

March 12, 2021

Company name: DIGITAL HEARTS HOLDINGS Co., Ltd.
 Name of representative: President and CEO Genichi Tamatsuka
 (Code number: 3676, First Section of the Tokyo Stock Exchange)
 Contact: Director and CFO Toshiya Tsukushi
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Notice of the Stock Acquisition of MK Partners, Inc. by LOGIGEAR CORPORATION, Our Consolidated Subsidiary

DIGITAL HEARTS HOLDINGS Co., Ltd. (hereinafter referred to as the "Company") announces that, at the Board of Directors meeting held on February 19, 2021, it resolved to leave the acquisition of 61.2% of MK Partners, Inc.'s ("MK Partners") shares by LOGIGEAR CORPORATION ("LogiGear") which is its consolidated subsidiary to the Representative Director of the Company, and that the decision was made today. Details are as follows:

1. Reason for stock acquisition

LogiGear is a leading U.S. test automation company that was established in 1996 by Hung Q. Nguyen, an authority in the software testing industry. LogiGear has supported the high-quality development of software at client companies in the United States, by leveraging its strengths in "TestArchitect," a unique test automation tool with Silicon Valley's cutting-edge technologies and its test automation engineers at offshore sites in Vietnam.

MK Partners is a U.S. company that provides system consulting mainly for the introduction, maintenance, and operation of Salesforce (*). The company's strengths include its own rich capacity of Salesforce specialist engineers and providing training programs for clients' Salesforce engineers, and it has provided services to a variety of companies, including government agencies, the financial sector, and the healthcare industry. As a certified partner of Salesforce, it has established a solid position especially in the market of California.

While Salesforce can be customized to meet corporate needs, it tends to become increasingly complex as functionality grows. Due to the challenge of requiring a large number of human resources for maintenance and operation, the need for outsourcing related to Salesforce operations has grown in recent years. With LogiGear and MK Partners working closely together, they will provide a one-stop solution for various needs such as consulting, implementation, testing, maintenance and operation. This is why LogiGear has decided to acquire the shares of MK Partners to make it a subsidiary.

Going forward, LogiGear will continue to focus on developing high-quality services with Silicon Valley's cutting-edge technologies and will also support client companies in developing high-quality products by providing price-competitive services utilizing its offshore base in Vietnam.

*Salesforce...A cloud-based customer or client administration system provided by salesforce.com, Inc.

2. Overview of the subsidiary (LOGIGEAR CORPORATION) that will acquire the shares

(1) Company name	LOGIGEAR CORPORATION
(2) Location	1730 S. Amphlett Blvd. Suite 200, San Mateo, CA 94402, USA
(3) Position and name of representative	CEO Hung Q. Nguyen
(4) Business activities	System testing, Test automation support, System development, etc.
(5) Share capital	USD 5,759 thousand (JPY 611 million)

(6) Date established	February 5, 1996	
(7) Major shareholder and its shareholding ratio	DIGITAL HEARTS HOLDINGS Co., Ltd.	51.0%
	Total 3 individual shareholders including Hung Q. Nguyen	49.0%

* Share capital shown in Japanese yen are based on conversion at the rate of 106.25 yen for one US dollar.

3. Overview of the company (MK Partners, Inc.) to be acquired as a subsidiary

(1) Company name	MK Partners, Inc.	
(2) Location	5709 Cahuenga Blvd., North Hollywood, CA 91601, USA	
(3) Position and name of representative	CEO Matthew Kaufman	
(4) Business activities	System consulting	
(5) Share capital	USD 5 thousand (JPY 531 thousand)	
(6) Date established	March 3, 2006	
(7) Major shareholders and shareholding ratios	Michelle Kaufman	51.0%
	Matthew Kaufman	49.0%
(8) Relationship between the listed company and the said company	Capital ties	There are no notable capital ties between the Company and the said company. There are no notable capital ties between related parties/affiliates of the Company and related parties/affiliates of the said company.
	Personnel relations	There are no notable personnel relations between the Company and the said company. There are no notable personnel relations between related parties/affiliates of the Company and related parties/affiliates of the said company.
	Business relations	There are no notable business relations between the Company and the said company. There are no notable business relations between related parties/affiliates of the Company and related parties/affiliates of the said company.

*1 This is not in compliance with the timely disclosure standards of the Tokyo Stock Exchange and due to the agreement with the shareholders of the said company, the Company has omitted the description of the results of operations and financial position of the said company for the past three years.

*2 Share capital shown in Japanese yen are based on conversion at the rate of 106.25 yen for one US dollar.

4. Number of shares to be acquired, and status of stock ownership before and after acquisition

(1) Number of shares owned before transfer	Zero (Number of voting rights: Zero) (Ownership percentage of voting rights: 0%)
(2) Number of shares to be acquired	612,000 shares (Number of voting rights: 612,000)
(3) Number of shares owned after transfer	612,000 shares (Number of voting rights: 612,000) (Ownership percentage of voting rights: 61.2%)

*The acquisition cost is omitted as the shareholders of the said company are individuals. However, the acquisition cost is calculated by a fair method with reference to due diligence by a third party.

5. Schedule

- (1) Date of conclusion of the share transfer agreement : March 12, 2021 (JST)
(March 11, 2021 (PST))
- (2) Date of the stock acquisition : March 12, 2021 (JST)
(March 11, 2021 (PST))

6. Future prospects

We expect the stock acquisition to have a minor effect on our business results for the fiscal year ending March 31, 2021. However, we will promptly make an announcement if it is necessary to revise our results forecast or if any matter requiring disclosure is generated in the future.