



November 17, 2023

Company name: DIGITAL HEARTS HOLDINGS Co., Ltd.
 Name of representative: President and CEO Yasumasa Ninomiya
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Notice Regarding the Establishment of Joint Venture and the Conclusion of Capital and Business Alliance Agreement

DIGITAL HEARTS HOLDINGS Co., Ltd. (hereinafter referred to as the "Company" or "DHH") announces that Board of Directors' Meeting held today resolved to establish a joint venture with JetSynthesys Private Limited ("JS India") and to conclude a capital and business alliance agreement with JetSynthesys Co., Ltd. ("JS Japan", JS India and JS Japan together "JS Group"), a subsidiary of JS India. Details are as follows:

1. Purpose of the establishment of a joint venture, and the conclusion of the capital and business alliance

Since our founding, we have achieved strong growth by deploying debugging businesses to detect bug or defect in gaming. Today, we have an overwhelming share of the domestic gaming debugging market. At the same time, we have established a solid position as a quality-control partner for our domestic game production companies by leveraging our accumulated know-how and abundant resources. In addition, as simultaneous worldwide distribution of game titles has accelerated in recent years, our Group aims to evolve into a "Global Quality Partner" that comprehensively supports the development of game production companies' businesses both domestically and overseas by providing one-stop solution for a wide range of services, including game translation and LQA (*), game development support, marketing support, and customer support, mainly in the Asian region.

JS Group has its headquarters in Pune, state of Maharashtra, and operates technology, gaming, wellness, and entertainment businesses. In the gaming businesses, it develops and publishes games, supports the overseas expansion for game production companies of Japan, the United States, and Europe, and provides eSports businesses, invests in and provides business supports to game studios in the emerging markets.

By sharing the know-how and resources of both companies, our Group and JS Group will be able to strengthen and expand our solutions for customers in the entertainment industry, such as market research to expand into the rapidly growing Indian market, supporting their planning new game software for India, consulting on culturalization of game titles, and game development support including localization. As the first step, we decided to establish a joint venture to develop debugging businesses in the Indian and the worldwide game industry, and to conclude a capital and business alliance with JS Japan to provide our group's solutions to support the overseas expansion of game production companies in Europe and the United States, which are customers of JS Japan.

*LQA...Abbreviation for Linguistic Quality Assurance. It means checking the quality of translated text and composition.

2. Regarding the establishment of a joint venture

(1) Method of the establishment

After JS India established a new company in India for this purpose, DHH will acquire 20,000 shares newly issued by the new company through a third-party allotment for a total amount of INR 124,905 thousand. (JPY 228 million). As a result, DHH plans to hold 50.0% of the total number of issued shares outstanding as of January 4, 2024, of the new company.

*Total amount shown in Japanese yen are based on conversion at the rate of 1.83 yen for one Indian Rupee .

(2) Overview of newly established joint venture

i	Company name	JetSynthesys Digital Services Private Limited	
ii	Location	101-104, Metro House, Mangaldas Road, Pune-411001, Maharashtra, INDIA	
iii	Business activities	Debugging business for customers in India and global markets	
iv	Date established	November 2023	
v	Fiscal year	March 31	
vi	Shareholding ratios	DIGITAL HEARTS HOLDINGS Co., Ltd.	50.0%
		JetSynthesys Private Limited	40.0%
		JetSynthesys Co., Ltd.	9.0%
		Total 2 individual shareholders	1.0%

* Position and name of representative, share capital, net assets and total assets after DHH's investment are not stated because they have not been determined yet. We will promptly inform you of the relevant items as soon as they are determined.

(3) Overview of the joint venture partner

i	Company name	JetSynthesys Private Limited	
ii	Location	101-104, Metro House, Mangaldas Road, Pune-411001, Maharashtra, INDIA	
iii	Position and name of representative	Chairman Rajan Navani	
iv	Business activities	Mobile game development and IT related services	
v	Share capital	INR 22,788.92 million (JPY 41.7 billion)	
vi	Date established	September 5, 2014	
vii	Major shareholders and shareholding ratios	Rajan Navani	34.7%
		Pratithi Investment Trust	22.9%
viii	Relationship between the listed company and the said company	Capital ties	Not applicable
		Personnel relations	Not applicable
		Business relations	Not applicable

*The amount of share capital shown in Japanese yen are based on conversion at the rate of 1.83 yen for one Indian Rupee.

3. Regarding capital and business alliance

(1) Capital alliance

DHH plans to acquire 1,831 shares newly issued by JS Japan through a third-party allotment for a total amount of JPY 301 million. As a result, DHH plans to hold 9.5% of the total number of issued shares and potential shares outstanding as of January 4, 2024, of JS Japan.

(2) Business alliance

In this business alliance, we aim to expand the global businesses of both companies by combining JS Japan's clients base for game production companies in Europe, the United States, and other countries, with DHH's group-wide capabilities in providing services such as debugging, translation and LQA, and game-development support.

(3) Overview of capital and business alliance partner

i	Company name	JetSynthesys Co., Ltd.	
ii	Location	26-1 Sakuragaokacho Shibuya-ku, Tokyo	
iii	Position and name of representative	Ryotaro Shima	
iv	Business activities	Game software development and content production, etc.	
v	Share capital	JPY 164 million	
vi	Date established	August 26, 2019	
vii	Major shareholders and shareholding ratios	JetSynthesys Private Limited	90.0%
		One individual shareholder	10.0%
viii	Relationship between the listed company and the said company	Capital ties	Not applicable
		Personnel relation	Not applicable
		Business relations	Not applicable

4. Schedule

- (1) Date of resolution by the Board of Directors : November 17, 2023
- (2) Date of conclusion of agreement regarding a joint venture establishment : November 27, 2023 (Scheduled)
- (3) Date of the stock acquisition of a joint venture : January 4, 2024 (Scheduled)
- (4) Date of conclusion of capital and business alliance agreement with JS Japan : November 27, 2023 (Scheduled)
- (5) Commencing date of capital and business alliance : January 4, 2024 (Scheduled)

5. Future Prospects

We anticipate that the impact on our business results for the year ending March 2024 will be minor, but we will promptly notify you of the necessity to revise the performance forecast and issues that should be published in the future.