



February 8, 2022

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 Stock Exchange)
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Notice Regarding Revision of Financial Forecast
for the Fiscal Year Ended March 31, 2022

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 ending March 31, 2022 which was announced on May 11, 2021.

The details are as follows:

1. Revision of consolidated financial forecast for the fiscal year ending March 31, 2022
 (from April 1, 2021 to March 31, 2022)

	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)	28,420	2,100	2,100	1,400	64.77
Revised forecast (B)	29,000	2,700	2,800	1,800	83.24
Change (B - A)	580	600	700	400	
% Change	2.0	28.6	33.3	28.6	
Actual amount for the previous fiscal year (fiscal year ended March 31, 2021)	22,669	1,908	1,975	974	45.15

2. Reason for revision

In FY2021, both Enterprise Business and Entertainment Business performed very well. In Enterprise Business, demand for System Testing is rising thanks to the acceleration of DX. Demand for security services is also rising against the backdrop of the growing popularity of remote work, and market conditions are favorable. Against this backdrop, the Group expanded its existing System Testing businesses significantly year-on-year by improving its marketing activities to tap into further outsourcing demand, developing its operational basement through the recruitment and training of IT personnel, and aggressively proposing test solutions which utilize a variety of automation tools. The Company also proceeded M&As and alliances, such as the stock purchase of identity Inc. with many registered freelance engineers and the establishment of the joint venture company by our U.S. subsidiary, LOGIGEAR CORPORATION. As a result of these initiatives, Enterprise Business's net sales in Q3 nine months grew to more than 1.6 times as the same period of the previous fiscal year. And Entertainment Business recorded better financial results than its initial forecast as well. For example, in the Domestic Debugging division, the Company has won a larger number of projects for console games, for which new titles are becoming more active. Furthermore, in the Global and others division, the sales grew significantly compared with the previous fiscal year partly due to the contribution of DIGITAL HEARTS CROSS Marketing and Solutions Limited which the Company acquired in March 2021. As a consequence, the consolidated sales were 21,246 million yen (YoY 130.2%) for Q3 nine months,

which is higher than the Company's forecast.

In terms of profits, consolidated operating income for Q3 nine months was 2,123 million yen, exceeding even full year twelve months forecast of 2,100 million yen. This was achieved by strong sales trends, acquiring highly profitable projects, improving project management, and curbing expenses, while continuing to invest in growth strategy initiatives such as human resource recruitment and training and aggressive M&As and alliances.

Regarding full year of FY2021, we will continue to aggressively invest in human resources and M&As, mainly in Enterprise Business, with the aim of achieving our medium-term target such as sales of 50 billion yen in Q4 and even next year as well. By considering all these aspects including favorable results of Q3 nine months and continuous investments in Q4, we have decided to revise full year consolidated earnings forecast 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.