

April 23, 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)
Contact:	Director and CFO Toshiya Tsukushi (TEL. +81-3-3373-0081)

Notice Regarding Change in Representative Director and Nomination of Directors and Auditors

DIGITAL HEARTS HOLDINGS Co., Ltd. (hereinafter referred to as the "Company") has announced that the change in the Representative Director and nomination of directors and auditors were approved at the meeting of its board of directors held today. The change and nomination will become effective following the adoption of the resolutions at the ordinary general meeting of shareholders to be held on June 24, 2021, and furthermore the change in the Representative Director and other titles will be effective subject to board approval to be held on June 24, 2021.

1. Reasons for the change in Representative Director

Since 2017, the Company has shifted from the "Debugging" specialized company to detect bugs or defects of game software to the "System Testing" specialized company to support the improvement of the quality and safety of all types of software, including in-vehicle equipment and business systems. To this end, the Company has established a new management structure with newly appointed president and CEO, Mr. Tamatsuka, who has a wealth of experience to lead enterprise companies, and the 'Second Founding' period has started since June 2017.

Our biggest mission in this 'Second Founding' period is to launch the Enterprise Business as the second earnings pillar following the Entertainment Business including the debugging service, and we have promoted a variety of new initiatives under the strong leadership of CEO, Mr. Tamatsuka. Specifically, we have strengthened human resources of IT experts such as engineers or security specialists, which are the cornerstone of new businesses such as System Testing and Cyber-security. We worked to build a recruitment and educational foundation to attract and train engineers with specialized knowledge, and to establish an business basement to prepare for the expansion of new businesses. We also actively utilized M&A and alliances to expand new services and to improve our technological capabilities such as test automation. As a consequence, Enterprise Business's net sales have grown dramatically, aiming to achieve the annual sales size of ¥10 billion, and also we have developed our profitable structure. In this way, we have been able to steadily build a businesses foundation that will surely become our second major source of earnings.

Through this 'Second Founding' period, we have also built the new business portfolio shifting from the single Debugging model to the multiple model including System Testing, Cyber-Security, and Global Businesses. In order to ensure steady and accelerated growth of these businesses in the future, we have decided to shift to a new management structure that includes the change in Representative Director, based on the conclusion that each businesses manager of the Company needs to have ownership and to make decisions on their own initiative at the bottom-up level.

Under the new management structure, we will shift to a "followership-type" organization centered on Mr. Ninomiya (currently Director in charge of the Enterprise Business Division), who has shown strong leadership to develop the Enterprise Business from scratch, and Mr. Tsukushi (currently Director and CFO), who has contributed to promote many projects like M&A and alliances. We will evolve this organization into a group in which core members newly joined during the 'Second Founding' period, including highly specialized engineers, global business leaders, can bring together their strengths toward the same goal in the future.

Going forward, under this new management structure, we will aim for the next stage of growth with our corporate mission of "SAVE the DIGITAL WORLD."

2. Details of the Change (As of June 24, 2021)

Name	New position	Current position
Yasumasa NINOMIYA	President and CEO, Representative Director	Director
Genichi TAMATSUKA	Advisor	President and CEO, Representative Director
Toshiya TSUKUSHI	Executive Vice President and CFO, Director	Director and CFO
Yoko OKANO	Outside Corporate Auditor	-
Mineo TAKAI	-	Outside Corporate Auditor

3. New board members since the day of the ordinary general meeting of shareholders (As of June 24, 2021)

Position	Name
President and CEO	Yasumasa NINOMIYA
Executive Vice president and CFO	Toshiya TSUKUSHI
Chairman	Eiichi MIYAZAWA
Outside Director	Takashi YANAGIYA
Outside Director	Gaku ISHIWATA
Standing Corporate Auditor	Masahide DATE
Corporate Auditor	Keiya KAZAMA
Outside Corporate Auditor	Toshifumi NIKAWA
Outside Corporate Auditor	Yoko OKANO (New)

* This new board members will become effective following the adoption of the resolutions at the ordinary general meeting of shareholders and the board meeting to be held on June 24, 2021.

4. Profile of the newly appointed Representative Director

Name	Yasumasa NINOMIYA	
Date of birth	August 18, 1972	
Shares held	8,233 shares	
Career summary	April 1995	Joined Osaka Usen Broadcasting Corporation (currently USEN-NEXT HOLDINGS Co., Ltd.)
	April 2009	General manager of the Personal Business Division, Osaka Usen Broadcasting Corporation (currently USEN-NEXT HOLDINGS Co., Ltd.)
	December 2010	Member of the Board, U-NEXT Co., Ltd. (currently USEN-NEXT HOLDINGS Co., Ltd.)
	May 2011	Member of the Board, U-MX co., LTD.

March 2017	Representative Director , Y.U-mobile Co., Ltd.
July 2017	Executive Officer in charge of Sales Management, DIGITAL HEARTS Co., Ltd.
October 2017	Member of the Board in charge of BS Business division, DIGITAL HEARTS Co., Ltd.
April 2018	Executive Vice President and Member of the Board, DIGITAL HEARTS Co., Ltd. (present)
June 2019	Member of the Board, DIGITAL HEARTS HOLDINGS Co., Ltd. (present)

- Message from Ninomiya, new Representative Director -

As the ‘Second Founding’ period for four years since 2017, I have been committed to develop the Enterprise Business, a new pillar of growth under the leadership of current CEO, Tamatsuka. Under the new management structure, in order to evolve businesses foundation that we have created together with him, we will further expand our customer or client base by utilizing my experiences that I have cultivated over the years. At the same time, we will provide new services with a diverse range of human resources and develop new solutions with integrated various kinds of technologies, and then we will aim to establish our unique operational excellence.

In addition, we believe that our business of protecting the security and safety of software will become increasingly important to society in the modern era of digitization. Going forward, we will continue to strive to increase corporate value and contribute to a sustainable society by deploying solutions globally that leverage the precision as the uniqueness of Japan, and respond to the expectations of all stakeholders.