

May 13, 2025

Company name: DIGITAL HEARTS HOLDINGS Co., Ltd.
 Name of representative: President and CEO Toshiya Tsukushi
 (Code number: 3676, Prime, Tokyo Stock Exchange)
 Executive Officer and CFO Hideto Itami
 Contact: (TEL: +81-3-3373-0081)

Notice Regarding Recording of Extraordinary Losses (Loss on Valuation of Investment Securities), Differences between Full-year Consolidated Financial Forecasts and Actual Results for the Year Ended March 31, 2025, and Differences between Full-year Non-Consolidated Actual Results for the Year Ended March 31, 2025 and Actual Results for the Previous Fiscal Year

DIGITAL HEARTS HOLDINGS Co., Ltd. (hereinafter referred to as the “Company”) announces that the Company recorded extraordinary losses as follows for the fiscal year ended March 31, 2025. The Company also announces that there is a difference between the full-year consolidated financial forecasts for the year ended March 31, 2025 announced on December 11, 2024 and the actual results announced on May 13, 2025, and, in addition, that there is a difference between the full-year non-consolidated financial results and the results for the previous full fiscal year.

1. Recording of extraordinary losses (Loss on valuation of investment securities)

The Company recorded an extraordinary loss of 1,184 million yen as a loss on valuation of investment securities due to an impairment loss, because the market value or real value of some of the investment securities held by the Company had significantly declined compared to their acquisition cost.

2. Difference between consolidated financial forecast and actual results

(1) Difference between consolidated financial forecast and actual results for the fiscal year ended March 31, 2025
 (April 1, 2024 to March 31, 2025)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	41,020	2,540	2,470	1,900	85.27
Actual result (B)	39,748	2,430	2,278	629	28.25
Change (B-A)	-1,271	-109	-191	-1,270	
% Change	-3.1	-4.3	-7.8	-66.9	
Actual amount for the previous fiscal year (Fiscal year ended March 31, 2024)	38,790	2,039	2,059	176	7.94

(2) Reasons for the difference

Net sales, operating income, and ordinary income were almost in line with plans, as both DH Group Business and AGEST Group Business steadily acquired new projects. However, profit attributable to owners of parent fell far short of the plan due to extraordinary losses on valuation of investment securities, as described in 1. above.

3. Difference between full-year non-consolidated actual results and previous fiscal year actual results

(1) Difference between full-year non-consolidated actual results and previous fiscal year actual results for the fiscal year ended March 31, 2025(April 1, 2024 to March 31, 2025)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Results for the previous fiscal year (A) (Year ended March 31, 2024)	5,383	3,493	3,585	1,857	83.39
Actual (B) (Year ended March 31, 2025)	2,756	1,262	1,316	304	13.67
Change (B-A)	-2,626	-2,231	-2,269	-1,552	
% Change	-48.8	-63.9	-63.3	-83.6	

(2) Reasons for the difference

Operating revenue, operating income, and ordinary income were lower than the previous year due to a decrease in income related to dividends from subsidiaries and others. Also, net income fell below the previous year's level due to the recording of extraordinary losses on valuation of investment securities, as described in 1. above.