DIGITAL HEARTS HLDGS.

April 23, 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)
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Notice Regarding Revision of Financial Forecast for the Fiscal Year Ended March 31, 2021

DIGITAL HEARTS HOLDINGS Co., Ltd. (hereinafter referred to as the "Company") announces that a meeting of its board of directors held today resolved that, given the trends of its recent business performance, the Company has revised its financial forecast for the fiscal year ended March 31, 2021 which was announced on August 11, 2020.

The details are as follows:

1. Revision of consolidated financial forecast for the fiscal year ended March 31, 2021
(from April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A)	23,080	1,600	1,600	1,100	51.09
Revised forecast (B)	23,080	1,900	1,950	1,000	46.33
Change (B - A)	-	300	350	−100	
% Change	-	18.8	21.9	−9.1	
Actual amount for the previous fiscal year (fiscal year ended March 31, 2020)	21,138	1,394	1,372	792	36.31

2. Reason for revision

In the fiscal year ended March 2021, net sales generally progressed in line with the initial plan. This is because the developing Enterprise Business continued to grow dramatically, and the other Entertainment Business, recovering from temporary declines in the first half of the year due to the COVID-19, acquired new projects in the game industry, which has a strong demand with stay-at-home trend, in the second half. Operating income and ordinary income are expected to exceed the initial forecasts due to the strong performance of the Enterprise Business turning to profitable as a full year with rapid sales growth and of the Entertainment Business achieving the operational reforms of its nationwide test centers to make better gross margin. On the other hand, net income attributable to owners of parent is expected to be lower than the initial forecast due to the expected recording of impairment losses of approximately 90 million yen on goodwill arising from the acquisition of shares in Orgosoft Co., Ltd., and those losses of approximately 300 million yen related to the software for internal use of the Company. Accordingly, full year consolidated earnings forecast has been revised as described above.

* The above forecasts are based on information currently available and actual results may differ from these forecasts due to a variety of factors.