DIGITAL HEARTS HOLDINGS Co., Ltd.

Briefing of Results for the Second Quarter of Fiscal Year Ending March 31, 2026

November 7, 2025

[Speakers]

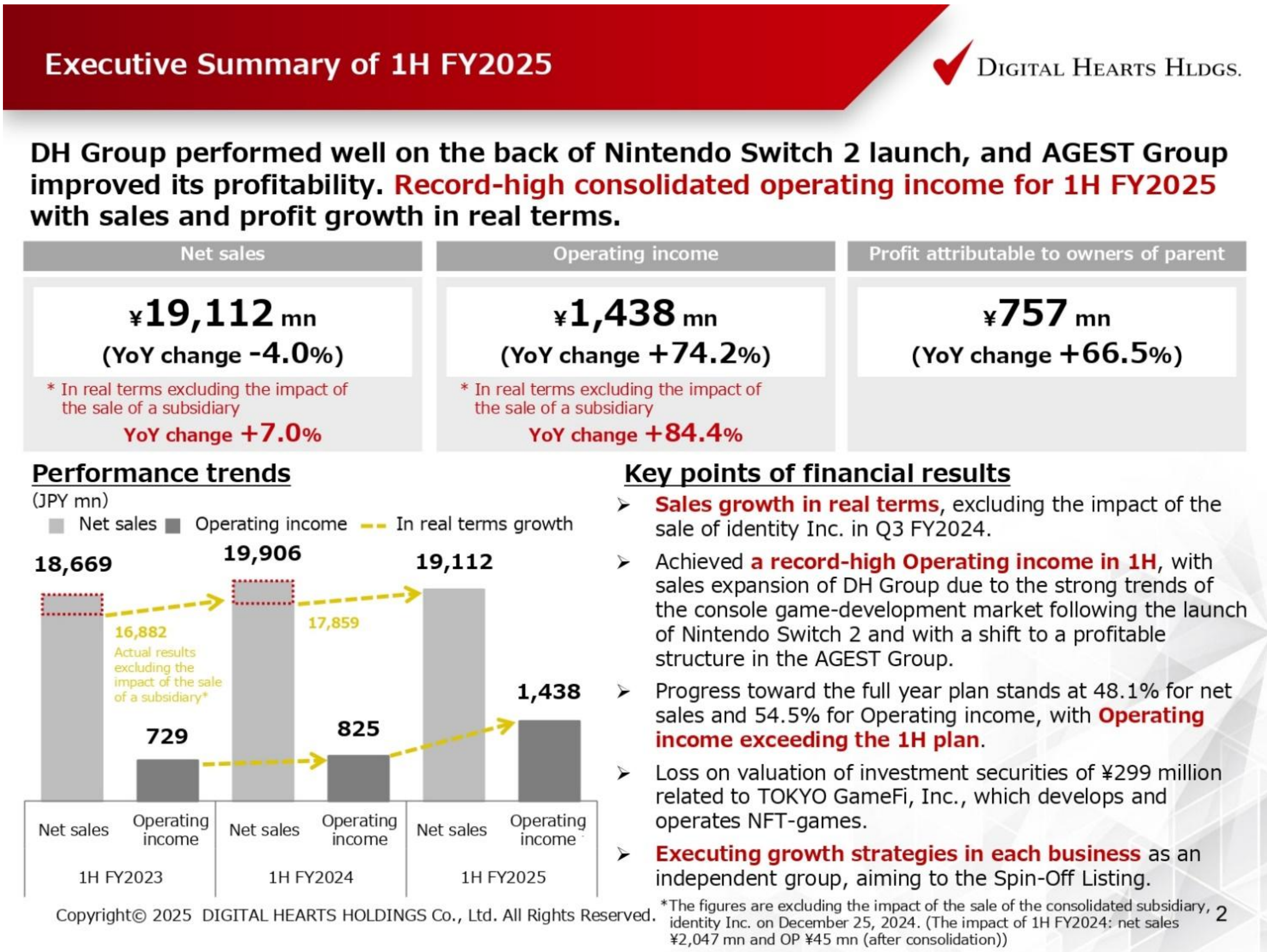
DIGITAL HEARTS HOLDINGS Co., Ltd.

Toshiya Tsukushi	Representative Director, President and CEO
Hideto Itami	Executive Officer and CFO, General Manager of IR and PR Department

AGEST, Inc. (One of main subsidiary)

Yasumasa Ninomiya	Representative Director, President and CEO

Presentation



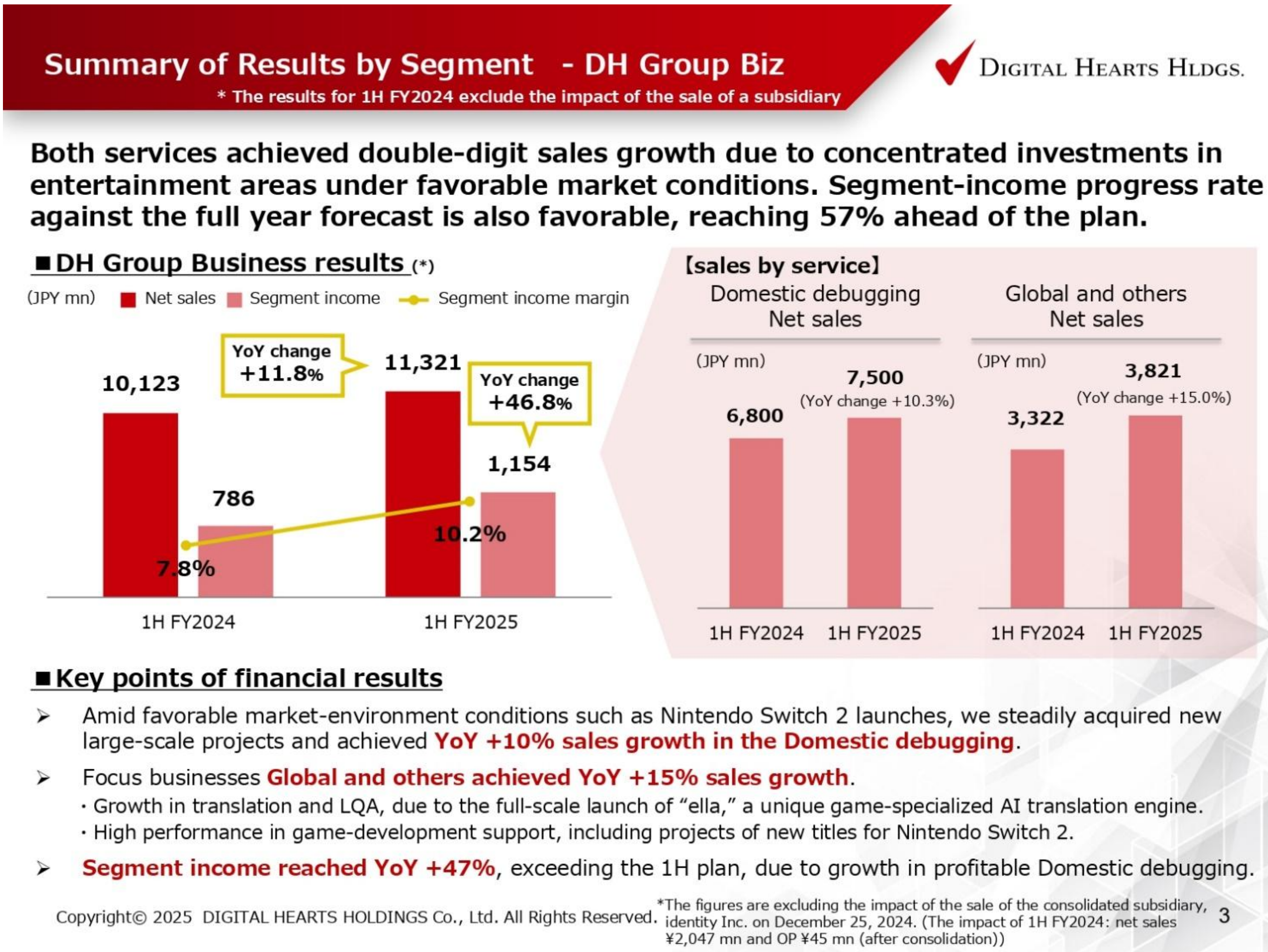
Itami: I, Itami, will now give an overview of the financial results.

This is the executive summary for Q2 of FY 3/2026. In 1H of the fiscal year, the DH Group enjoyed strong growth on the back of the launch of Nintendo Switch 2, and the AGEST Group also achieved a significant improvement in profitability compared to last year.

As a result, the consolidated financial results achieved a double-digit increase in both revenue and profit in real terms, with a record-high operating income for 1H. Specifically, net sales were JPY19.1 billion, a 4% decrease YoY, and a 7% increase YoY in real terms, excluding the impact of the sale of a subsidiary last year.

Operating income was JPY1.4 billion, up 74% YoY. Excluding the impact of the sale of a subsidiary, the ratio was a positive 84%. Each of these shows progress. As a result, the Company is making progress toward its full-year plan, with 48% of sales and 54% of operating income above the plan.

Profit recorded JPY757 million, up 66% YoY. This includes a loss on valuation of investment securities of approximately JPY300 million in TOKYO GameFi, Inc., which develops and operates NFT games, at the end of 1H, September 30, 2025.

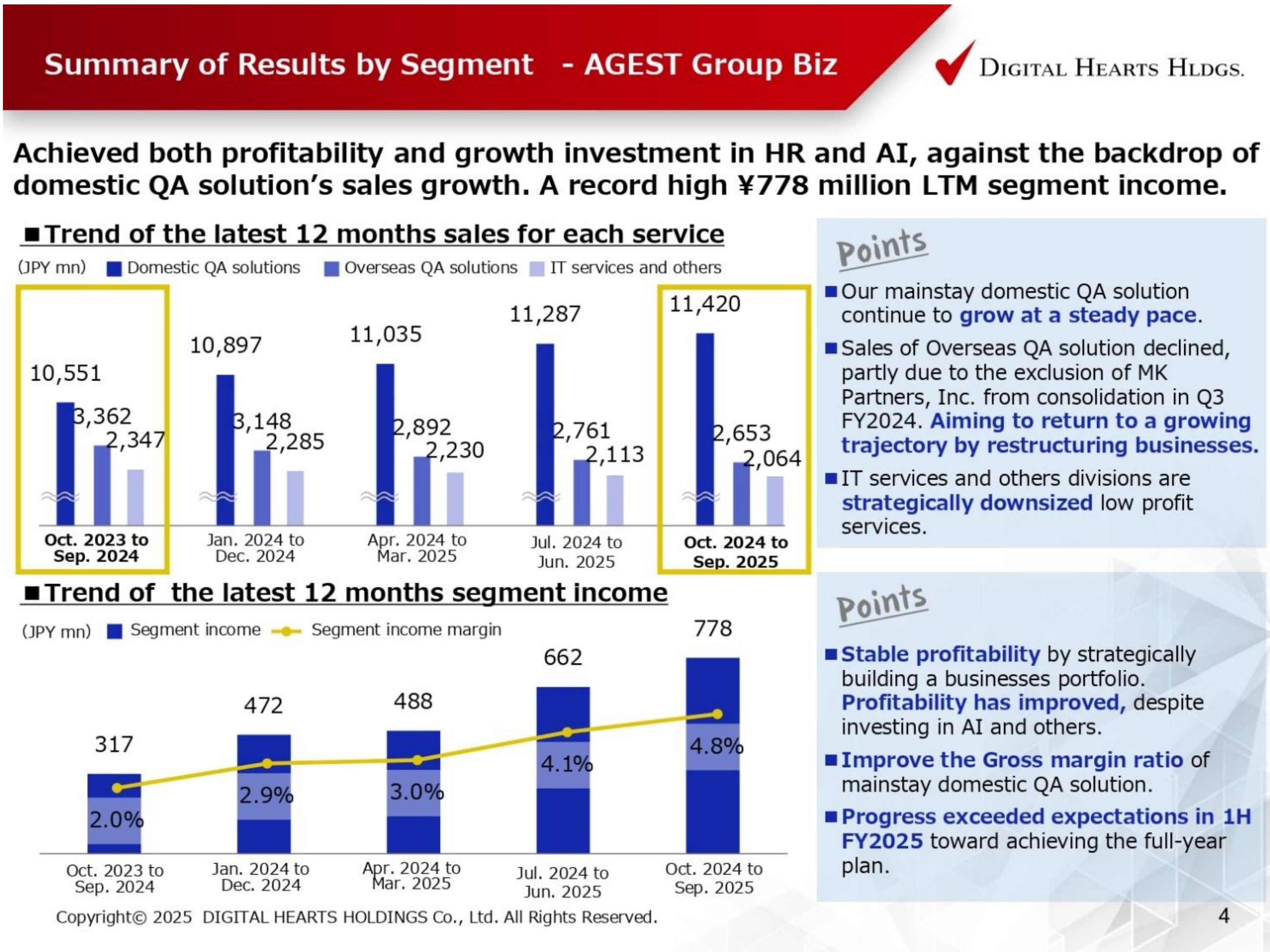


We will then look at each segment.

First is DH Group. Both sales and income are based in real terms, excluding the impact of the sale of the subsidiary last year, which I mentioned earlier.

First of all, in terms of sales, we achieved a double-digit increase in debugging sales, up 10% YoY, thanks to the steady acquisition of large projects amid the favorable market environment, such as the launch of Nintendo Switch 2. Meanwhile, in the global and others, where growth is expected, translation, localization, and LQA are growing due to the full-scale development of “ella,” a game-specialized AI translation engine. In addition, the game-development support business continued to enjoy high performance. As a result, revenue for the Global and others as a whole increased by 15% YoY.

As a result, segment income increased by approximately 50% in real terms compared to the previous year, due in part to the growth of the highly profitable domestic debugging business. DH Group expects to continue to perform well from 1H to 2H, as the game industry is expected to experience a considerable tailwind in the midst of a favorable business climate.



Next will be the AGEST Group.

These graphs show sales and segment profit in the form of a 12-month moving total.

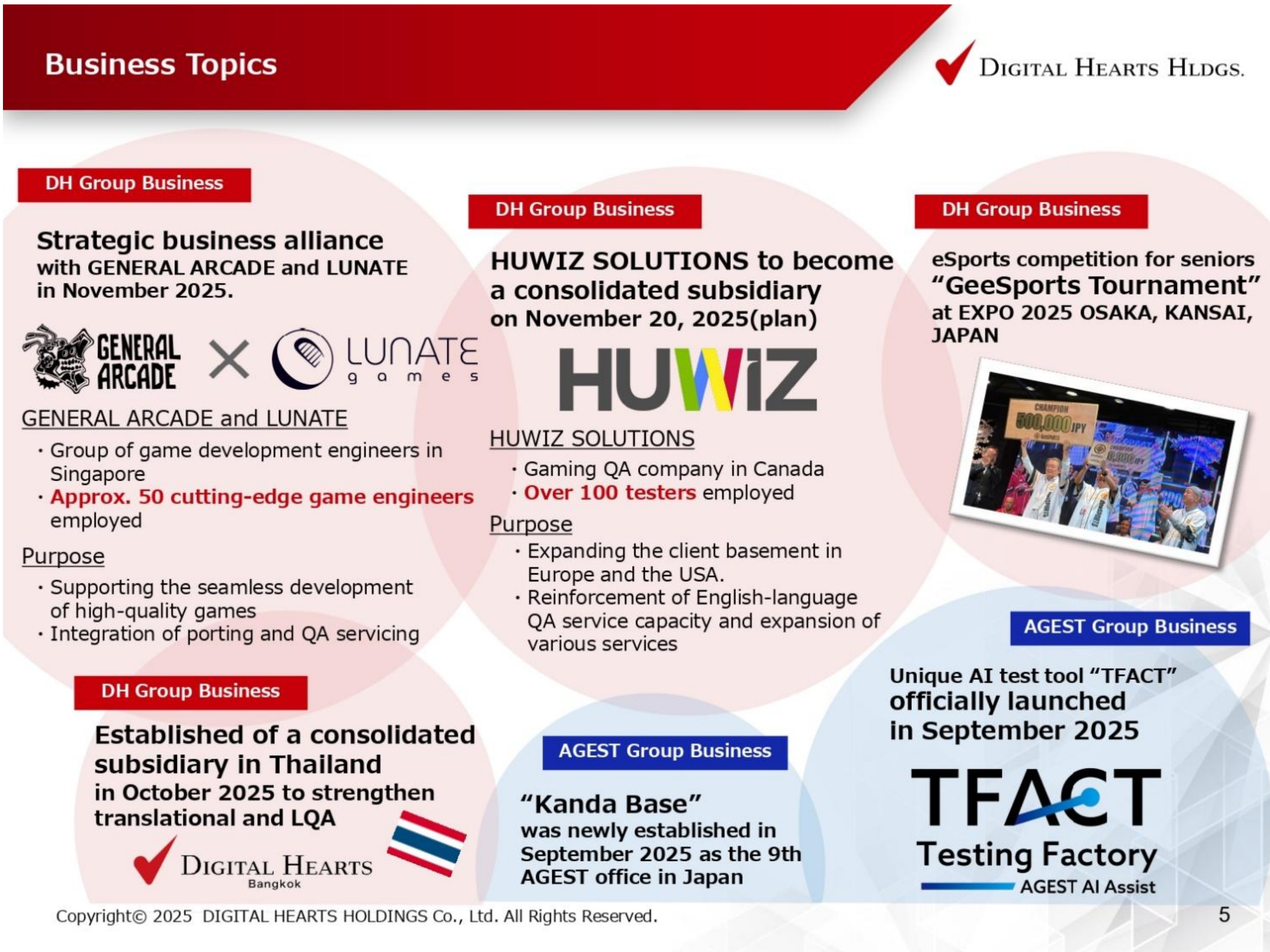
First of all, as shown in the darkest left-hand side of the graph above, sales of the mainstay domestic QA solution business have continued to grow steadily. Looking at the most recent period from October to September, we recorded JPY11.4 billion, a considerably high growth rate compared to the previous year's JPY10.5 billion.

The middle graph and the graph on the right show the overseas QA solutions and the IT services and others. Regarding these items, profitability has improved due to the sale of a subsidiary overseas in Q3 of the previous year, as well as the impact of ongoing business structural reforms. Sales have remained in a flat range, and we have intentionally and strategically reduced the size of the IT services and others, which have been unprofitable and unprofitable in the past.

We believe that we will be able to grow in the future, driven by our mainstay business and driven by the domestic QA solutions, with a tailwind of strong domestic demand stimulation.

Meanwhile, profitability has improved considerably compared to last year. Looking at the segment income of JPY778 million for the 12-month period from October of last year to September of this year, we believe that we are on track to generate stable profits.

Gross margin ratio has improved considerably, mainly in the domestic QA solutions business, and income is also progressing well above the full-year plan.



I will continue with a brief mention of the most recent topics.

Starting from the top left, we have signed business alliance agreements with two companies in Singapore. The Group employs approximately 50 cutting-edge game engineers. We expect to be able to strengthen our services in areas where we have been a little short in game development support and porting services with their help through this business alliance.

Next is the company HUWIZ SOLUTIONS INC., listed in the middle. The company is a Canadian debugging QA company. We have resolved to acquire 100% of the shares of this company. This company possesses a testing workforce of over 100 personnel. By making the Company a consolidated subsidiary, we will be able to leverage its client base in Europe and the United States as an integrated part of our group. Also, we believe that the acquisition of HUWIZ is a significant step forward in strengthening our capacity not only for our mainstay domestic debugging operations, but also for English-language debugging and English-language title debugging.

Next, also on the topic of overseas bases, we established a new local subsidiary in Thailand in October. This one is written as translation and LQA, but it is in the process of strengthening localization services and Asian languages. We already have existing bases for Japanese, Chinese, and Korean, but by establishing a local subsidiary in Thailand, we believe we will be able to further strengthen our Asian language capabilities, including Thai.

Then the upper right. We held an eSports tournament for seniors at Expo 2025 Osaka, Kansai, which closed last month. This will be a new challenge that we have taken on to solve social issues. We are considering holding next year's event as well, so we would like to continue our approach and challenge to the world through these social issues.

Next is the AGEST Group. TFACT, which has been in beta, was officially launched in September 2025. We already have several projects in the works, and we expect TFACT to grow as a growth engine for AGEST in the future. In September, we also opened our Kanda base, a new office. For AGEST, we are aiming for growth both domestically and internationally, based on investments in such technologies, reinforcement of engineers, and development of infrastructure.

That is all from me.

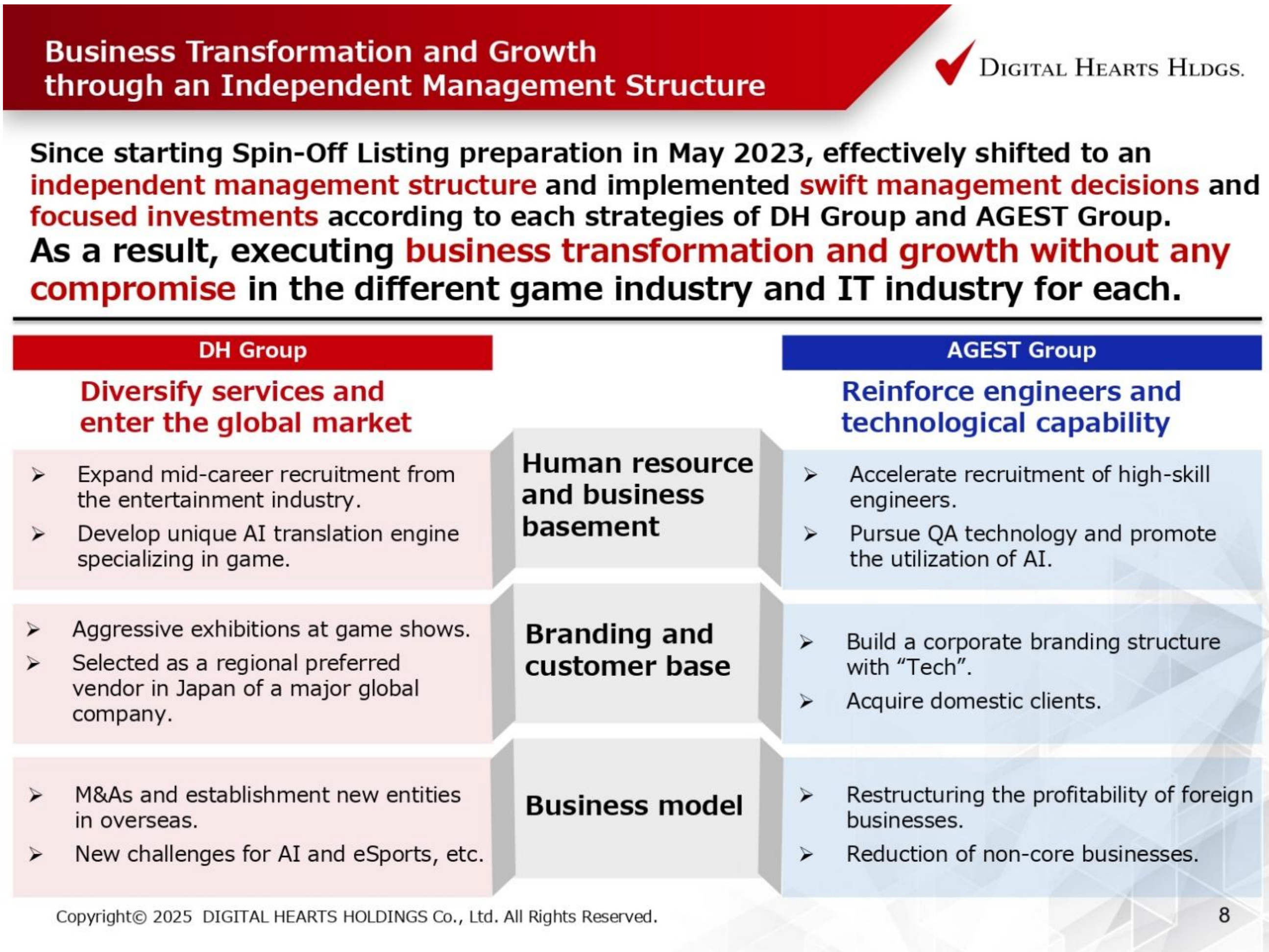
Tsukushi: Next, I would like to begin by explaining again the purpose and aims of our Spin-Off Listing, which is an important initiative for maximizing our corporate value.

DH Group and AGEST Group each have distinct and different business values and creation strategies. Therefore, by managing each business independently and listing them separately, we will increase management focus and maximize the potential of each business through optimal capital policies.

This is our key action to maximize our corporate value at this time. Specifically, the DH Group has a 25-year history. Centered on debugging–our established, differentiated business model and core operation–we will expand our services horizontally. Through investments in overseas bases and other initiatives, we aim to become a corporate group capable of competing in the global market as a global quality partner for the entertainment industry. The acquisition of a new base in Canada, which was mentioned earlier, is also in line with this strategy.

In the AGEST Group business, on the other hand, we believe that our business model requires better technological capabilities and innovation in the rapidly changing software business, including AI. Our goal is to become an AI-era testing company that ensures the quality of enterprise systems with cutting-edge technology. Our recently released AI test management tool is executed in line with this strategy.

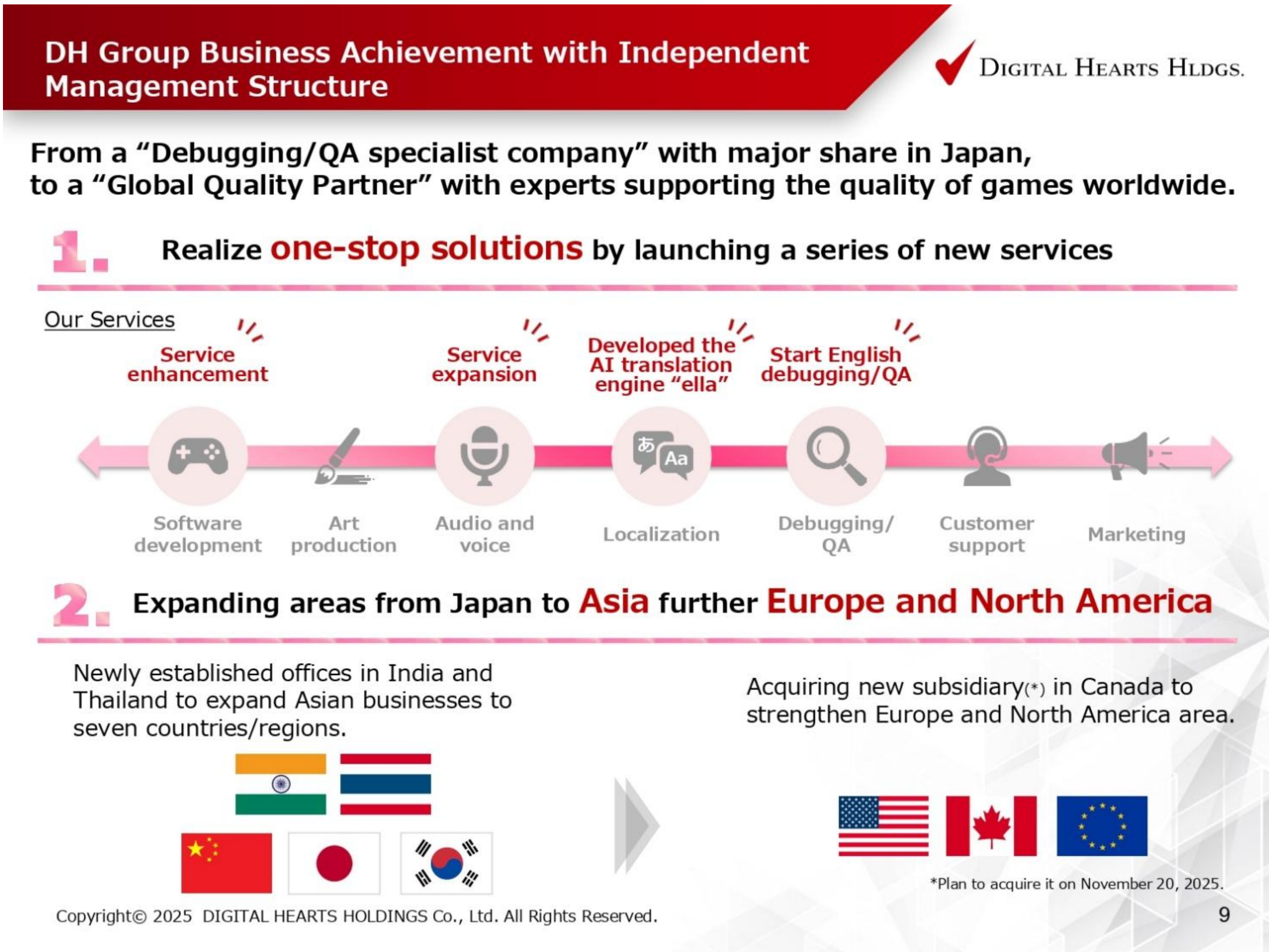
This independent management and Spin-Off Listing will increase management focus, attract new shareholders, and improve medium-term profitability with an optimal capital policy. We would also like to promote this Spin-Off Listing with the aim of converging the intrinsic value of each business by having the intrinsic value of each business directly evaluated in the market.



Since May 2023, when we made the decision to prepare for the Spin-Off Listing, Ninomiya and I, who are here today, have effectively shifted to an independent structure, and we have been able to make prompt management decisions and make concentrated business investments. I feel that we have been able to change and grow at a fairly rapid pace.

The DH Group is attracting a variety of people from the entertainment industry to join us in mid-career, has been selected as a preferred vendor in the Japan region by a major global video game company, and is rapidly advancing overseas M&A and establishing local subsidiaries, as I mentioned earlier.

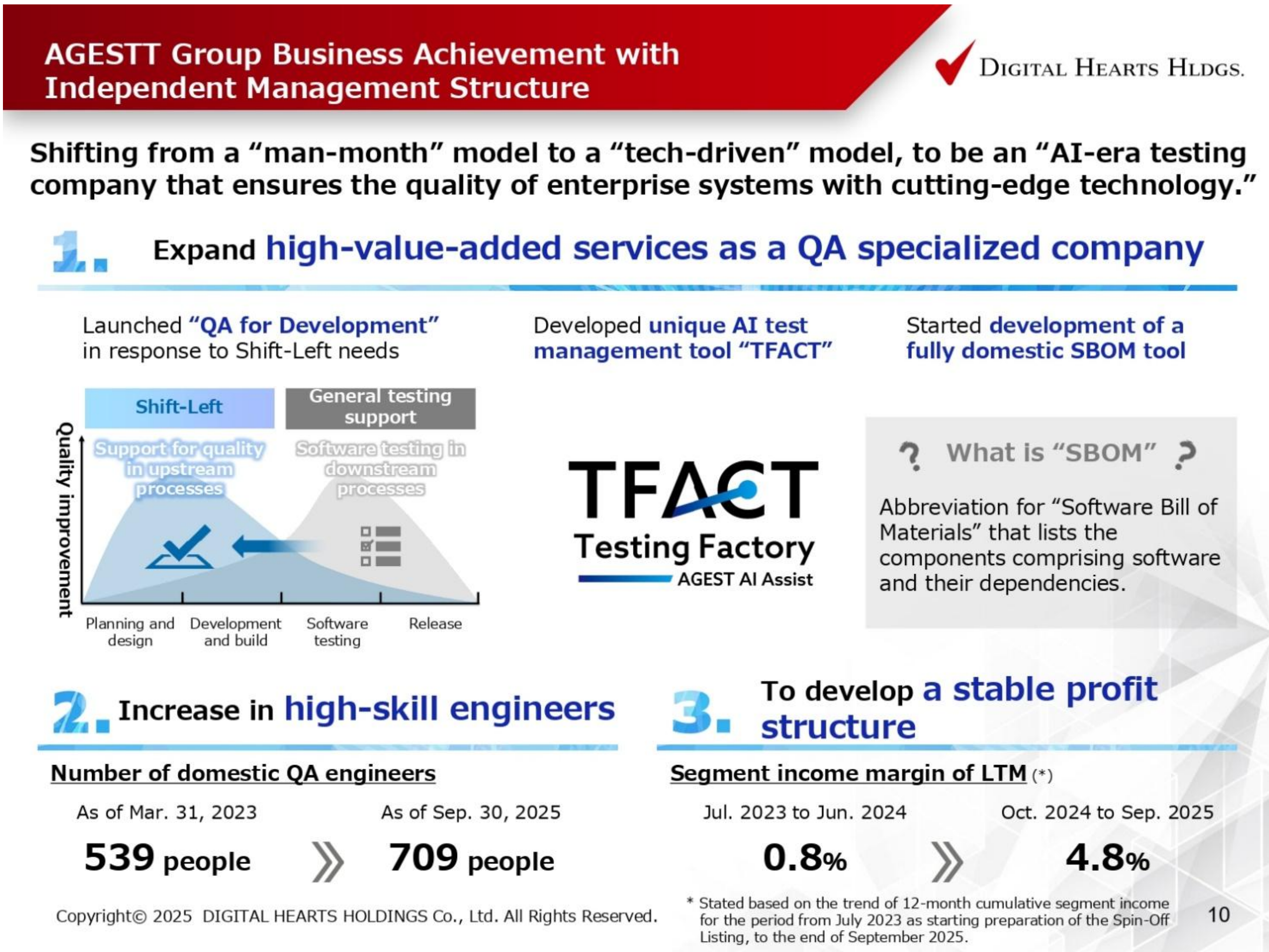
Meanwhile, the AGEST Group is also accelerating the hiring of high-skilled engineers, and is also rapidly implementing profitability improvement measures, including the development of new test management tools using AI, as I explained earlier, structural reform of overseas businesses, and downsizing of non-core businesses.



Here is the specific progress status of the DH Group. First of all, as I mentioned earlier, in terms of horizontal development of services, we are now strengthening our alliance partners and expanding our services in game development and voice output.

We have also developed an AI translation engine to strengthen our translation and LQA business, and we are also strengthening our ability to handle English debugging by building solid overseas bases.

In addition to our Asian bases in India and Thailand, the recent addition of Canada enables us to swiftly expand our coverage from Asia to Europe and North America.

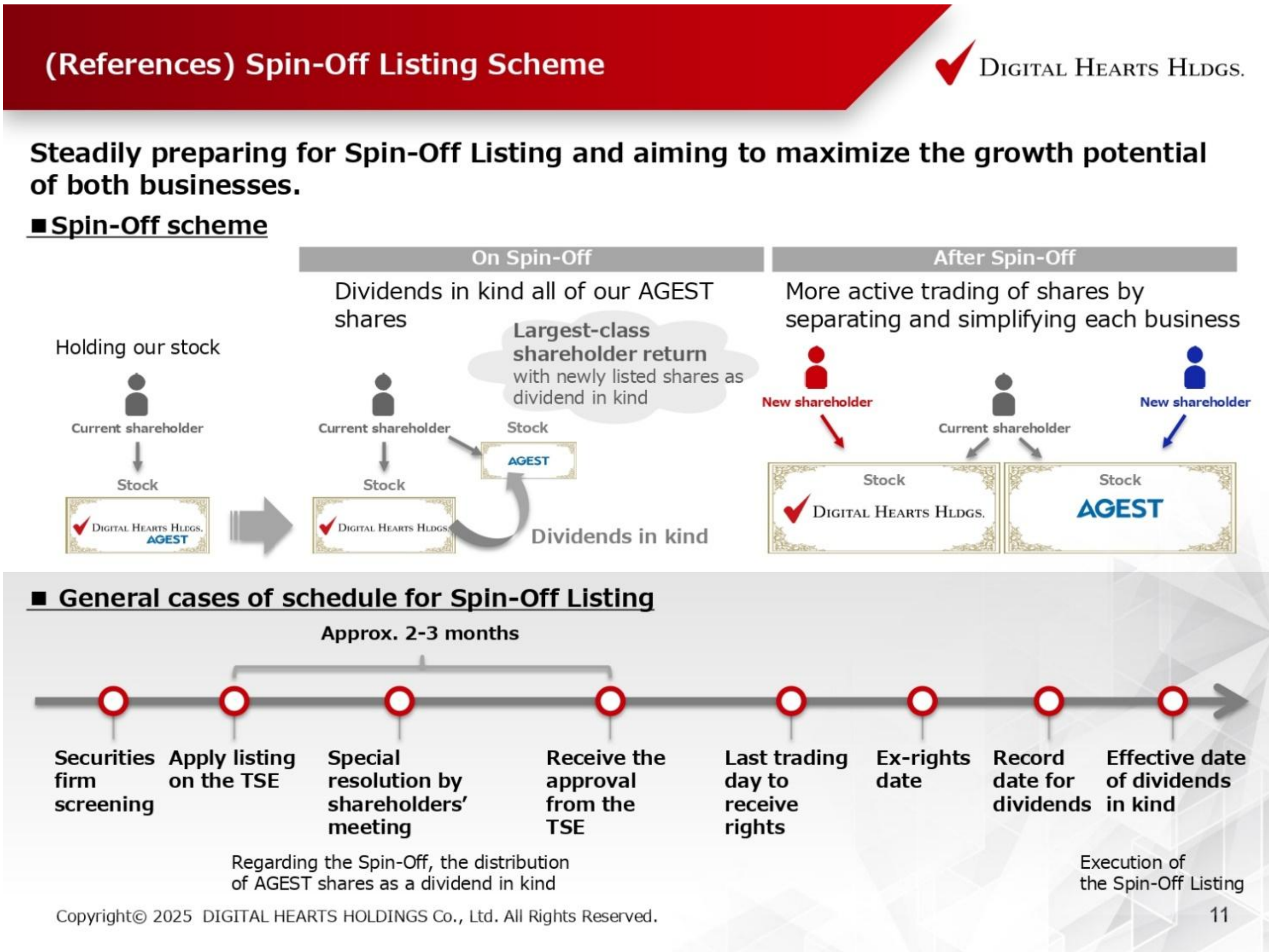


Meanwhile, AGEST is also undergoing rapid change and is now rapidly shifting from a man-month model to a tech-driven model.

In line with our reputation as a specialized QA company, we are extending our services to move further upstream, essentially implementing a so-called shift-left approach. We are also using a new management tool called TFACT to utilize AI tools, and have begun development of a new tool called SBOM.

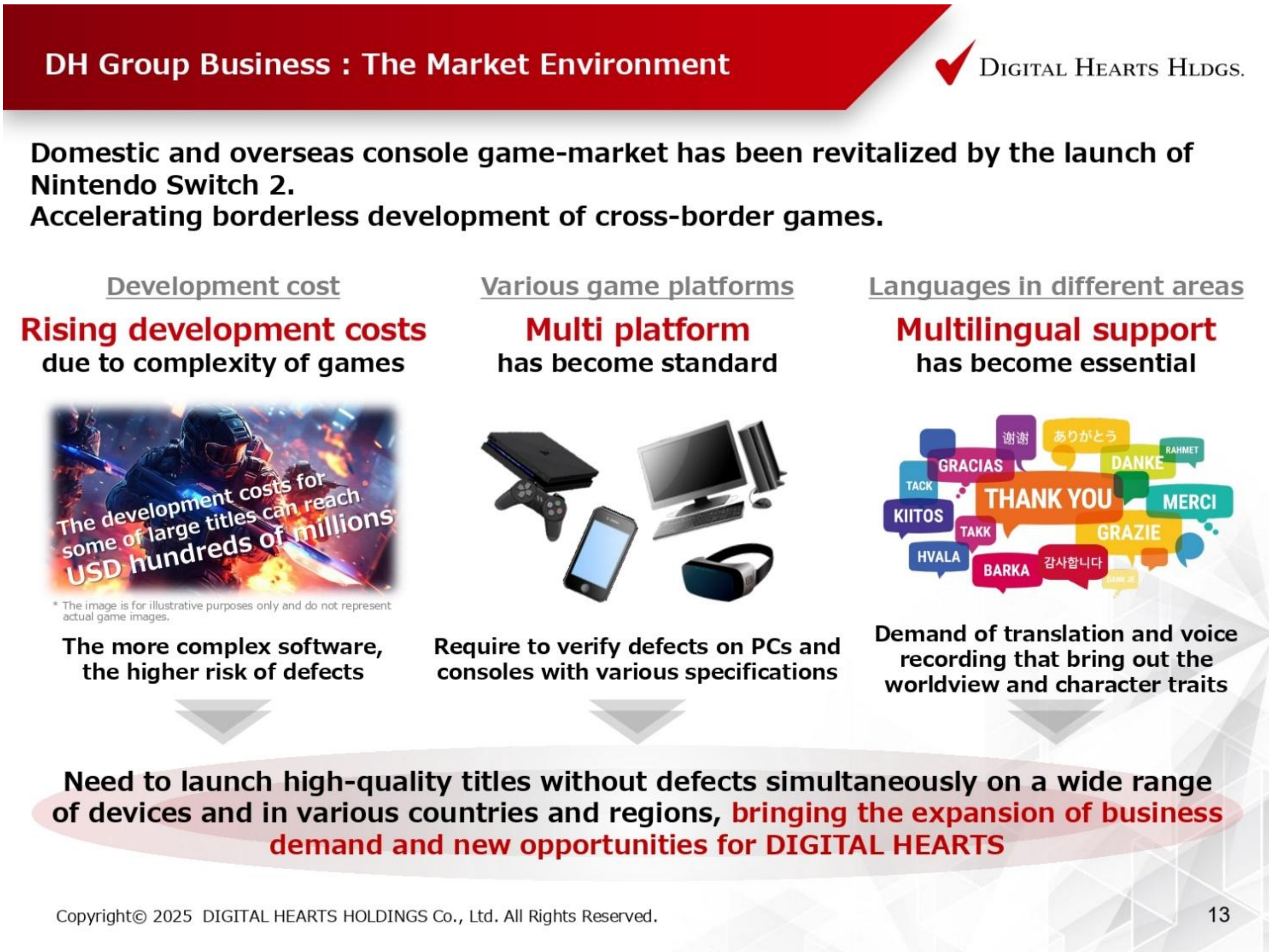
Ninomiya will explain more about this "SBOM" later.

Furthermore, the number of high-skilled engineers has increased to 709 as of the end of September, and since we have taken measures to improve profitability, as I mentioned earlier, segment income has also improved significantly.



Here is the scheme and schedule for the Spin-Off Listing that we are aiming for.

I will refrain from going into the details at this point today, and I hope you will take a look at it later.



I would like to continue by explaining our growth strategy.

First, I will explain about the DH Group, and Ninomiya will explain about the AGEST Group.

First, the environment surrounding the DH Group business.

In a word, we perceive it as a tailwind. As the scale of game development grows larger and more complex, the need for our debugging services is becoming stronger and stronger.

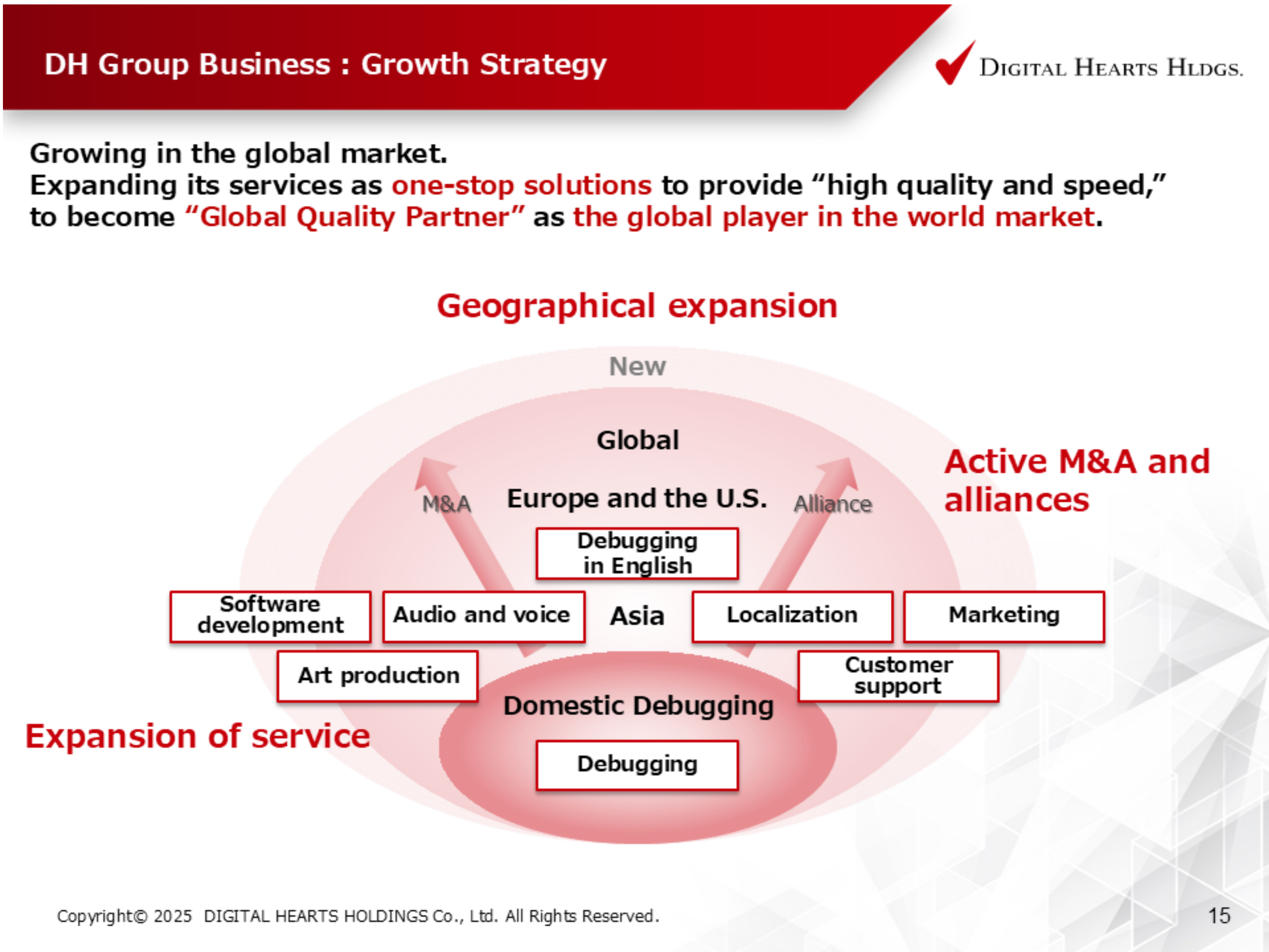
In addition, the platforms on which games are offered are becoming increasingly multi- platform, and the number of supported languages is also increasing, from 10 to 20 and beyond. In this environment, the need for our one-stop multi-platform, multi-lingual services have increased, and we feel that our business opportunities are significantly expanding.

We have three main strengths, which we leverage to provide strong support for the success of game makers in flexible game development.

The first is entertainment quality. We provide high-quality services by our members who are full of love for games and are motivated by the unique Japanese mentality of meticulousness.

The second is scalability enabled by abundant resources. In some cases, depending on the nature of the game, as many as 100 or 150 testers may be required at a time. By responding quickly, we have earned the trust of leading game companies, and as a result, we hold an overwhelming share of the domestic market.

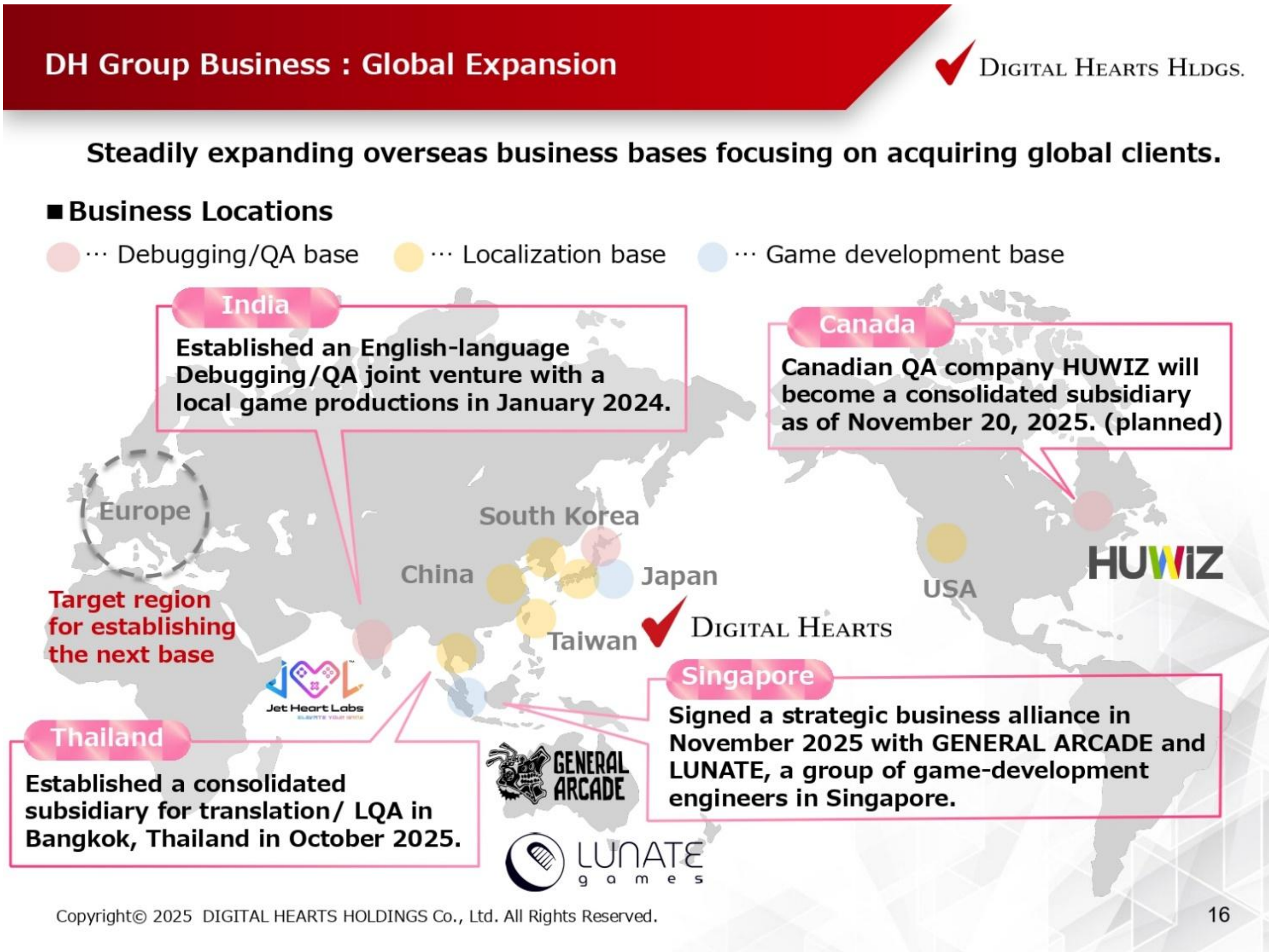
The third is our ability to respond immediately to changing customer needs. Depending on the game development cycle, the required number of people and demand may change on a daily basis. We are able to provide a wide range of services to our clients by taking advantage of these three strengths in a way that responds to client needs by responding to them on the same day.



Here is the growth strategy for the DH Group business.

First, we focused on domestic debugging, but we will further expand this service to include software development, art production, audio and voice recording, translation and LQA, customer support, and marketing. We will provide a wide range of services related to game development and operations.

In terms of regions, from Japan to Asia, Europe, the United States, and globally, for example, India and Thailand will become new areas of focus in the future. We strive to become a company that provides one-stop services worldwide and can compete in the global market.



Here is the most recent status of global expansion.

Last year, we established a joint venture with a local company in India as a base for English debugging. We have received debugging work for a game from the Sony group, and the system has started operating smoothly.

Meanwhile, this October, we established a new base in Bangkok, Thailand, to provide translation and LQA services in a language that is increasingly in demand by Japanese game clients, and in fact, is attracting attention from around the world. We are now preparing to start the service in January next year.

In addition, as we announced yesterday, we will make HUWIZ, a Canadian QA company, a consolidated subsidiary through M&A. We had a localized sales base in the United States, but we did not have what we call an operational base, so this time, we will finally have a solid operational base in North America.

This will allow us to recognize and serve customers not only in its home country of Canada, but also in the United States and Europe.

Finally, Singapore, here too, has now signed a strategic business partnership agreement with a company that is a group of game development engineers. The first target is porting, which is in increasing demand these days. With the recent release of the Switch 2, various companies have been porting existing titles to the Switch 2 and to other consoles, and we would like to offer our services here, especially for overseas markets.

On the other hand, in the DH Group, we are actively working on AI.

First of all, we have developed our own AI translation engine called ella, which was released last year as a game-specific translation engine. Thanks to the increasing demand, the use of this ella is gradually increasing, to the extent that additional enhancements are being made to the translation engine, as the specs may become insufficient.

On the other hand, we also need to work on AI for debugging, which is our core business. We are also attempting to conduct joint research and development on debugging with these two companies in Singapore, which I explained earlier, using AI.

These two companies have a high regard for our considerable experience in debugging projects around the world, and we have decided to work together with them.

Mr. Hashiguchi, who was formerly Head of AI Business Division at Google Cloud Japan, has also been appointed as our AI Strategic Advisor to deepen our understanding and utilization of cutting-edge AI technology, and at the same time, to enable all so-called employees to make good use of AI. We will promote the penetration of AI and improve the efficiency of business operations with his advice.

Last but not least, as Itami mentioned earlier, we held an eSports tournament for older people at the Osaka Kansai Expo on October 1. Since October 1 is the International Day of Older Persons, we decided to take on this challenge to draw attention to the potential of games and see if they could contribute in any way to the problems of Japan's aging society.

First of all, we wanted older people to enjoy this game and help them find a little motivation in life. In addition, playing games involves moving one's hands and using one's brain, so it is good if games can contribute to health maintenance and dementia prevention, etc. Also, in terms of the nature of games, games are not played by one person, but by multiple people. I thought it would be a wonderful life work for older people if they could play games together with other older people, or even better, if they could take advantage of the characteristics of games and play them with their children or grandchildren. This was the reason we decided to take on this challenge.

In fact, I was there on the day of the event and saw the situation, and I was really moved in a way that is difficult to express in words. We are the organizers of the event, but seeing the lively smiles on the faces of the older people and the joy they seemed to be enjoying themselves made us realize once again that Gee Sports has much more potential than we had thought.

There were about two people who were 94 years old, which I thought was wonderful. It is hard to describe in words. You can see the video of the news from Television Osaka, which is posted here, and in particular, if you click here, you will be able to see the video. This video will provide a glimpse into the atmosphere of the event.

I feel that by specializing in the entertainment business in this way, we were able to create a new approach to entertainment.

Next, Ninomiya will explain the AGEST Group business.

Ninomiya: I would like to explain the growth strategy of the AGEST Group.

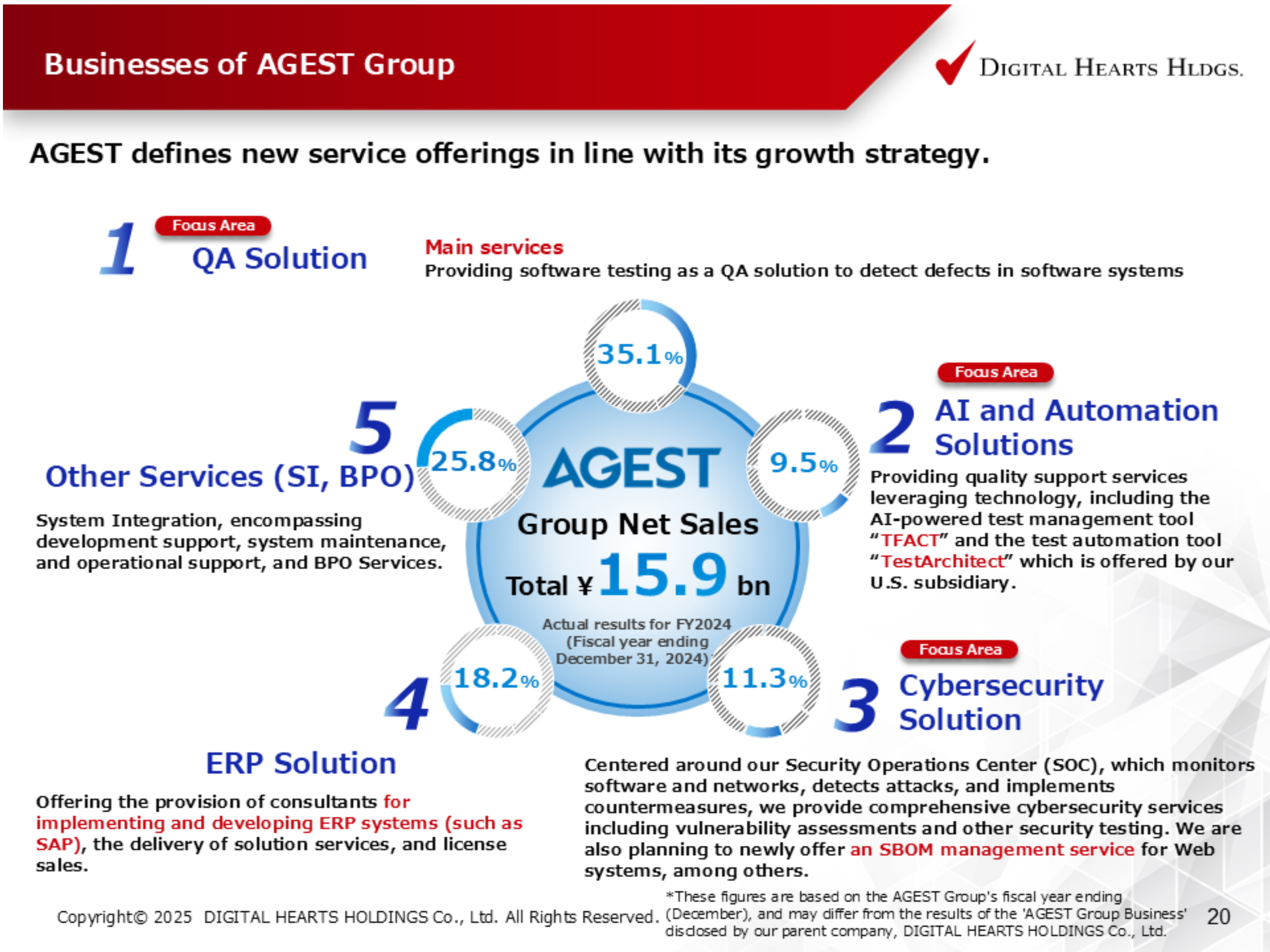
The AGEST Group will continue to expand its software testing services for shift-left steadily, while developing its new AI automation tool, TFACT, and its domestic SBOM management tool for the domestic and global market. We are also looking forward to expanding our business in the domestic and global markets.

We are committed to our mission, "SAVE the DIGITAL WORLD," with the goal of becoming a "Global Quality and Security Company with AI."

We believe that there are three pillars of our growth strategy. The first is TFACT, the AI automation tool I mentioned earlier, which will thoroughly improve testing efficiency. We would like to revolutionize the testing process by making this the de facto standard.

The second is a purely domestic SBOM management tool. I will explain more about this later, but together with our SOC (Security Operation Center) and vulnerability assessment capabilities, we aim to become a leading cybersecurity company.

Furthermore, we already have overseas group subsidiaries. We would like to use this as a starting point to promote global development, and to think about expanding the quality technology and security services that Japanese people possess throughout the world.



In pursuing this growth strategy, we are redefining the service offerings. There are five service offerings, three of which are focus areas.

The first is the QA solution. This is provided as shift-left support, and we also offer our own high value-added services, but we would like to ensure the growth of our software testing services.

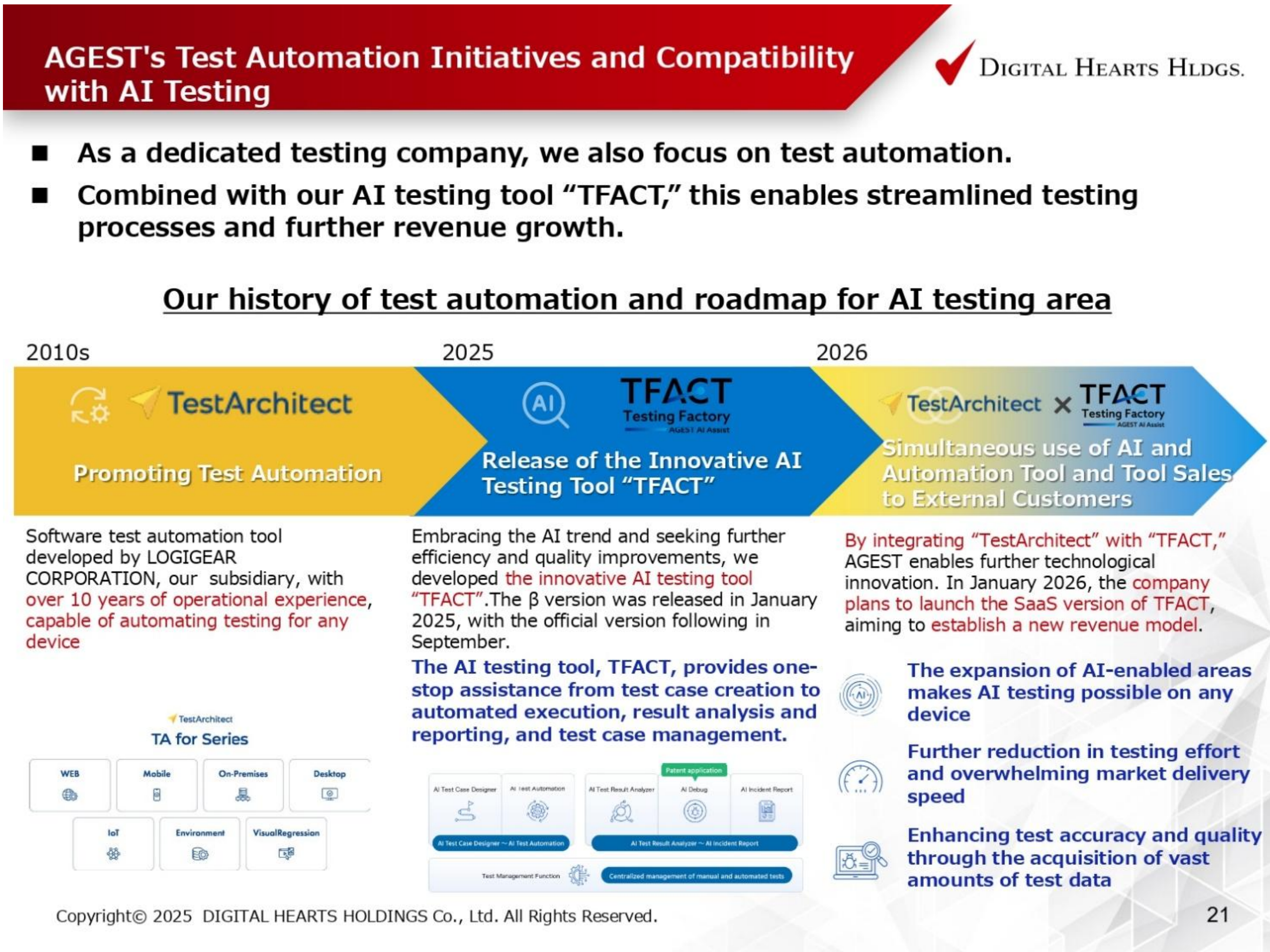
The second is AI and automation solutions. This is the area we would like to expand the most. We would like to expand our quality support services by using this TFACT to improve efficiency and by using the technology of our subsidiary’s automation tool, TestArchitect.

Third, the cybersecurity solution. This is also an area of focus. We will continue to focus on our existing business of SOC, software network monitoring, and vulnerability assessments, and we hope to expand this business significantly by offering new comprehensive management services.

Fourth, the ERP solution. We also provide support for the implementation of SAP, and we expect it to grow considerably in the next fiscal year and beyond, as a new version has been released.

Fifth, other services. The services include system integration and BPO business. To improve our income margins, this business itself is not particularly profitable.

Therefore, rather than developing this area, we have positioned it as the axis for sending clients to our focus areas. We are not going to grow here, but we would like to continue our business in a stable manner.



First of all, the AI and automation business, our focus area.

It is not that we suddenly started an AI business. Our subsidiary, LOGIGEAR, has owned test automation tools for 10 years or more.

It has been deployed in North America for over 10 years and is a fairly unique test automation tool. In the testing industry, automation tools for web systems are common, but this tool, TestArchitect, can automate testing not only for web systems but also for all kinds of devices, including on-premise environments, desktop apps, and IoT devices.

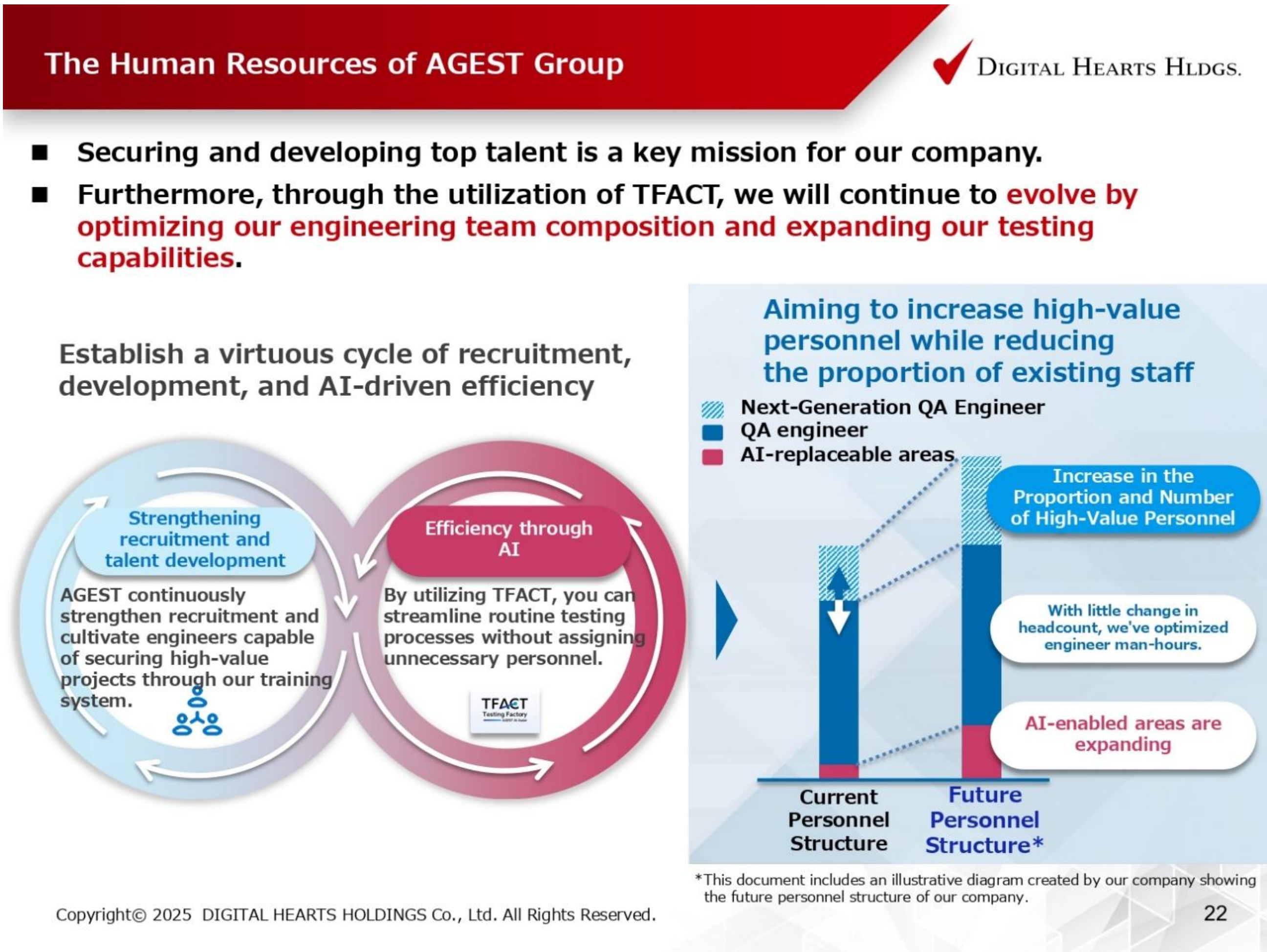
For the past two years, we have repeatedly customized the system for Japanese companies, and for the past two years, we have been strongly promoting sales in Japan. This tool is now widely used by financial institutions, especially because of its ability to be provided in this special environment.

Using this know-how, we have been developing tool "TFACT" using AI. We released a beta version in January of this year, and this past September, we officially began utilizing the project.

TFACT is a one-stop AI -powered solution that assists with everything from test step generation, automatic execution, result analysis, report generation, and test case management. Based on the results of the project, we have already achieved a roughly 50% improvement in testing efficiency.

In January 2026, we will also start selling the SaaS version of TFACT. We will start next year with tools such as a new revenue model, as well as internal use.

Furthermore, by combining TestArchitect with TFACT, we aim to expand the scope of AI capabilities. Therefore, we are aiming for a worldview where AI testing will be operational on all devices. We hope to become the de facto standard in the testing industry by realizing a worldview in which the number of manhours required for testing can be greatly reduced and products can be delivered to the market at an overwhelmingly fast pace.



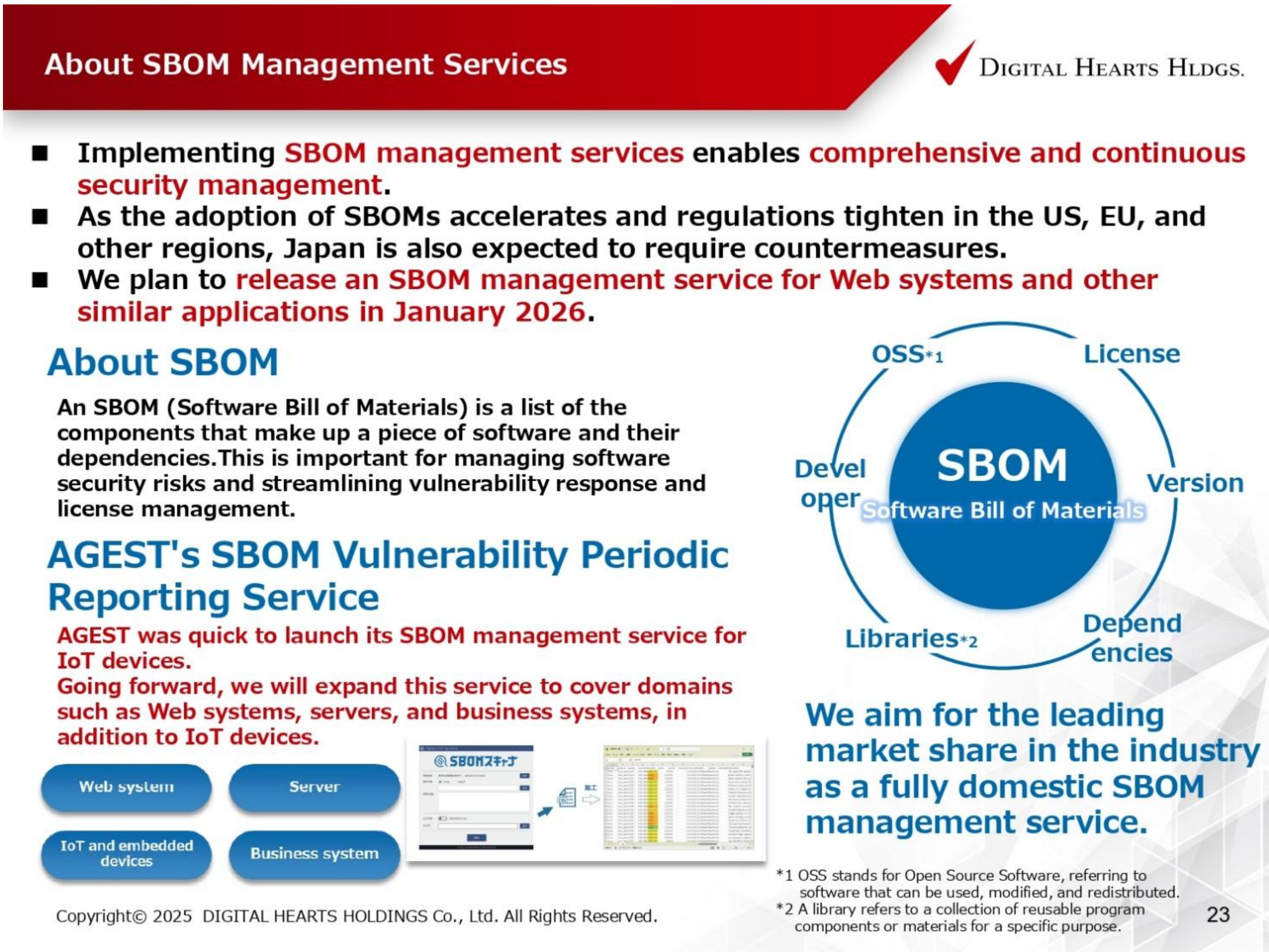
It represents the relationship between our QA solution, which utilize the human resources we have, and AI automation solutions. We continue to see a great need in the service area we are aiming for, which is known as shift-left QA for Development.

However, since this is a specialized area, considerable skill is required. We will strengthen our recruitment of personnel with these skills and will also train existing personnel. We will work to expand our human resource base to provide higher value-added services.

On the other hand, for relatively low-skill areas, we intend to thoroughly leverage AI to achieve full automation. By utilizing TFACT, we will proceed to automate the basic low-skill personnel areas.

As a result, as shown in the graph on the right, in terms of the human resource layer, I believe that the number of areas that can be handled by AI will continue to increase. In addition, the percentage of next-generation QA engineers, who can provide the highest added value at the top, will increase.

We believe that the combination of these two operations will naturally increase gross margin ratio and increase the capacity to receive orders in the first place. In addition, we would like to proceed with the sale of tools, which will add new revenue.



In the area of the cybersecurity solution, we will continue to expand our SOC services and vulnerability assessment services. In addition to that, we will start SBOM management service in January. A SBOM, software bill of materials, if you are not yet familiar with it, is a list of so-called raw material tables of this software.

What this can do is, for example, when you are using an open source software, OSS, if there is a potential vulnerability or a newly emerged vulnerability in that OSS, you can prevent it in advance by giving this information through visualization.

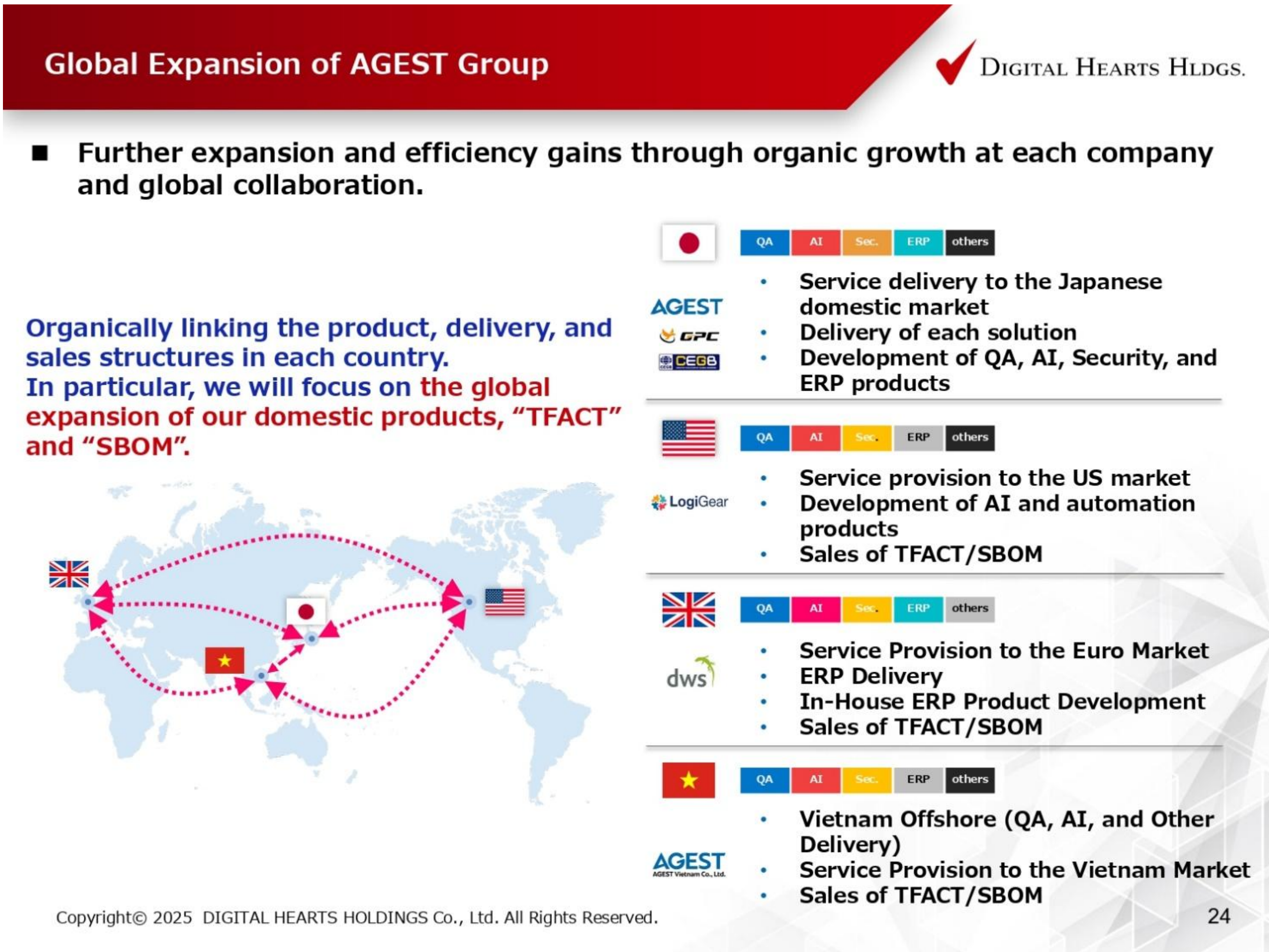
Regarding recent security incidents, attacks exploiting these OSS vulnerabilities have increased significantly. The SBOM’s ability to prevent these issues is a key benefit. We have already been developing SBOM management services for IoT devices, and from January 2026, we will expand into the areas of web systems and server business systems. This is still not progressing in Japan due to so-called regulations.

On the other hand, in Europe and the United States, the introduction of the system has accelerated considerably, and regulations have been tightened. In Japan, too, since the revision of the Ministry of Economy, Trade and Industry’s guidelines last year, it has already become mandatory in mission-critical industries.

So, for example, we are receiving an increasing number of inquiries about systems to be delivered to medical institutions and mission-critical areas. Therefore, although the SBOM management service itself has not yet penetrated the market, we believe that this is a market that will grow significantly in the future.

In addition, we already offer software testing and vulnerability assessments. Test the completed system and create this SBOM in the cloud. Furthermore, we would like to create a new business model from which we can regularly monitor the SBOM for vulnerabilities.

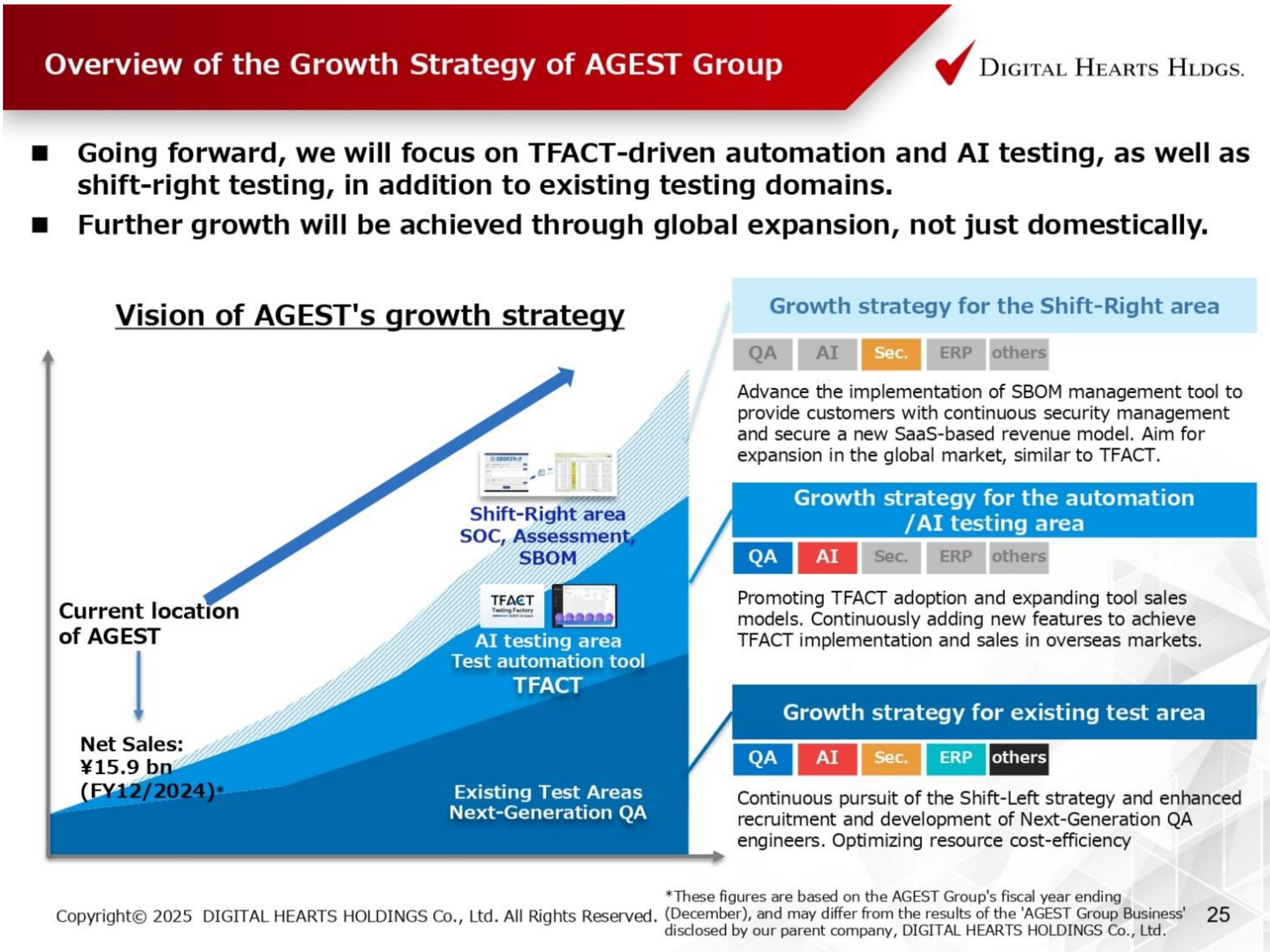
There are still few companies in Japan that offer purely domestic SBOM management services. Therefore, we would like to achieve the top market share in this industry.



In addition, we are considering global expansion.

With regard to our overseas operating subsidiaries, we have made considerable improvements over the past two years in light of the fact that they have been quite negative in terms of profitability. We have reached a situation where we can make a stable profit as a result of our structural reforms.

So, along with organic domestic and international subsidiary growth, this SBOM, TFACT can be used globally in common. We are newly in the process of customizing this TFACT and SBOM for global deployment. We will strengthen sales in North America, Europe, and Vietnam, and hope to accelerate our growth through global expansion.



To give you an overall picture, in the area we have now, last year's sales were JPY15.9 billion.

We have not yet included TFACT sales and SBOM, but we hope to grow these two in the future.

First, we will expand the existing testing domain, centered on the existing next-generation QA, by efficiently pursuing the number of engineers and the unit cost of engineers.

As for TFACT, we will be adding new features and expanding the area in the future. Depending on this, we are looking to expand our business by increasing revenues and also by multiplying the number of tools sold, including those in overseas markets.

The shift-right area, which is after the system has been completed, but I believe it will mainly be in the security area. SOC, security assessment, and SBOM, which I mentioned earlier. We will further expand them globally. Through them, we aim to achieve significant growth.

That concludes my explanation.

[END]