess whether or not the presentation and notes in the financial statements conform to generally accepted principles of corporate accounting in Japan; the presentation, structures, and content of the financial statements, including related notes; and whether or not the financial statements accurately present the transactions and accounting facts on which they are based.

We report to the Audit & Supervisory Board Members and Board of Corporate Auditors on the scope and timing of the planned audit; any material discoveries of the audit, including material deficiencies in internal controls systems identified in the process of auditing; and other matters required under auditing standards.

We report to the Audit & Supervisory Board Member and the Audit & Supervisory Board Member Council on the fact that we maintain independence in accordance with rules of professional ethics in Japan and on any matters that reasonably could be considered to impact the independence of auditors and if measures are taken to eliminate impediments or if safeguards are applied to mitigate impediments to an acceptable level.

Conflicts of interest

There are no conflicts of interest between the Company and our firm or the Engagement Partners that should be disclosed under the provisions of the Certified Public Accountants Act.

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## Auditor's Report of the Audit & Supervisory Board Member Board

### Audit & Supervisory Board Member's Report

After carrying out deliberations, Board of Corporate Auditors prepared this audit report based on audit reports prepared by the respective Audit & Supervisory Board Member with respect to the execution of duties by Director for the 12th fiscal year, which extended from April 1, 2024, to March 31, 2025. Accordingly, we hereby report as follows.

1. Methods by which Audit & Supervisory Board Member and Board of Corporate Auditors conducted the audit and the contents thereof

- (1) The Board of Corporate Auditors set forth an audit policy and the allocation of duties, received a report on the status of the conduct of an audit and the results thereof from various Audit & Supervisory Board Member, received reports from the Director and the Accounting Auditor on the status of the execution of their duties, and, where required, requested explanations.
- (2) In accordance with the standards applicable to Audit & Supervisory Board Member audits as prescribed by the Board of Corporate Auditors, each Audit & Supervisory Board Member endeavored to communicate with the Director, Internal Audit Department, and other employees and parties and develop an environment for collecting and auditing information and conducted an audit in the following manner.
  - ① Each Audit & Supervisory Board Member attended board of directors and other important meetings, received reports from Director and employees on the status of the execution of their duties, requested explanations as required, perused important approval documents and other materials, and investigated the status of operations and assets at head office and major businesses offices. In addition, each Audit & Supervisory Board Member endeavored to communicate and exchange information with directors, auditors, and other parties at subsidiaries and received reports on business from subsidiaries as required.
  - ② Each Audit & Supervisory Board Member received regular reports and requested explanations as required from Director, employees, and other parties and disclosed opinions. Each Audit & Supervisory Board Member received reports on the contents of board of directors resolutions concerning the development of a system for ensuring the compliance of the execution of duties by the Director as stated in the businesses Report with the relevant laws and regulations and with the Article of Incorporation and other systems as prescribed in paragraphs (1) and (3) of Article 100 of the Ordinance for Enforcement of the Companies Act as required to ensure the appropriateness of operations of the corporate group that comprises the stock company and its subsidiary as well as systems developed according to these resolutions (internal control systems) and on the status of the development and operations thereof.
  - ③ Each Audit & Supervisory Board Member monitored and verified to check whether the Accounting Auditor maintained its independence and conducted an appropriate audit, received a report from the Accounting Auditor on the status of the execution of its duties, and requested explanations as required. Each Audit & Supervisory Board Member received notifications from the Accounting Auditor to the effect that [a system for ensuring that duties are properly carried out] (matters enumerated in the items of Article 131 of the Ordinance on Company Accounting) have been developed in accordance with the [quality-control standards applicable to audits] (Business Accounting Council) and requested explanations as required.

In accordance with the aforementioned approach, the businesses report on the fiscal year and its supplementary schedules, financial statements (balance sheet, income statement, statement of changes in shareholder' equity, and notes to the financial statements) and their supplementary schedules, and consolidated financial statements (consolidated balance sheet, consolidated income statement, consolidated statement of changes in shareholder' equity, and consolidated notes to the financial statements) were examined.

2. Audit results

(1) Audited businesses reports and other documents

- ① In our opinion, the businesses Report and supplementary schedules correctly present the condition of the companies in accordance with the relevant laws and regulations and Article of Incorporation.
- ② We found no misconduct or material fact in contravention of relevant laws, regulations, or Article of Incorporation in the execution of duties by the Director.
- ③ In our opinion, the contents of board of directors resolutions concerning internal-control systems are appropriate. In our opinion, there are also no matters that need to be pointed out as regards the contents of the business report or the execution of duties by Directors in connection with these internal control systems.

(2) Results of the audit of the financial statements and supplementary schedules

In our opinion, the method by which an audit was conducted by Grant Thornton Taiyo LLC and the results thereof are appropriate.

(3) Results of the audit of the consolidated financial statements

In our opinion, the method by which an audit was conducted by Grant Thornton Taiyo LLC and the results thereof are appropriate.

May 23, 2025

DIGITAL HEARTS HOLDINGS Co., Ltd. Board of Corporate Auditors

Standing Audit & Supervisory Board Member

Masahide Date

Audit & Supervisory Board Member

Keiya Kazama

Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)

Toshifumi Nikawa

Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member))

Yoko Okano

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## Map for arriving at the venue for our general meeting of shareholders

3-20-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo  
Conference Room 2, 7F, Tokyo Opera City Tower  
TEL 03-5333-1231

(Take any elevator from the second floor to arrive at the seventh floor.)

- We ask for your understanding as there are no gifts at the general meeting of shareholder.
- The exercise of voting rights at this general meeting of shareholder can be conducted in writing or via the Internet in advance. Therefore, please be sure to use the voting rights at this general meeting of shareholders.

- Transportation information  
3-minute walk from the east exit of the Keio New Line (heading towards the Toei Shinjuku Line) [Hatsudai Station]