

March 16, 2021

Company name: DIGITAL HEARTS HOLDINGS Co., Ltd.
 President and CEO Genichi Tamatsuka
 Name of representative: (Code number: 3676, First Section of the Tokyo
 Stock Exchange)
 Director and CFO Toshiya Tsukushi
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Notice Regarding the Establishment of a Joint Venture by 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 decision making regarding the establishment of a joint venture between LOGIGEAR VIETNAM CO., LTD. (“LGVN”), its consolidated subsidiary, and TP&P Technology Company, Ltd. (“TP&P”) to the Representative Director of the Company, and that the decision was made today. Details are as follows:

1. Purpose of incorporation of joint venture company

LGVN is the Vietnamese offshore base of LOGIGEAR CORPORATION (“LGUS”), a leading U.S. test automation company established in 1996 by Mr. Hung Q. Nguyen, an authority in the software testing industry. LGVN and LGUS have supported the high-quality development of software at client companies in the U.S., by leveraging its strengths in “TestArchitect,” a unique test automation tool with Silicon Valley’s cutting-edge technologies and its test automation engineers.

On the other hand, TP&P is a U.S. software development service provider with rich capability of full stack development in Vietnam and Singapore. It has steadily accumulated achievements with a focus on web and mobile app development to client companies not only in the U.S., but also in Europe and Singapore.

With LGVN, LGUS and TP&P working closely through this joint venture company, they will be able to provide a one-stop solution from system development to software testing execution. Furthermore, it is expected to share client bases of both companies and to provide their services to a wide range of regions including the U.S., Europe and others. This is why we have decided to establish a joint venture with TP&P in Vietnam.

Going forward, LGVN and LGUS 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.

2. Establishment methods of the joint venture company

LGVN will acquire 51.0% of shares outstanding of TPP SOFT, JSC (“TPP SOFT”), which is newly established for this purpose by TP&P in Vietnam. This company is scheduled to become our consolidated subsidiary.

3. Overview of the subsidiary that establishes the joint venture

(1) Company name	LOGIGEAR VIETNAM CO., LTD.
(2) Location	No. 66 Nguyen Cong Hoan, ward 7, Phu Nhuan district, Ho Chi Minh city, Vietnam
(3) Position and name of representative	Chairman Denny Khoa Quoc Nguyen
(4) Business activities	System testing, Test automation support, System development, etc.
(5) Share capital	VND 3,000 million (JPY 13 million)

(6) Date established	November 29, 2013
(7) Major shareholder and its shareholding ratio	LOGIGEAR CORPORATION 100.0%

* Share capital shown in Japanese yen are based on conversion at the rate of 0.00462 yen for one Vietnamese dong.

4. Overview of the joint venture company (TPP SOFT, JSC)

(1) Company name	TPP SOFT, JSC
(2) Location	Floor #1-3, 302 Le Van Sy, Ward 1, Tan Binh District, Ho Chi Minh city, Vietnam
(3) Position and name of representative	CEO Toan Nguyen
(4) Business activities	System development
(5) Share capital	USD 101 thousand (JPY 10 million)
(6) Date established	February 18, 2021
(7) Major shareholders and shareholding ratios	LOGIGEAR VIETNAM CO., LTD. 51.0% TP&P Technology Company, Ltd. 45.3% Total 2 individual shareholders 3.7%

*1 As the joint venture company, TPP SOFT is expected to have total assets of USD 1,406 thousand (JPY 149 million) and net assets of USD 1,275 thousand (JPY 135 million).

*2 The amount of share capital and others shown in Japanese yen are based on conversion at the rate of 106.25 yen for one US dollar.

5. Schedule

- (1) Resolution date for establishment of this joint venture : March 16, 2021
- (2) Date of completion : March 16, 2021 (Scheduled)

6. Future prospects

We expect the establishment of this joint venture 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.