

Presentation Material

for the Fiscal Year Ended March 31, 2019

2019/05/13

Tokyo Stock Exchange First Section : Code 3676
<https://www.digitalhearts-hd.com/>

Summary of Business Results



Record-high in net sales

Net sales

19,254 Mln yen
(YoY 111.0%)

- Growth for the **15 consecutive years** in net sales from the mainstay Entertainment Business
- Grew **1.7 times** as the previous year in the sales of the newly developing Enterprise Business

Making active investments in human capital

Operating
income

1,605 Mln yen
(YoY 92.5%)

- Stable growth of operating income in the Entertainment Business
- Active investments in expert engineers and others in the Enterprise Business

Extraordinary gain from sales of shares

Profit attributable to
owners of parent

1,575 Mln yen
(YoY 131.3%)

- Extraordinary gain of **¥733 million** from sales of shares
- Increased the profit attributable to owners of parent by the extraordinary gain

Summary of Business Results for FY 2018

Net sales reached a record high

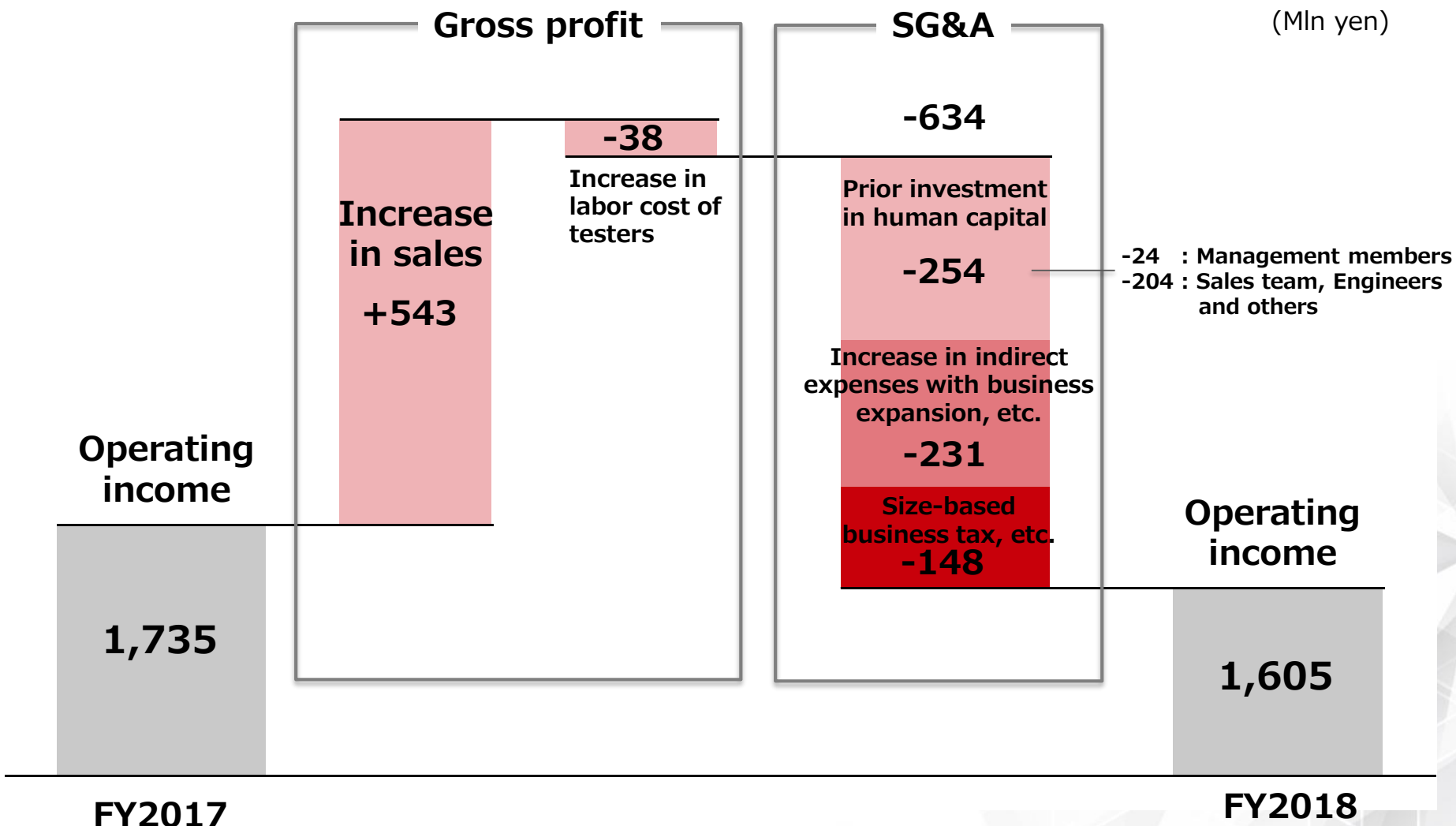
Operating income declined due to investments in human capital and others

(Mln Yen)	FY2017	FY2018	YoY Change	
Net sales	17,353	19,254	1,901	111.0%
Cost of sales	12,394	13,791	1,396	111.3%
Cost of sales (%)	71.4%	71.6%		+0.2 points
Gross profit	4,958	5,463	504	110.2%
SG&A	3,222	3,857	634	119.7%
Operating income	1,735	1,605	-130	92.5%
Operating income margin	10.0%	8.3%		-1.7 points
Ordinary income	1,782	1,651	-131	92.6%
Profit attributable to owners of parent	1,200	1,575	375	131.3%

Analysis of Changes in Operating income



DIGITAL HEARTS HLDGS.

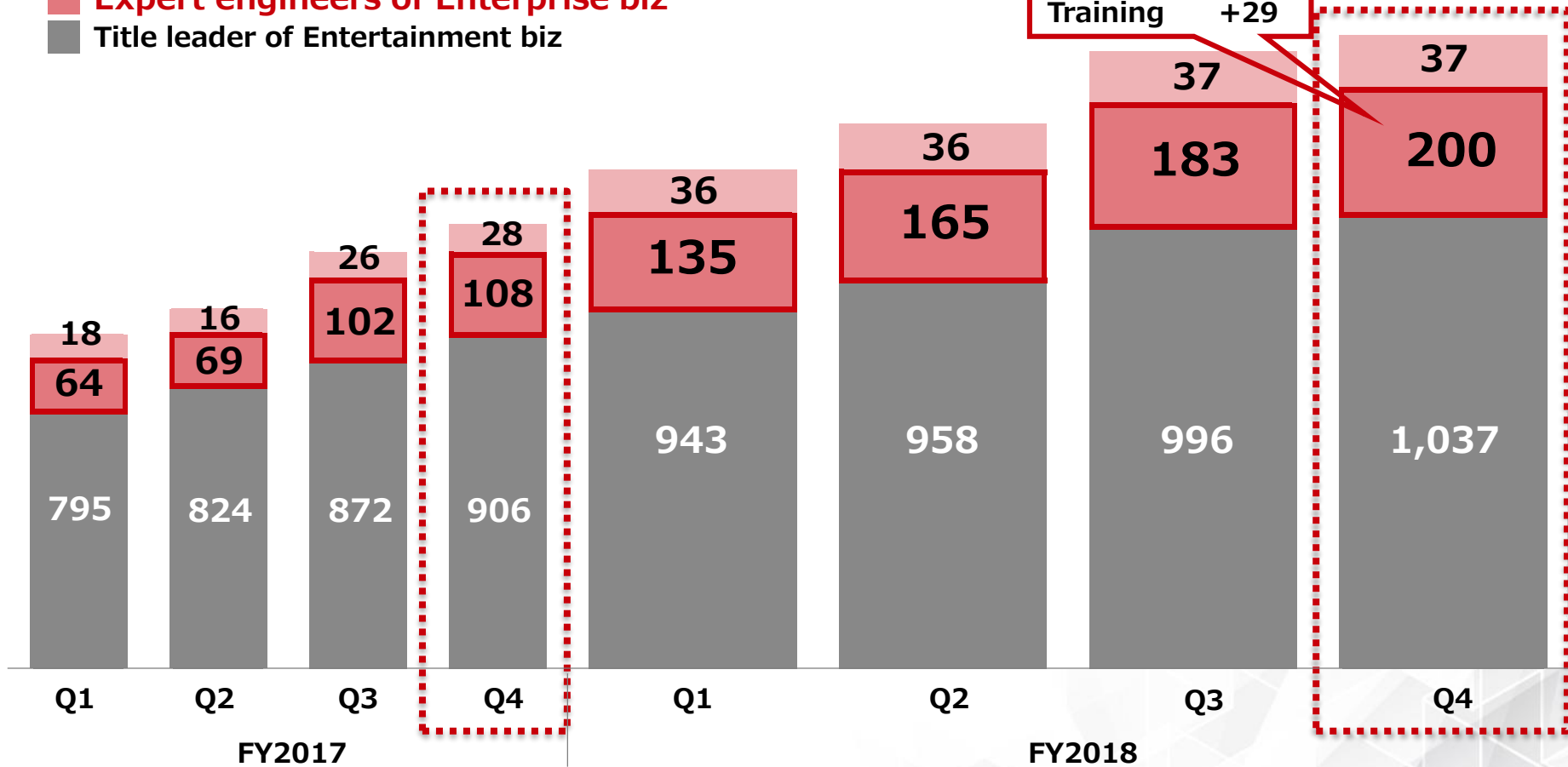


Number of expert engineers **nearly double** (YoY)

VS Q4 FY2017

- Sales team for total solution service
- Expert engineers of Enterprise biz**
- Title leader of Entertainment biz

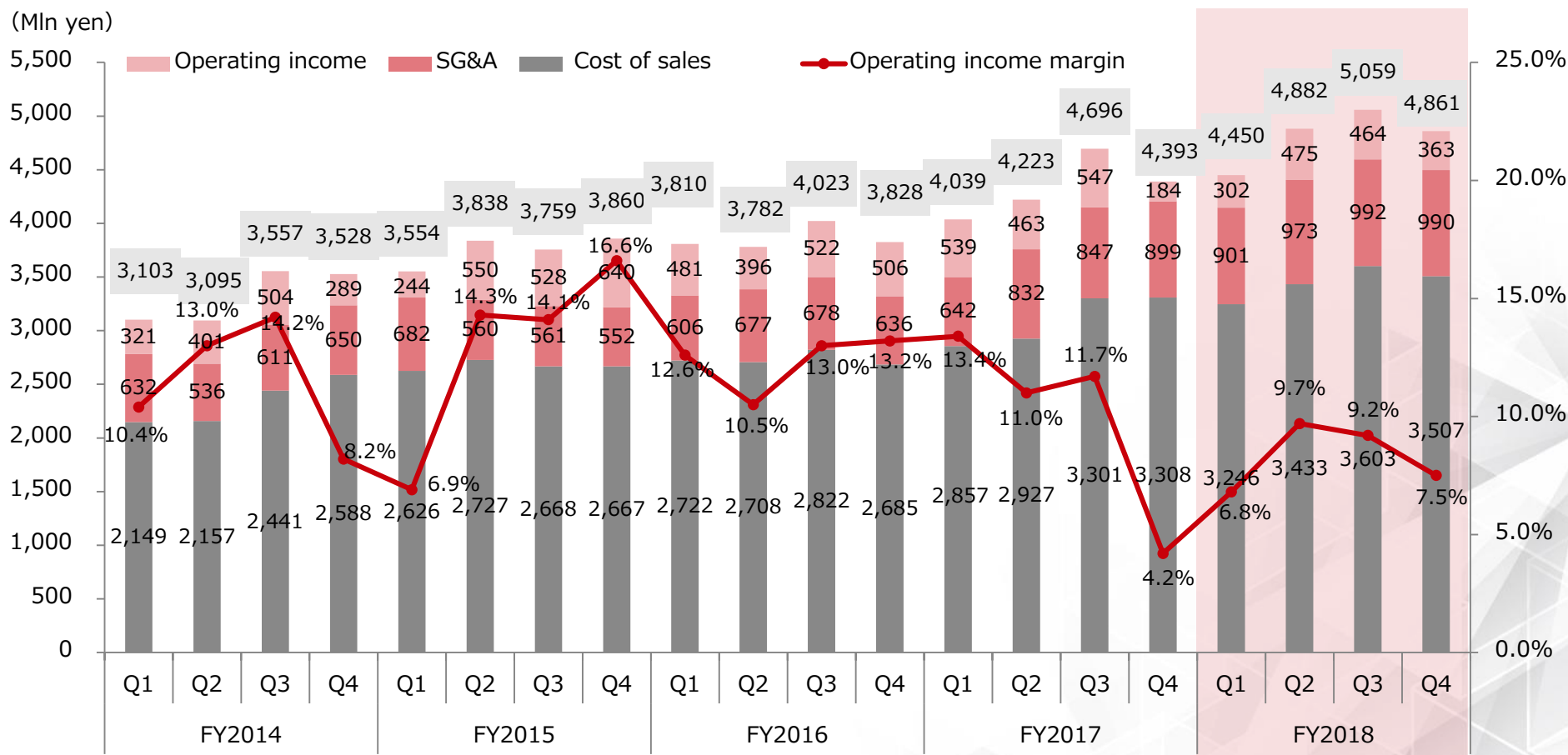
M&A, etc. +36
Recruiting +28
Training +29



Quarterly sales and operating income

The operating margin in Q4 declined from Q3 due to the weaker gross margin of the Debugging div. and the sales expansion of the Enterprise Business with relatively lower gross margin as in a prior investing period

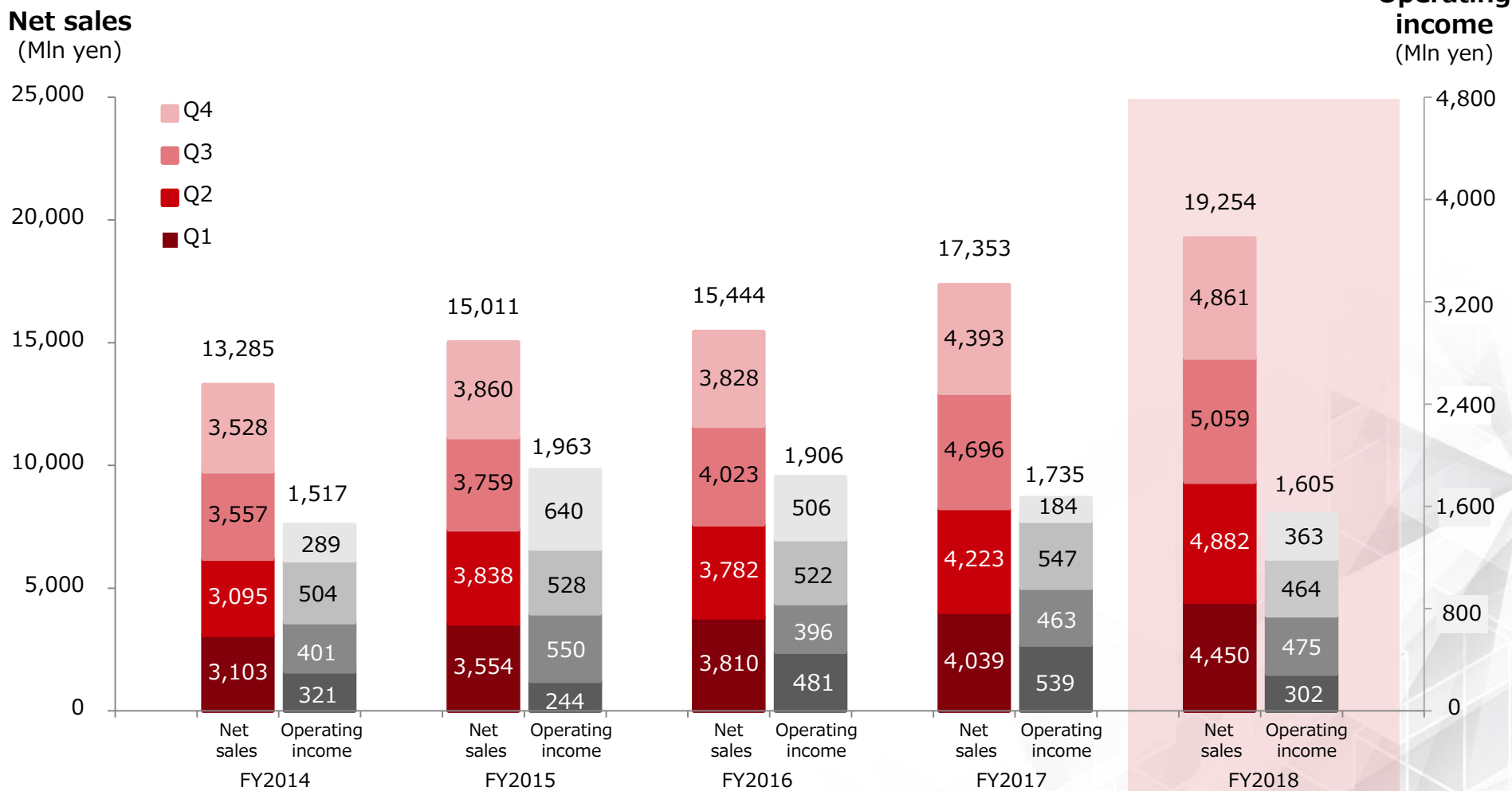
Quarterly results



Trend in net sales and operating income

Keep growing of net sales year by year

Prior investments to develop the Enterprise Business since FY2017



Consolidated Balance Sheets



DIGITAL HEARTS HLDGS.

(Mln Yen)	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)	YoY Change
Total assets	8,575	9,832	1,257
Current assets	6,732	7,403	671
Cash and deposits	3,894	4,197	303
Notes and accounts receivable-trade	2,480	2,724	243
Noncurrent assets	1,842	2,428	586
Property, plant and equipment	473	558	84
Intangible assets	286	763	476
Investments and other assets	1,082	1,107	25
Total liabilities	5,005	4,819	-185
Current liabilities	3,929	4,192	263
Short-term loans	1,600	1,704	104
Noncurrent liabilities	1,075	627	-448
Convertible bond-type bonds with subscription rights to shares	1,017	508	-508
Total net assets	3,570	5,012	1,442
Shareholders' equity	3,340	4,763	1,422
Accumulated other comprehensive income	28	28	-0
Subscription rights to shares	—	13	13
Non-controlling interests	200	207	6
Total liabilities and net assets	8,575	9,832	1,257

Consolidated Statements of Cash Flows



DIGITAL HEARTS HLDGS.

(MIn Yen)	FY2017 (As of March 31, 2018)	FY2018 (As of March 31, 2019)	YoY Change
Net cash provided by operating activities	1,436	889	-546
(*Cash flows before income taxes paid)	2,148	1,415	-732
Net cash provided by (used in) investing activities	-618	62	680
Net cash used in financing activities	-250	-693	-443
Effect of exchange rate change on cash and cash equivalents	-2	0	2
Net increase in cash and cash equivalents	564	258	-306
Cash and cash equivalents at the beginning of period	3,344	3,894	549
Increase in cash and cash equivalents from newly consolidated subsidiary	—	9	9
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	-15	—	15
Cash and cash equivalents at the end of period	3,894	4,162	268

Financial results by Segment

【Notice regarding Earnings by Segment】

- Net sales by segment include inter-segment sales or transfers.
Segment income is based on operating income.
- The segment classification was changed in Q1 FY2018. Accordingly, the figures for earnings by segment for FY2017 and before were recalculated under the new classification for the comparison.

Summary of Financial Results by Segment

- Both net sales and profit increased in Entertainment Business
- Enterprise Business achieved significant increase in sales due to the effects of active investment

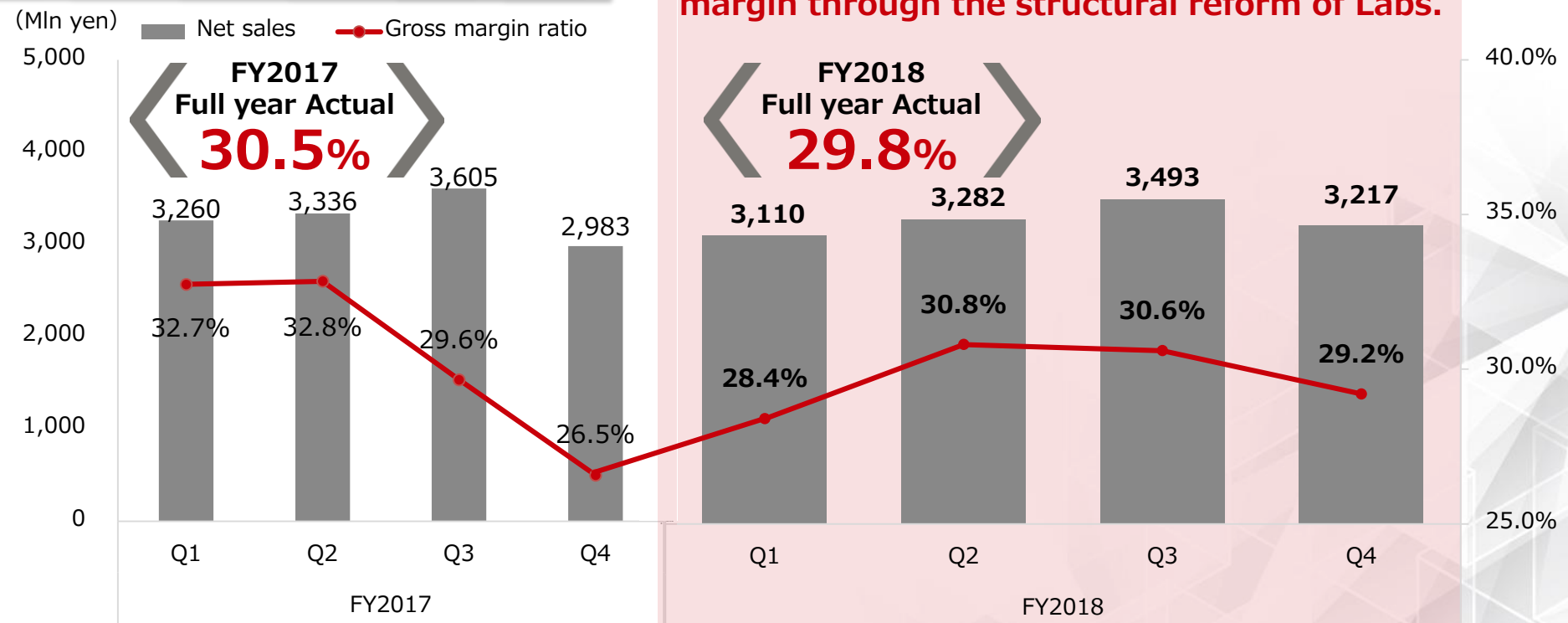
(Mln Yen)	FY2017	FY2018	YoY Change
Net sales	17,353	19,254	111.0%
Entertainment	15,568	15,951	102.5%
Enterprise	1,892	3,302	174.5%
Adjustments	-108	-0	—
Operating income	1,735	1,605	92.5%
Entertainment	2,966	3,086	104.0%
Enterprise	-14	-226	—
Adjustments	-1,215	-1,254	—
Operating income margin	10.0%	8.3%	-1.7 points

- Both net sales and profit increased even in the becoming tougher business environment
- Even AM lost sales due to the tightening of regulations, but MS made double-digit growth, and overall Debugging div. maintains the same size of sales as the previous year
- Creative div. and Media and others div. made an increasing of sales as well

(Mln Yen)	FY2017	FY2018	YoY Change
Net sales	15,568	15,951	102.5%
Debugging	13,186	13,103	99.4%
Game Console (GC)	4,174	4,156	99.6%
Mobile Solutions (MS)	7,399	8,172	110.4%
Amusement (AM)	1,612	775	48.1%
Creative	1,743	1,891	108.4%
Media and others	638	956	149.8%
Segment income	2,966	3,086	104.0%

- Sales from newly acquired Orgosoft Co., Ltd. in Korea contributed since February 2019
- As a result of Q4 three month, net sales did not reach our target and gross margin became lower than Q3
- Full-year gross margin was maintained close to the previous year's level after cost control initiatives including human resources shifts in Amusement dept.

Quarterly results of Debugging div.



■ Game Console dept. (GC)

- Same as in the previous year, kept relatively high sales as a result of receiving another orders for major game title projects

■ Mobile Solutions dept. (MS)

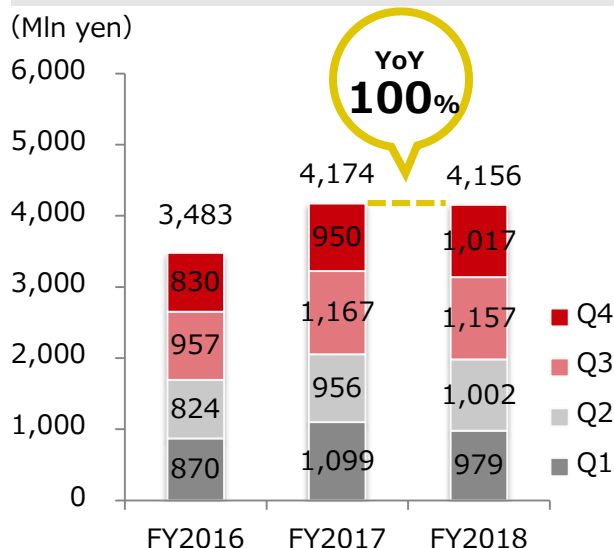
- Maintained stable growth by debugging sales for updating in the management phase of the existing game titles

■ Amusement dept. (AM)

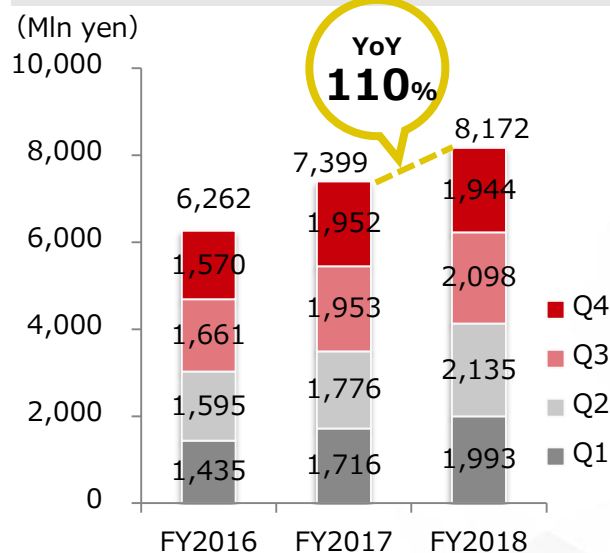
- Gradually recovering from a sudden sharp drop of the sales in Q4 of FY2017

Quarterly sales

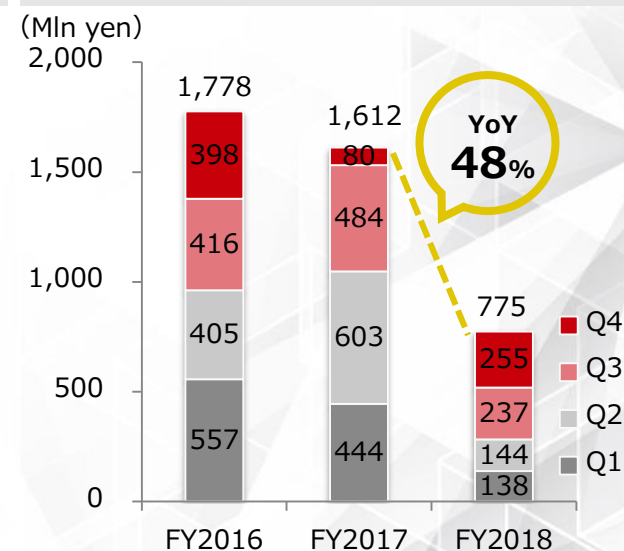
Game Console dept. (GC)



Mobile Solutions dept. (MS)



Amusement dept. (AM)





■ Creative div.

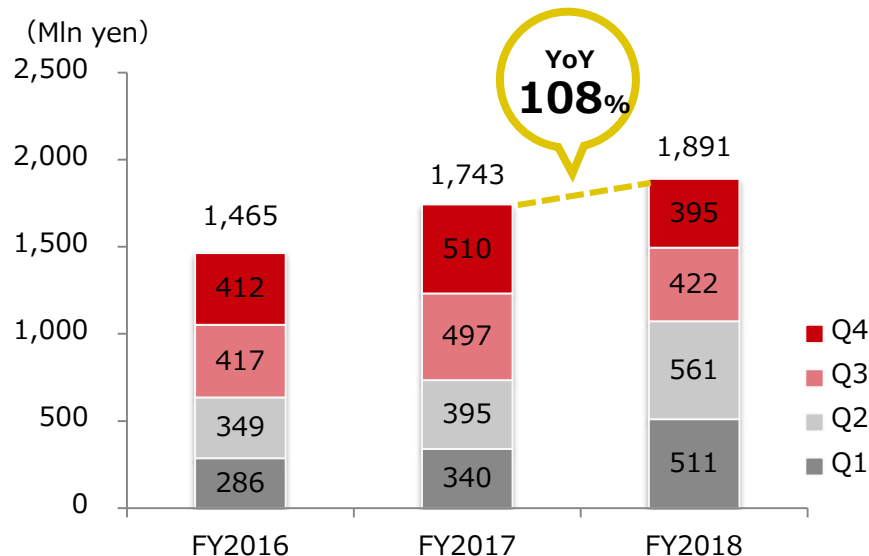
- New and existing projects in game development and 2D/3D graphic production grew

■ Media and others div.

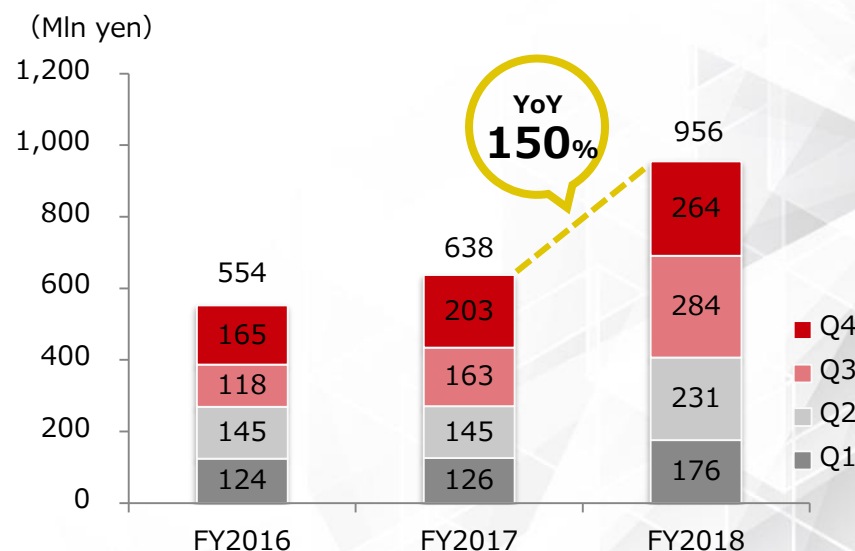
- Stable sales of advertising service of game information site, "4Gamer.net"
- Contribution of customer support service newly launched in FY2017

Quarterly sales

Creative div.





Media and others div.



- Enterprise Business sales growth of **around 1.7 times** (YoY) by increasing expert engineers and making new business alliances

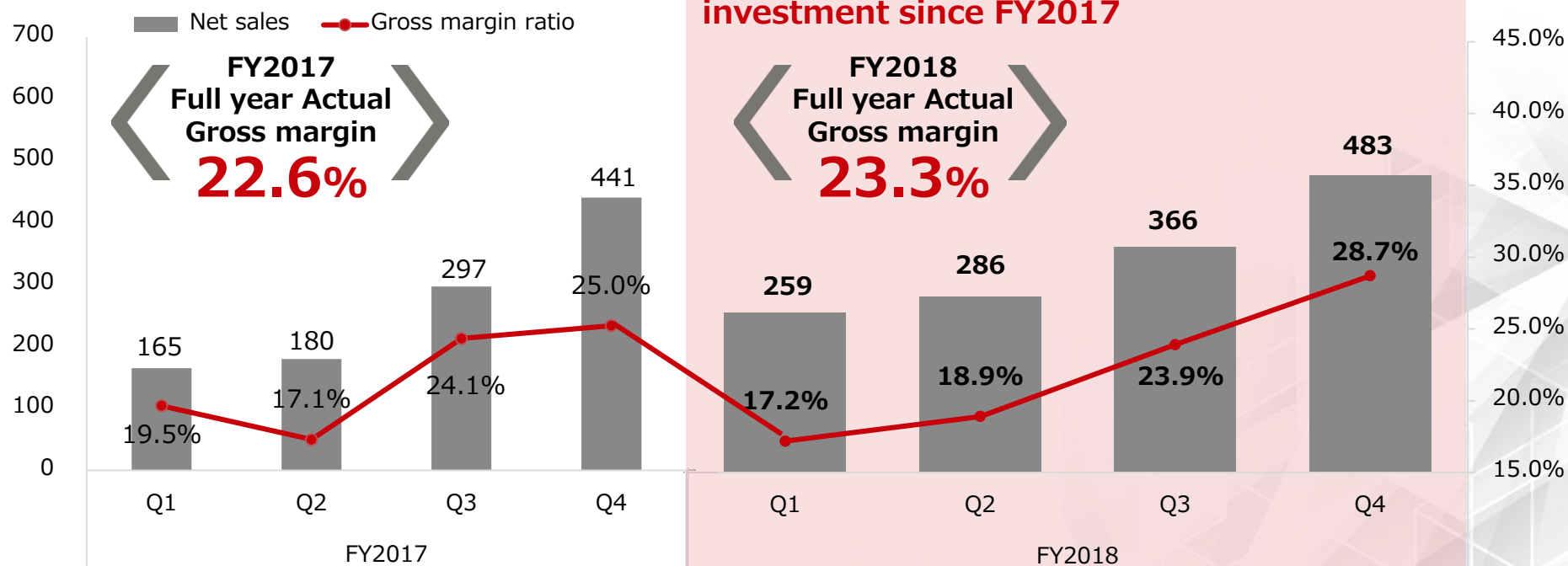
(Mln Yen)	FY2017	FY2018	YoY Change
Net sales	1,892	3,302	174.5%
System Testing	1,084	1,395	128.7%
IT service / Security	808	1,907	236.0%
Segment loss	-14	-226	—

Topics 1	M&A, etc.	Topics 2	Case examples of System Testing
<div>System Testing</div> <div>Stock acquisition of medical system testing company, ANET corporation</div> <div>- Consolidated from September, 2018</div>	<div></div>	<div><div>✓ IT : EC site, Music distribution site</div><div>✓ Finance : Net banking, Internet securities site</div><div>✓ Beverage : Beverage equipment utilizing IoT</div><div>✓ Automobile : Connected car system, Car navigation system</div><div>✓ Real estate : Internal sales support system, Property management system</div><div>✓ Medical : Network system for hospitals, Medical equipment</div></div>	
<div>IT service / Security</div> <div>Acquisition of the system development business from Keepahead Co.Ltd.</div> <div>- Consolidated from June, 2018</div>	<div></div>		

- Sales from the ANET Corporation, a newly acquired subsidiary, contributed since September 2018
- The gross margin ratio in Q4 three months better than Q3 due to higher net sales and improved capacity utilization
- The full-year gross margin ratio improved from the previous year due to a lighter fixed cost ratio by increasing of the division's sales

Quarterly results of System Testing div.

(Mln yen)



■ System Testing div.

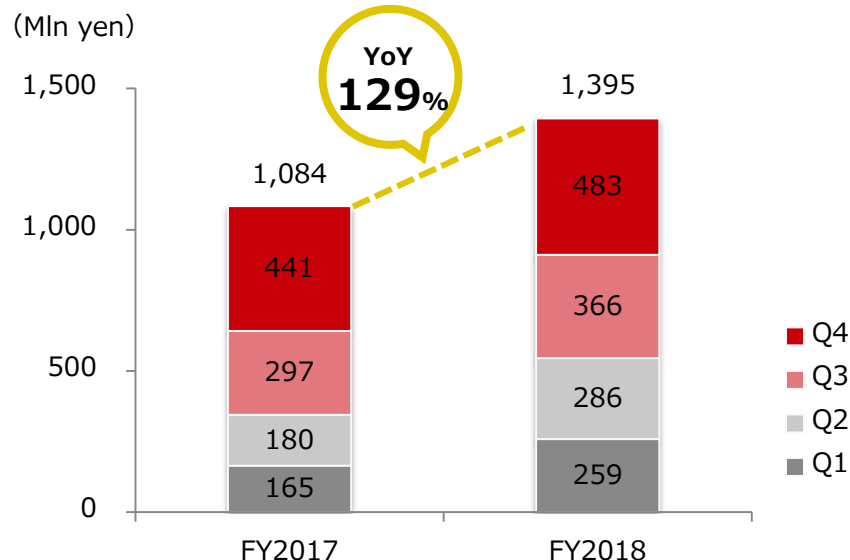
- Achieved large increase in sales by expanding transactions with existing customers and acquiring new customers

■ IT service / Security div.

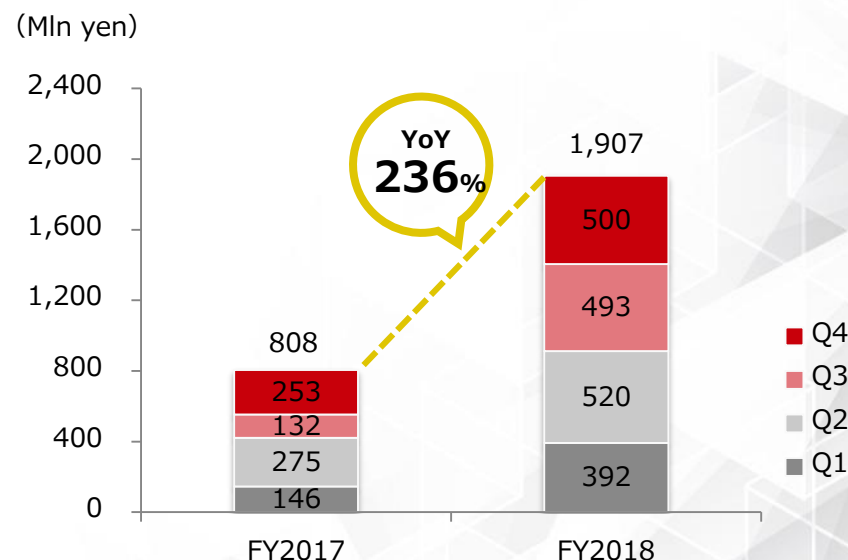
- Making strong growth in new services and developing basement for new operations such as cyber security business

Quarterly sales

System Testing div.



IT service / Security div.



Consolidated Financial Forecast

(for the Fiscal Year Ended March 31, 2020)

Aim for record-high net sales in pursuit of further growth

(Mln Yen)	Full year FY2018 (Actual)	Full year FY2019 (Forecast)	YoY Change
Net sales	19,254	23,000	119.5%
Entertainment	15,951	17,450	109.4%
Enterprise	3,302	5,550	168.0%
Operating income	1,605	1,800	112.1%
Operating income margin	8.3%	7.8%	-0.5 points
Ordinary income	1,651	1,830	110.8%
Profit attributable to owners of parent	1,575	1,250	79.3%

Net sales

- Entertainment Business: High growth will be achieved, mainly through the expansion of the market shares of Mobile Solutions dept. of Debugging div.
- Enterprise Business: Projects will be acquired by improvement of the capacity and promotion of test automation

Profit

- Continue to have active prior investments mainly focusing on expert engineer
- Except the impact of extraordinary gain in FY2018, net profit will increase in FY2019 as a actual business base

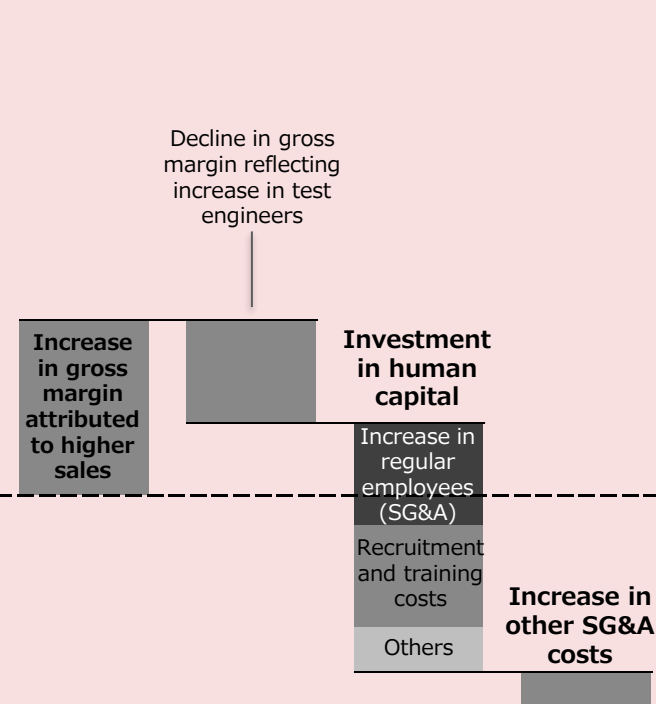
Continuing active investments in 1H,
expecting profit growth in 2H and thereafter

1H FY2019

Compared to 2H FY2018 results

Higher sales but lower profit

- Gross margin ratio expected to be 27.0%
- Investment in human capital planned to be increased by around 350 million yen in 1H FY2019

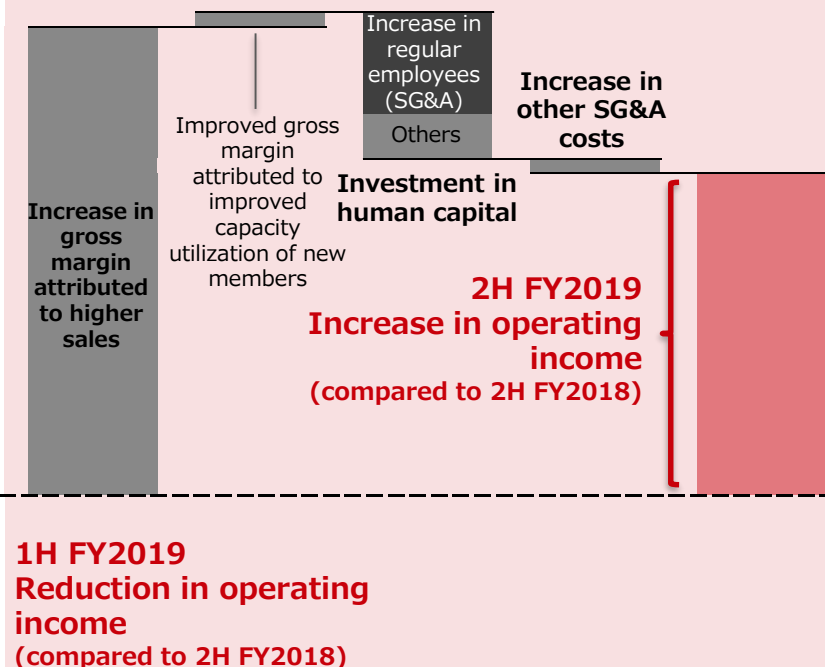


2H FY2019

Compared to 2H FY2018 results

Higher sales and profit

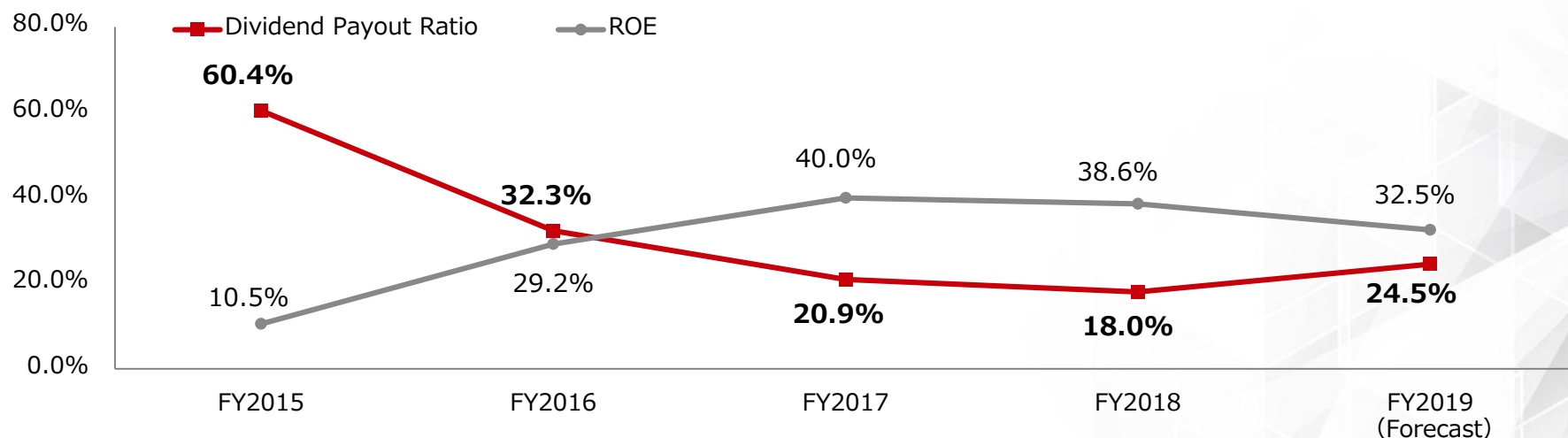
- Gross margin ratio expected to be 28.6%
- Investment in human capital planned to be increased by around 200 million yen in 2H FY2019



The dividend policy has been changed from DOE of 7% to a dividend payout ratio of 20%

The total dividend for FY2019 is expected to be ¥14.0, **up ¥1.0** from FY2018

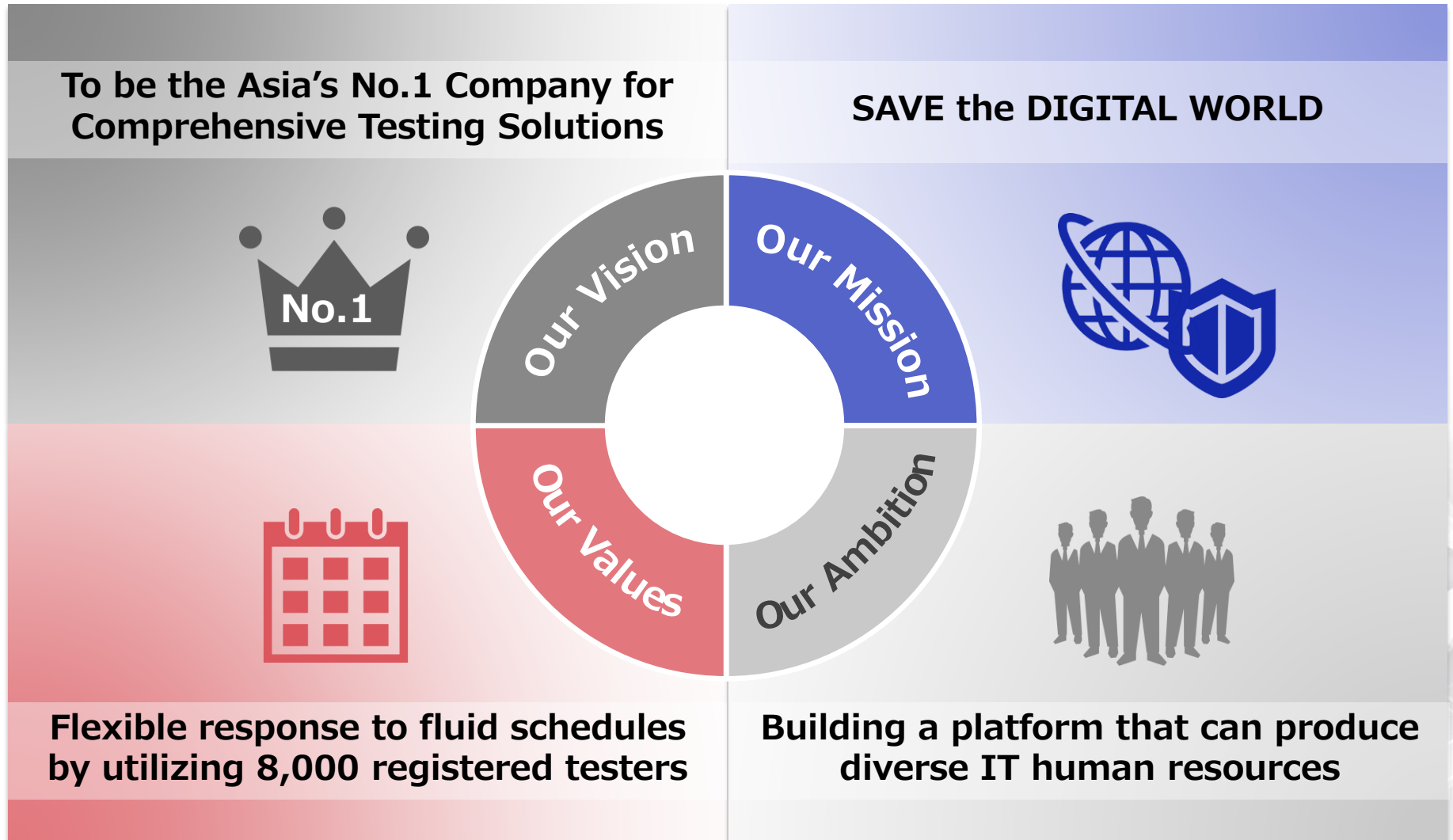
	FY2015	FY2016	FY2017	FY2018	FY2019 (Forecast)
Annual dividends	9.5 yen	11.5 yen	11.5 yen	13.0 yen	14.0 yen
(Interim dividends)	4.5 yen	5.5 yen	5.5 yen	6.5 yen	7.0 yen
(Year-end dividends)	5.0 yen	6.0 yen	6.0 yen	6.5 yen	7.0 yen



※1 As the company conducted a 2-for-1 common stock split, effective on October 1, 2016, dividends before the interim dividends for FY2016 are accordingly adjusted retroactively to reflect the share splits impact.

※2 "Notice Regarding Revision of Shareholder Return Policy and Abolition of Shareholder Benefit Program" was disclosed on May 10, 2019. Details are available on page 46 of this document.

The growth strategy



Both the entertainment and enterprise fields are growth markets, with expanded business opportunities for DIGITAL HEARTS

Entry of new players into the game industry



Growth of the global game market

CAGR 9.3%

* 2018-2021 market growth rate
Source: Newzoo "Global Games Market Report 2018"

Increase in cloud games

CAGR 27.2%

* 2018-2026 market growth rate
Source: Zion Market Research "Cloud Gaming Market by Cloud Type, by Streaming Type, and by Device: Global Industry Perspective, Comprehensive Analysis, and Forecast, 2018-2026"

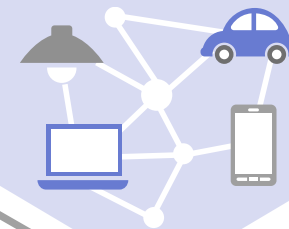
5G

next-generation communication

	4G	5G
High speed and large capacity	1Gb/sec	20Gb/sec
Multiple simultaneous connections	100,000 units/1 km ²	1 million units/1 km ²
Low latency	10 milli-sec	1 milli-sec

*Source: Weekly Diamond, March 23, 2019

Progress of IoT



Shortage of IT human resources

(number of people)

2030


Approx.

790 thousand

Source: Ministry of Economy, Trade and Industry, Findings of METI's Study of Recent Trends and Future Estimates Concerning IT Human Resources

Increased risk of cyber attacks





Strengthening existing businesses

Entertainment Business as the mainstay business

- ✓ Enhance customer engagement by providing a range of global services, including game development support and translation and localization, additionally on top of our core debugging services
- ✓ Aim to make better service quality and higher profitability through continuous business improvement



Developing new businesses

Enterprise Business positioned as our focus

- ✓ Build a strong business foundation to capture big demand of test process outsourcing which is expected to grow at an accelerated rate
- ✓ Create new businesses with a high affinity with system testing, including IT services and security

- Entertainment Business -

Promotion of service enhancement and structural reform of test centers (Labs)

Global services

Improved the capacity to receive orders by increasing the number of testers who can undertake translation, localization, etc.

Number of registered foreign testers **269**
(As of April 1, 2019)

New services

Reinforced the system for providing **comprehensive support for game development** by enhancing services peripheral to our core debugging biz, including customer support and the production of books for video game.

Training programs

Enhanced training programs for improving the productivity and service quality of Labs, including **professional skill training** on debugging and **management skill training** for Lab managers.

Overseas business

The subsidiary in China **moved into the black** by improvement of its operation. Acquired **Orgosoft Co., Ltd.**, game debugging and localization services provider in Korea, as our subsidiary.

Establish new Labs

Established **3 new Labs** as test centers for securing and developing testing human resources.

Renew IT system

Started developing a **talent management system** that visualizes testers' skills, preferences, and other elements. (Official launch planned for autumn of 2019)

Achievements

- ✓ The mainstay debugging service maintained a gross margin of around 30%, even under the circumstances with the minimum wage rising in Japan
- ✓ Net sales of global services increased by **around 2.5 times** from FY2016 to FY2018

- Enterprise Business -

Active prior investment for human capital and technology

JSTQB* qualifications

Establishment of new internal training programs

Being Japan's leading company in terms of the number of

people with JSTQB qualifications

Foundation Level **333**

Advanced Level **27**

* JSTQB: Qualifications for software testing engineers in Japan
Total number of qualified people in the overall Group as of May 10, 2019

M&A and others

Acceleration of M&A for securing expert engineers and acquiring knowledge and expertise

Number of expert engineers obtained through M&A, etc. **36**

New base opened in Vietnam

A joint venture with the GNT Group established in Vietnam for securing and developing expert engineers

Number of additional expert engineers in Vietnam **11**

Developing security engineers

Launch of an internal training program for developing security experts from game testers

Number of candidates to become security experts **28**

Launch of test engineer training

Developing game testers into test engineers by using the training program of VALTES CO., LTD.

Number of candidates to become test engineers **13**

Achievements

- ✓ The number of orders received exceeded our capacity, assuring us of the demand for outsourced system testing services
- ✓ Focus on **shifting testers** working actively in the entertainment field to the enterprise field



1. Structural reform of Labs

2. Enhance and strengthen services for game makers

3. Strengthen overseas business

Structural reform of Labs

Improve Labs' productivity, reform their profit structure, and increase the number of human resources who can work in the enterprise field

Reform of profit structure

(Now)

Regular and contract employees who work 8 hours per day and 5 days per week and part-time staff members, including debugging experts or project managers

Part-time staff who work 2 or 3 days per week, in charge of testing



(Ideal state)

Developing into human resources actively working in the enterprise field as **test engineers**

Building a system that enables **high service quality** to be maintained even after the shift of human resources



Cut fixed costs comprehensively

- ✓ Strengthen the cost controlling function by providing regular management training to Lab managers
- ✓ Focus efforts on increasing testers' skill levels



Renew core IT system

- ✓ Official launch of the talent management system
- ✓ Optimize Lab operation by visualizing testers' skills and operational status

Enhance and strengthen services for game makers

Support game development comprehensively by providing diverse services



Game development



2D/3D CG content development



Translation and localization



Debugging



Production of video game strategy books



Operation of a game information WEB site



Customer support

Development

Quality assurance

Operation

Strengthen overseas business

Focus efforts on acquiring overseas game makers as new customers, with the leading role played by subsidiaries in China and Korea

Number of overseas game makers (clients)

(FY2017)

45



(FY2018)

67



(FY2019 target)

80 or more

- 1. Reinforce infrastructure of system testing service**
- 2. Strengthen system development structure**
- 3. Full-scale provision of security services**

Reinforce infrastructure of system testing service

Strive to achieve significant growth by continuing to make active investments in human capital and by taking steps to improve the added value of services



Human capital improvement

- ✓ Redefine engineer types based on skill sets and continue active investments in human capital
- ✓ Recruitment, training, and M&A. Focusing efforts particularly on the development of game testers

Redefine the disclosed number of engineers

Target number of test engineers

FY2018 and before

"Expert engineers": Total number of engineers

End of FY2018

End of FY2019

FY2019 and after

Divide previous "Expert engineers" further into three different types:
Test engineers, system engineers, and infrastructure engineers

89



150



Promote test automation

- ✓ Promote a test automation project with the leading role played by the CTO
- ✓ Focus efforts on developing test automation engineers



Improve capacity for receiving orders

- ✓ Establish an Integrated Control Center to strengthen the management of test engineers' operational status and the progress of projects. Build a structure to avoid opportunity losses

Strengthen system development structure

Maximize profit opportunities by receiving orders for overall development processes from upstream processes to system testing



More M&A and alliances

- ✓ More M&A and alliances to increase the number of system engineers



More offshore bases

- ✓ Increase our offshore bases to increase system engineers and strengthen cost control

(Reference) Our services

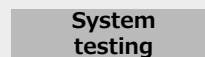
■ System development service



System development support by more than 50 system engineers

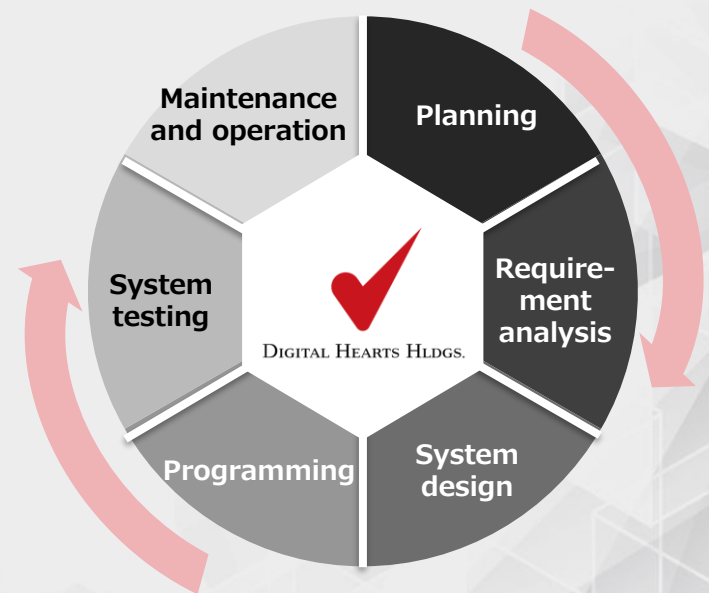
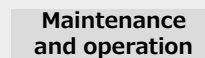
■ System testing service

Efficient, accurate testing by experts



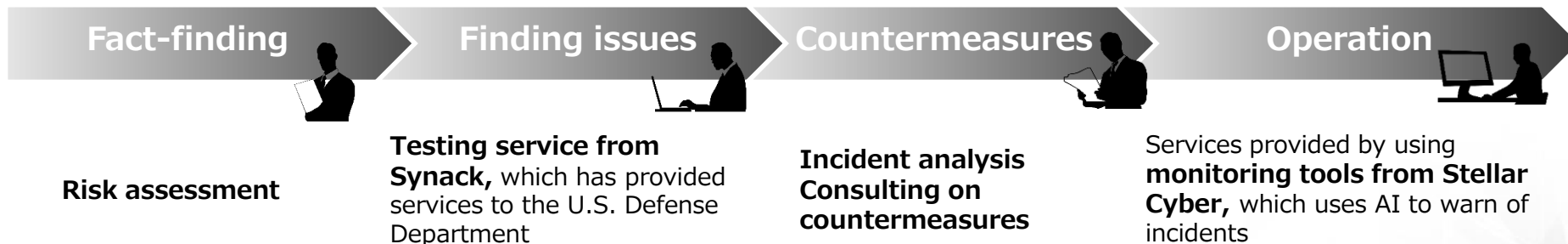
■ IT service

A wide range of services including the provision of support for information system department



Full-scale provision of security services

Received orders from some companies of a major telecommunications service group and a tourism service group and others.
Expand business further, building on the strength of our experts in security testing and monitoring.



Sales team

Key person

A leader with extensive management experience

at Japanese subsidiaries of U.S cyber security companies etc.

Testing team

Key person

Leading white hacker in Japan

with experience of managing test projects for public offices, etc.

DH-SOC team

Key person

A monitoring business expert

who has experiences appointed by major security makers

DIGITAL HEARTS Cyber Boot Camp

Developing security experts by selecting candidates from among around 8,000 registered testers, including game lovers



Aim to develop game testers into security experts



White hackers

Developing white hackers with the highest level of knowledge, skills, and achievements in the industry

OJT

Practical training for mastering the world's most advanced white hacker skills



Security professionals

Developing security professionals with the capacity to undertake security monitoring, incident analysis, and similar tasks on their own

OJT

Acquiring knowledge through practice by participating in projects under the supervision of security experts

**DIGITAL HEARTS
Cyber Boot Camp**

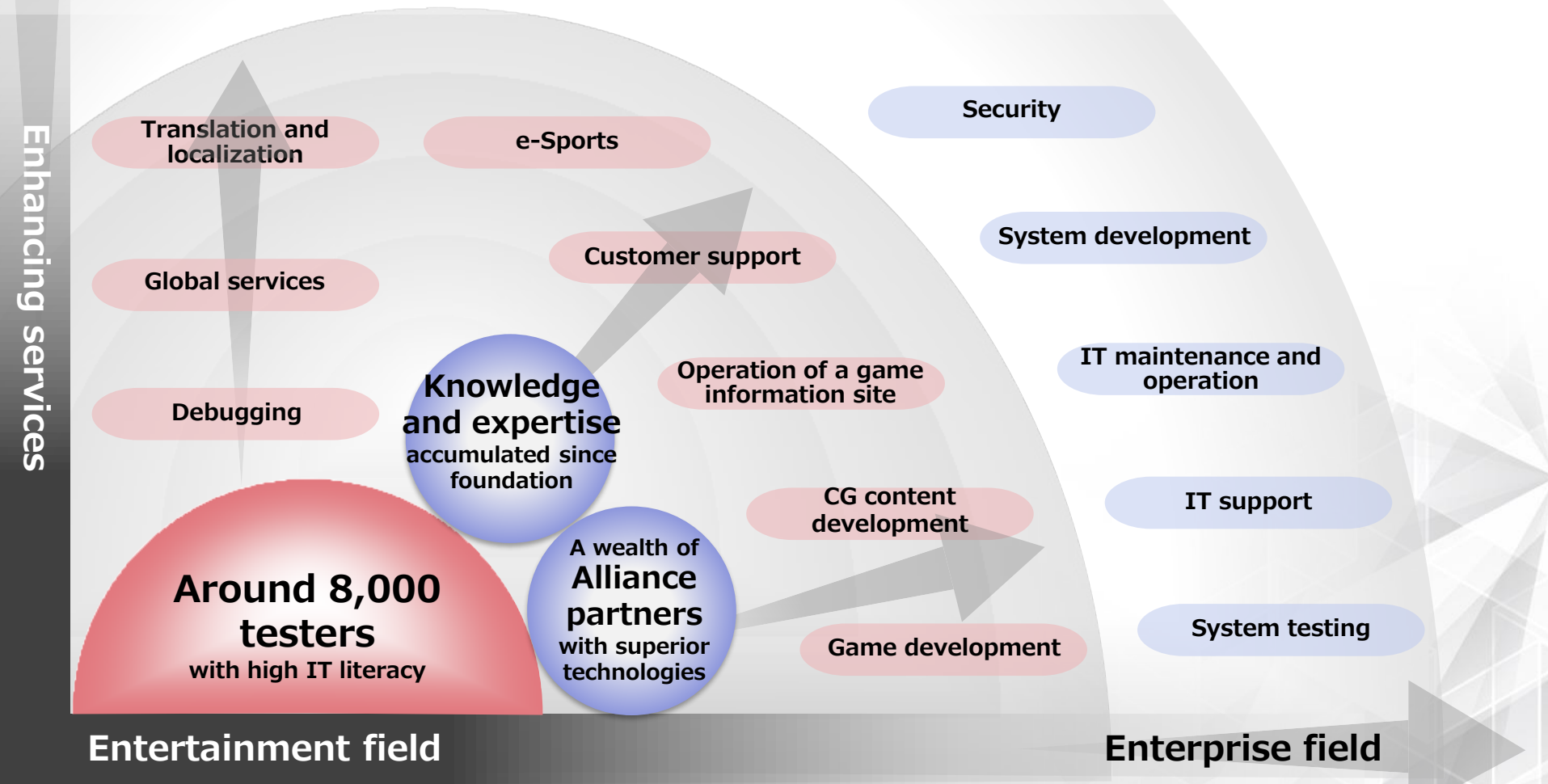
Provided only to employees who have passed an internal exam on basic knowledge. Knowledge of networks, methods of attack, etc. is acquired mainly through a 2-week lecture course.



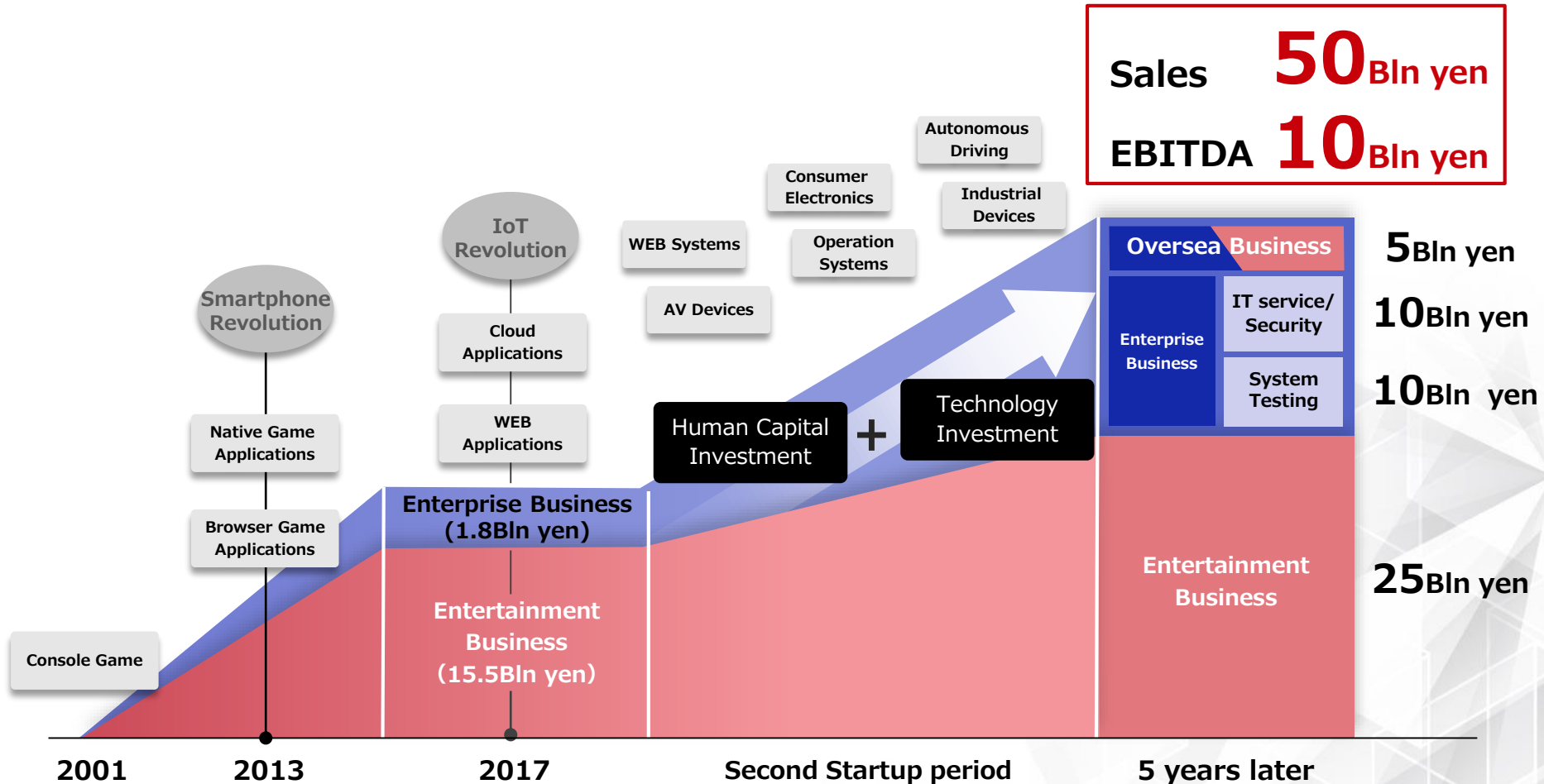
Talent Management System

Database containing the job history, skills, preferences, and other information of around 8,000 registered testers

Provide a wide range of services to diverse clients by combining **human capital** as around 8,000 testers with the **technologies** of the Group



To be the Asia's No.1 Company for Comprehensive Testing Solutions



Appendix

Why You Should Invest in DIGITAL HEARTS



Employment creation
for more than
8,000 testers



Ratio of
external officers of
44.4%



One of the few
testing focusing companies
in Japan



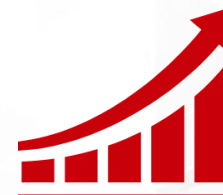
Business that supports
Digital security



Foreign staff
members of more
than
20 nationalities



High market growth rate* with
CAGR at **27.5%**

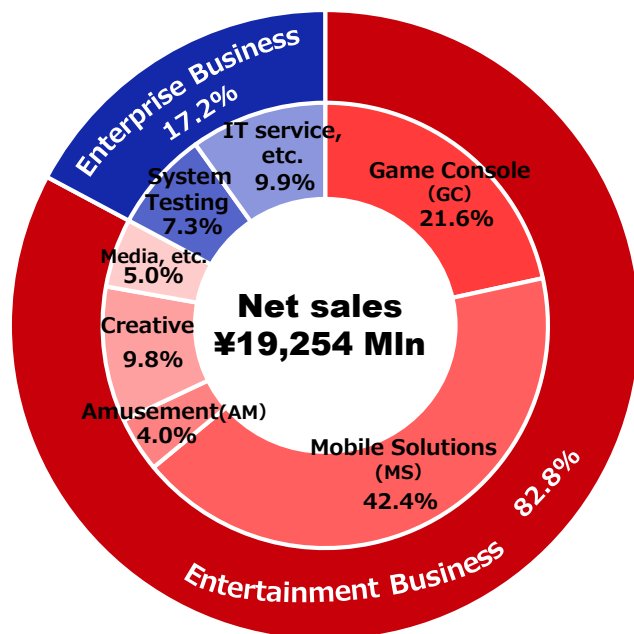


(As of March 31, 2019)

*Data on the growth rate of the market of outsourced software testing services for 2017 to 2021, prepared by DIGITAL HEARTS in reference to a range of data.

(References)Websites related to Global Pure Play Software Testing Services Market 2017-2021 and Global Software Testing Market 2017-2021

Debugging and System testing are our core business



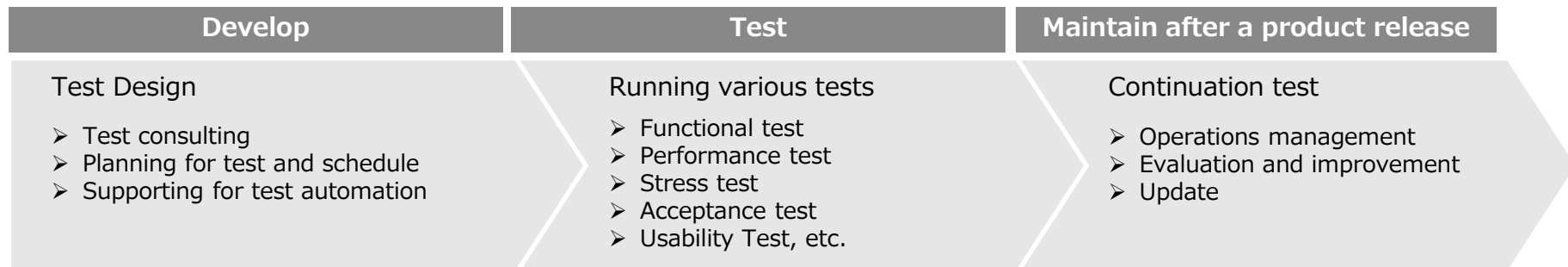
Sales breakdown by segment (FY2018)

※Sales of each segment and unit include inter-company sales and/or transfers.

Entertainment Business	Debugging 68.0%	21.6%	Game Console (GC) Debugging for console games, online games, and arcade games
		42.4%	Mobile Solutions (MS) Debugging for mobile games
		4.0%	Amusement (AM) Debugging for pachinko/slot machines
		9.8%	Game development and CG content development
	Media and others	5.0%	Managing one of Japan's largest game information site "4Gamer.net", customer support, etc.
Enterprise Business	System Testing	7.3%	Testing for enterprise system and Automobile driving test
	IT service / Security	9.9%	System development, IT support, Customer support, Security, etc.

Outline of Debugging and System Testing

Our Services



Outline of Services

Service	Description	Main client	Barriers to entry	Outsourced Projects Ratio
Debugging	Detection of bugs in games from a player's perspective.	– Game makers	High <ul style="list-style-type: none"> ↑ A license for purchasing dedicated equipment for debugging is required. ↑ Knowledge and expertise on human resource management to accommodate changeable development schedules are required. 	High
System Testing	Detection of bugs in enterprise systems from a test-engineers' knowledge.	– SIers – Development vendors – Core system enterprises	Middle <ul style="list-style-type: none"> ↑ Human resource shortage in IT Industry 	Low

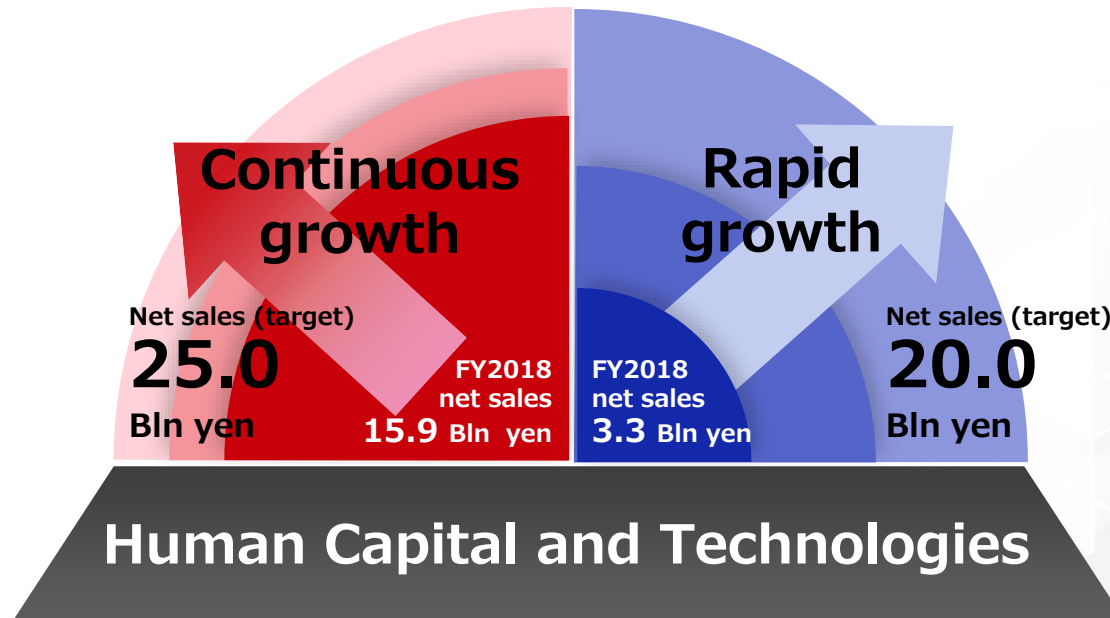
Pursue the growth of the mainstay Entertainment Business and make the Enterprise Business another primary source of revenue

Entertainment Business

- The game market is growing steadily
- ◆ Strengthen collaboration within the Group to provide comprehensive support for game development, including not only debugging but also the development of outsourced services and localization
- ◆ Continue expanding the business, targeting net sales of 25.0 billion yen

Enterprise Business

- The outsourcing of test processes is accelerated, due in part to the serious human resources shortage in the IT industry
- ◆ Accelerate investment in human capital and technologies for business expansion
- ◆ Position this field as the growth driver and aim for net sales of 20.0 billion yen



Major risks

Countermeasures

1. Leakage of confidential information

- Prohibiting staff members from bringing personal items into the test room
- Physical security measures including access control with fingerprint authentication and the installation of security cameras
- Introduction of a personal reference system that applies to all registered testers

2. Obsolescence of existing services by technological innovation

- Focusing on the application of the latest technologies, including a test automation project
- Focusing on the development of new services to improve added value

3. Reduction of productive population in Japan

- Developing internal training programs that will enable the active participation of members with diverse generational, racial, and other backgrounds
- Securing human resources strategically by using overseas offices as well

4. Expansion of corporate acquisition and new businesses

- In-depth market research and due diligence
- Reducing risks by building a system for appropriate business management after acquisition

(Mln yen)			FY2014	FY2015	FY2016	FY2017	FY2018		
Entertainment Business		Net sales	11,609	12,696	13,544	15,568	15,951		
		Segment income	1,915	2,379	2,453	2,966	3,086		
		Debugging	Net sales	9,430	10,455	11,524	13,186	13,103	
			Game Console (GC)	Net sales	3,604	3,449	3,483	4,174	4,156
			Mobile Solutions (MS)	Net sales	3,554	4,994	6,262	7,399	8,172
			Amusement (AM)	Net sales	2,272	2,012	1,778	1,612	775
		Creative	Net sales	1,675	1,729	1,465	1,743	1,891	
		Media and others	Net sales	504	512	554	638	956	
Enterprise Business		Net sales	1,713	2,382	1,952	1,892	3,302		
		Segment income	50	71	203	-14	-226		
		System Testing	Net sales	380	681	758	1,084	1,395	
		IT service / Security	Net sales	1,333	1,701	1,193	808	1,907	
	Inter-segments adjustments	Net sales	-39	-70	-52	-108	-0		
		Segment income	-447	-486	-750	-1,215	-1,254		
	Consolidated total	Net sales	13,285	15,011	15,444	17,353	19,254		
		Operating income	1,517	1,963	1,906	1,735	1,605		

Review of shareholder return policy

Actively invest in medium- and long-term growth as the second startup period. Change the shareholder return policy for this purpose in consideration of the balance between internal reserves and shareholder returns.

■ FY2018 or before:

Paid stable dividends in accordance with the consolidated business results, **with DOE of 7% as a guide**. Also provided **shareholder benefits** to shareholders who held our shares as of March 31 every year.



■ FY2019 and after:

Pay stable dividends in accordance with the consolidated business results, **with the lower limit of the dividend payout ratio at 20%**. **Abolish the shareholder benefit plan** from the viewpoint of shareholder equity.

Shareholder returns in FY2019

	Interim dividends	Year-end dividends	Annual total dividends	Shareholder benefits
				(Holders of one or more units of shares) Rice gift cards (3 kg) (Holders of two or more units of shares) Rice gift cards (6 kg)
FY2018	6.5 yen	6.5 yen	13.0 yen	
FY2019 (forecast)	7.0 yen	7.0 yen	14.0 yen	Up 1.0 yen

* We will acquire treasury shares flexibly by considering the necessity in light of our capital policy, the impact on our financial strength, and other factors, after securing funds for investment in growth.



Company Name

DIGITAL HEARTS HOLDINGS Co., Ltd.

Capitalization

¥300,686,000

Location

3-20-2 Nishi-Shinjuku, Shinjuku-ku,
Tokyo

Shares Issued

23,890,800 Shares

Incorporated

October 1, 2013

Fiscal year end

March 31

Representative

President and CEO, Genichi Tamatsuka

Number of Employees

862(Consolidated)

Stock Exchange

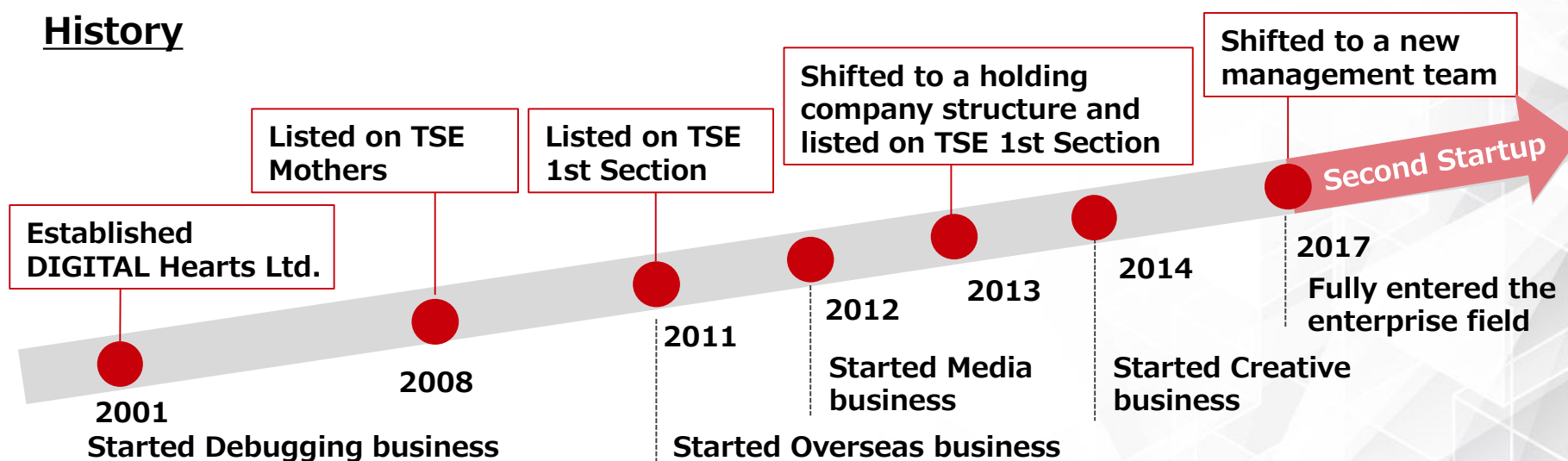
Tokyo Stock Exchange The 1st Section
(code : 3676)

Group Companies

Domestic:6
Overseas:4

(As of March 31, 2019)

History



(As of March 31, 2019)

DIGITAL HEARTS Co., Ltd.

Entertainment Business

Enterprise Business

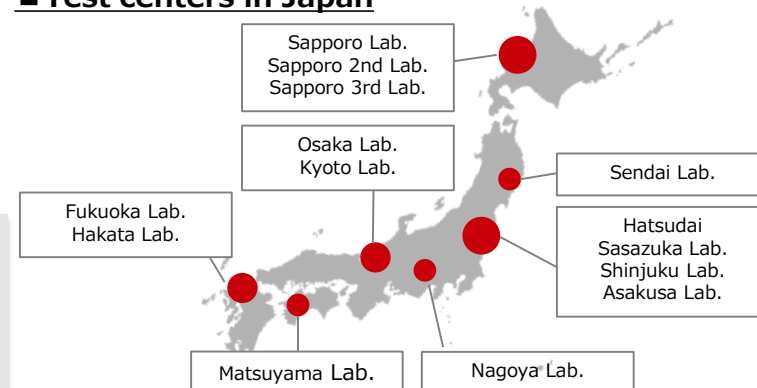


Business Activities : Game debugging, Localization, System testing, System development, Security, etc.

[Strengths]

- **Over 8,000** registered testers
- **Over 1.5 million** bug data
- **14** test centers (Lab.)
- **Over 4,000** equipment for testing

■ Test centers in Japan



DIGITAL HEARTS USA Inc.

Entertainment Business



Business Activities : Localization, etc.

DIGITAL HEARTS (Shanghai) Co., Ltd.

Entertainment Business



Business Activities : Game debugging, Localization, etc.

Orgosoft Co., Ltd.

Entertainment Business



Business Activities : Game debugging, Localization, etc.

ANET Corporation

Enterprise Business



Business Activities : System testing, System development, etc.

DIGITAL HEARTS GNT VIET NAM COMPANY LIMITED

Enterprise Business



Business Activities : System testing, etc.

FLAME Hearts Co., Ltd.

Entertainment Business



Business Activities : Game development and CG content development

Aetas, Inc.

Entertainment Business



Business Activities : Operation of a game information site, "4Gamer.net", etc.

DIGITAL HEARTS NETWORKS Co., Ltd.

Enterprise Business



Business Activities : Internet communication related business, Security, etc.

ZEG Inc.

(Affiliated company)

Enterprise Business



Business Activities : Driving test and data collection for the automotive industry



DIGITAL HEARTS HLDGS.

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