



DIGITAL HEARTS HLDGS.



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**Summary of Business Results
for the First Half Ended September 30, 2025
[Japan GAAP] (Consolidated)**

November 6, 2025

Company name: DIGITAL HEARTS HOLDINGS Co., Ltd.

Listed on the TSE

Stock code: 3676

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Scheduled date to file first half securities report

: November 13, 2025

Scheduled commencement of dividend payment

: December 5, 2025

Preparation of supplementary material on financial results

: Yes

Holding of financial results meeting

: Yes (for institutional investors and analysts)

(Figures are rounded down to the nearest million yen.)

1. Consolidated results for the first half ended September 30, 2025 (April 1, 2025 - September 30, 2025)**(1) Consolidated business results**

(Percentages are changes from the same period of the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Six Months Ended September 30, 2025	19,112	-4.0	1,438	74.2	1,422	75.7	757	66.5
September 30, 2024	19,906	6.6	825	13.1	809	2.1	455	-
(Reference) Comprehensive income:			Six months ended September 30, 2025:		537 million yen	(-14.2%)		
			Six months ended September 30, 2024:		627 million yen	(-%)		

	Net income per share	Diluted net income per share
Six Months Ended September 30, 2025	(yen) 33.99	(yen) -
September 30, 2024	20.43	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2025	20,286	9,517	45.4
As of March 31, 2025	19,949	9,260	44.9

(Reference) Shareholders' equity: 9,214 million yen (As of September 30, 2025) 8,953 million yen (As of March 31, 2025)

2. Dividends

	Annual dividends				
	Q1	Q2	Q3	Year End	Total
Fiscal year ended March 31, 2025	(Yen) —	(Yen) 10.50	(Yen) —	(Yen) 12.50	(Yen) 23.00
Fiscal year ending March 31, 2026	(Yen) —	(Yen) 11.50	(Yen) —	(Yen) 11.50	(Yen) 23.00
Fiscal year ending March 31, 2026 (Forecasts)					

(Note 1) Changes from the latest released dividend forecasts: None

(Note 2) Year-end dividend for the fiscal year ending March 31, 2025: ordinary dividend 10.50 yen
commemorative dividend 2.00 yen

3. Consolidated earnings forecasts for the fiscal year ending March 2026 (April 1, 2025 - March 31, 2026)

(Percentages are changes from the same period of the previous year.)

	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)
Full fiscal year	39,750	0.0	2,640	8.6	2,640	15.9	1,660	163.7	74.49

(Note) Changes from the latest released earnings forecasts: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of first half consolidated financial statements: None
- (3) Changes in accounting policies and accounting estimates and restatement

- (a) Changes in accounting policies associated with revision of accounting standards : None
- (b) Changes in accounting policies other than (a) above : Yes
- (c) Changes in accounting estimates : Yes
- (d) Restatement : None

(Note) For details, see Attached Materials 13 page “2. First Half Consolidated Financial Statements and Important Notes (4) Notes to the First Half Consolidated Financial Statements (Changes in accounting policies that are difficult to differentiate from changes in accounting estimates and changes in accounting estimates).”

(4) Shares outstanding (common stock)

(a) Number of issued shares (including treasury stock)	As of September 30, 2025	23,890,800 shares	As of March 31, 2025	23,890,800 shares
(b) Number of treasury stock	As of September 30, 2025	1,591,996 shares	As of March 31, 2025	1,604,473 shares
(c) Average number of shares during the period	Six months ended September 30, 2025	22,289,531 shares	Six months ended September 30, 2024	22,278,438 shares

* First Half financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Explanation for proper use of the earnings forecasts and other special notes

- Any forward-looking statements included in this report such as earnings forecasts are based on the information available to the Company at this time and certain assumptions considered reasonable; and accordingly, actual results may differ significantly from the forecasts due to various factors.
- A financial results meeting for institutional investors and analysts is scheduled to be held on November 7, 2025. Materials for this meeting will be posted on TD net and the Company's website.

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1. Overview of Business Results etc.

(1) Overview of Company Business Results

	FY2024 First half period (JPY in thousand)	FY2025 First half period (JPY in thousand)	Change (%)
Sales	19,906,168	19,112,058	-4.0
Operating income	825,782	1,438,572	74.2
Ordinary income	809,327	1,422,189	75.7
Net income attributable to shareholder of the parent	455,095	757,678	66.5

We operate two businesses: the DH Group Business, which provides services for entertainment content, and the AGEST Group Business, which provides services for enterprise systems. Because these two businesses each have completely different business models and expertise, we are now aiming to be a Share-distribution-type spin-off and listing of AGEST, Inc., the core subsidiary of the AGEST Group Business, with the aim of maximizing the growth potential of both businesses, and are steadily preparing for their realization. At the same time, we are promoting a unique growth strategy specializing in each of the two businesses.

The DH Group Business is facing growing demand for the Debugging and localization capabilities required to simultaneously release high-quality game-titles without bug or defect in various devices, and in various countries and regions. As a result, in the Debugging, our founding businesses, we will strive to enhance the added value of our services through promoting the unique quality method “DHQ (Digital Hearts Quality)”, and at the same time, through enhancing and expanding our solutions for localization, including translation and LQA (Linguistic Quality Assurance), multilingual recording, and marketing support, we will aim to grow into a company capable of competing in the global market as a global quality partner in the entertainment industry.

In the AGEST Group Business, the economic losses and damage to corporate brand caused by software defects have been increasing year by year. As a result, the importance of “Quality” is growing more than ever. At the same time, the shortage of IT human resources in Japan is becoming increasingly serious. Under these conditions, we are working to enhance our unique testing solutions by offering high value-added services, such as “Shift-Left” support in upstream development processes, and by actively leveraging AI and automation tools to improve testing accuracy and efficiency. Through these efforts, we aim to evolve into an AI-era testing company that ensures the quality of enterprise systems with cutting-edge technology.

During this first half consolidated fiscal year, QA Solutions continued to show steady growth, while Domestic debugging services achieved double-digit revenue growth, driven by favorable market conditions such as the launch of the Nintendo Switch 2. These strong results contributed significantly to the Group’s overall performance. As a result, both the DH Group Business and the AGEST Group Business recorded revenue growth in their core operations. However, due to factors such as the exclusion of a subsidiary sold in December 2024 from the scope of consolidation and the strategic downsizing of low-profitability businesses within the AGEST Group Business, consolidated net sales for the period amounted to ¥1,9112 thousand (down 4.0% YoY). Profit, on the other hand, grew substantially in both businesses thanks to factors such as the impact of increased sales of highly profitable Domestic debugging services and improved profitability accompanying the dissolution of low-profitability projects that occurred in the first quarter of the previous fiscal year (April to June) in the businesses of the AGEST Group Business. Operating income was JPY1,438,572 thousand (up 74.2% YoY) and ordinary income was JPY1,422,189 thousand (up 75.7% YoY). In addition, net income attributable to owners of the parent grew massively, to JPY757,678 thousand (up 66.5% YoY), thanks to the positive impact of increased operating income, despite recording Loss on valuation of investment securities.

Business results by segment are reviewed below.

	FY2024 First half period (JPY in thousand)	FY2025 First half period (JPY in thousand)	Change (%)
Sales	19,906,168	19,112,058	-4.0
DH Group Business	12,170,799	11,321,396	-7.0
AGEST Group Business	7,925,835	7,905,328	-0.3
Adjustment amount	-190,466	-114,666	—
Operating income or operating loss (-)	825,782	1,438,572	74.2
DH Group Business	832,294	1,154,844	38.8
AGEST Group Business	-6,512	283,727	—

Net sales of each segment includes internal sales or transfers between segments, and segment profit or loss is indicated as Operating income or operating loss (-).

① DH Group Business

This segment mainly consists of Domestic debugging services for detecting bug or defect in console games and mobile games, as well as Global and other services such as game localization and LQA (Linguistic Quality Assurance), marketing support, game development support, and customer support.

During this first half consolidated fiscal year, thanks to proactive operating activities deployed against the strengths of our abundant pool of test human resources and the more than 600 new hardware-only test equipment procured at the end of the previous period, we secured numerous new transactions in the debugging for console games and other services. As a result, Domestic debugging services were favorable.

In addition, in the Global and other services also, new transactions for translation and LQA steadily increased due in part to the full-fledged deployment of solutions using the unique game-specific AI-translation engine “ella” during the period under review, and further businesses progressed steadily, thanks to factors including the high level of operation of game-development support projects, including new titles for Nintendo Switch 2. In addition, aiming toward further growth in global domains, we also made progress on preparing for the established of subsidiary with localization as a core businesses in Thailand, and as a group, we proactively carried out efforts to enhance and expand global solutions and expand our overseas customer or client base, through means including enhancing promotional activities targeting overseas clients as a unified group.

As a result of the above factors, net sales in the DH Group Business during the first half consolidated fiscal year stood at JPY11,321,396 thousand (down 7.0% YoY), largely due to the impact of the exclusion of subsidiary from consolidation in December 2024, despite favorable conditions, including double-digit growth in Domestic debugging services and other established businesses. Segment profits, however, grew considerably to JPY1,154,844 thousand (up 38.8% YoY), thanks to factors including growth in highly profitable Domestic debugging services.

② AGEST Group Business

This segment mainly consists of QA solutions including system testing to detect defects in enterprise systems, security testing such as vulnerability testing, and ERP implementation support. In addition, this segment provides SOC (Security Operation Center) operations that monitor software and networks, detect and counter attacks, and IT services and other services that provide system maintenance and operational support.

During this first half consolidated fiscal year, in QA Solutions, which are considered growth drivers, we secured steady new transactions through continuing focus on hiring and development of high-skill engineers, as well as striving to provide high-value-added solutions such as the Shift-Left test service “QA for Development” that supports quality improvement from the upstream processes of development, and the Shift-Rite test service “QA for DevOps” that supports quality improvement in the operation phase. In addition, combined with swiftly promoting the use of AI in the test domain, including the official launch on September 1, 2025 of a proprietary test tool with standard AI functions “TFACT,” we have endeavored to enhance our technological capabilities as a “tech” company and differentiate ourselves from competitors, through means including embarking on the development of net domestically produced SBOM (Software Bill of Materials) tools, for which demand is expected to grow in the future.

Furthermore, as part of its efforts to select and focus businesses on future growth, the Group continued to promote strategic

contraction of unprofitable businesses, including maintenance and operation support.

As a result of the above factors, net sales of AGEST Group Business during the first half consolidated fiscal year stood at JPY7,905,328 thousand (down 0.3% YoY), thanks to the impact of the contraction of businesses in maintenance and operation support and other factors, despite higher sales of its core QA solutions. At the same time, on the profit front, segment profit was up considerably to JPY283,727 thousand (vs. a segment loss of JPY6,512 thousand in the same period of the previous fiscal year), thanks to factors such as improved profitability resulting from a reaction to low-profit projects that occurred in the first quarter of the previous fiscal year (April to June) and the effects of businesses restructuring efforts in overseas businesses.

(2) Overview of Financial Standing in this First Half Period

(Assets)

The balance of current assets was JPY14,734,935 thousand, up JPY665,474 thousand from the level of JPY14,069,461 thousand at the end of the previous consolidated fiscal year (up 4.7% from the previous period).

This was due mainly to factors such as increases of JPY433,300 thousand in cash and deposits and JPY230,405 thousand in notes and accounts receivable-trade and contract assets.

The balance of non-current assets was JPY5,551,983 thousand, down JPY328,046 thousand (5.6% from the previous period) from non-current assets of JPY5,880,029 thousand at the end of the previous consolidated fiscal year.

This was due mainly to factors such as decreases of JPY186,651 thousand in goodwill and JPY327,612 thousand in investment securities, despite an increase of JPY122,078 thousand in other intangible fixed assets.

(Liabilities)

The balance of current liabilities was JPY10,558,208 thousand, up JPY85,112 thousand (up 0.8% from the previous period), from the current liabilities of JPY10,473,095 thousand at the end of the previous consolidated fiscal year.

This was due mainly to factors such as decreases of JPY134,062 thousand in accounts payable-other and JPY106,774 thousand in income taxes payable, despite an increase of JPY300 million in short-term loans payable.

The balance of non-current liabilities was JPY210,980 thousand, down JPY4,720 thousand (2.2% from the previous period) from non-current liabilities of JPY215,700 thousand at the end of the previous consolidated fiscal year.

(Net assets)

The balance of net assets was JPY9,517,730 thousand, up JPY257,035 thousand (up 2.8% from the previous period), from the level of JPY9,260,695 thousand in net assets at the end of the previous consolidated fiscal year.

This was due mainly to factors such as decreases of JPY278,579 thousand in retained earnings and JPY226,574 thousand in foreign currency translation adjustment due to dividends, despite first half net income attributable to shareholder of the parent of JPY757,678 thousand.

(Analysis of cash flow)

Cash and deposits (hereinafter referred to as [funds]) during the first half consolidated fiscal year stood at JPY8,027,043 thousand, up JPY1,096,918 thousand from the level of JPY6,930,124 thousand in funds during the previous first half consolidated fiscal year.

The state of each type of cash flow, and major contributing factors to each, are summarized below.

(Cash flow from operating activities)

The operating activities resulted in funds of JPY981,420 thousand (vs. revenues of JPY1,257,845 thousand in the same period of the previous fiscal year).

This was due mainly to the positive contributors such as JPY1,122,189 thousand in first half net income before income taxes and minority interests, JPY299,999 thousand in loss on valuation of investment securities, JPY 248,334 thousand in depreciation and amortization, and JPY146,648 thousand in amortization of goodwill, despite negative contributors such as JPY556,616 thousand in income taxes paid and JPY375,127 thousand in increase in notes and accounts receivable-trade.

(Cash flow from investing activities)

As a result of the investing activities, funds expended totaled JPY472,354 thousand (vs. expenditures of JPY714,990 thousand in the same period of the previous fiscal year).

This was due mainly to factors such as expenditures of JPY223,448 thousand on acquisition of intangible fixed assets, JPY110 million on payment of contingent purchase of shares in subsidiary, and JPY103,896 thousand on acquisition of property, plant, and equipment.

(Cash flow from financing activities)

Funds used in financing activities totaled JPY131 thousand (vs. expenditures of JPY612,289 thousand in the same period of the previous fiscal year).

This was due mainly to factors such as proceeds from short-term loans payable of JPY300 million and payment of dividends of JPY278,625 thousand.

(3) Explanation of Forward-looking Information such as Forecasts of Consolidated Financial Results

Although there is currently no change from the forecast of business results announced in the [Summary of Business Results for the Fiscal Year Ended March 31, 2025 [Japan GAAP] (Consolidated)] disclosed May 13, 2025, future trends in the businesses environment and business results will be monitored closely, and disclosures will be made promptly when it is judged that revisions to forecasts of business results are required.

2. First half Consolidated Financial Statements and Important Notes

(1) First Half Consolidated Balance Sheet

	Previous consolidated fiscal year (March 31, 2025)	This first half consolidated accounting period (September 30, 2025)	(Unit: JPY thousand)
Assets			
Current assets			
Cash and deposits	7,593,742	8,027,043	
Notes and accounts receivable-trade and contract assets	5,545,690	5,776,096	
Inventories	65,405	59,107	
Income taxes receivable	3,890	10,839	
Other	903,078	904,203	
Allowance for doubtful accounts	-42,346	-42,353	
Total current assets	14,069,461	14,734,935	
Noncurrent assets			
Property, plant and equipment	1,475,383	1,502,786	
Intangible fixed assets			
Goodwill	1,035,427	848,776	
Other	713,043	835,122	
Total intangible fixed assets	1,748,471	1,683,898	
Investments and other assets			
Investment securities	1,340,609	1,012,996	
Other	1,338,621	1,378,862	
Allowance for doubtful accounts	-23,057	-26,561	
Total investments and other assets	2,656,174	2,365,297	
Total noncurrent assets	5,880,029	5,551,983	
Total assets	19,949,490	20,286,918	
Liabilities			
current liabilities			
Short-term loans payable	5,200,000	5,500,000	
Accounts payable-other	2,280,008	2,145,945	
Accrued expenses	982,267	1,069,152	
Income taxes payable	574,690	467,915	
Provision for bonuses	150,622	144,900	
Other	1,285,505	1,230,293	
Total current liabilities	10,473,095	10,558,208	
Noncurrent liabilities			
Net defined benefit liability	16,232	20,648	
Other	199,467	190,331	
Total noncurrent liabilities	215,700	210,980	
Total liabilities	10,688,795	10,769,188	

	(Unit: JPY thousand)	
	Previous consolidated fiscal year (March 31, 2025)	This first half consolidated accounting period (September 30, 2025)
Net assets		
Shareholders' equity		
Capital stock	300,686	300,686
Capital surplus	66,018	63,686
Retained earnings	9,298,826	9,777,925
Treasury stock	-1,806,469	-1,792,421
Total shareholders' equity	<u>7,859,061</u>	<u>8,349,876</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,734	7,481
Foreign currency translation adjustment	1,084,048	857,474
Total accumulated other comprehensive income	<u>1,094,783</u>	<u>864,956</u>
Non-controlling interests	306,850	302,897
Total net assets	<u>9,260,695</u>	<u>9,517,730</u>
Total liabilities and net assets	<u>19,949,490</u>	<u>20,286,918</u>

(2) First Half Consolidated Income Statement and First half Consolidated Comprehensive Income Statement

(First Half Consolidated Income Statement)

(Unit: JPY thousand)

	Previous first half consolidated accounting period (From April 1, 2024 to September 30, 2024)	This first half consolidated accounting period (From April 1, 2025 to September 30, 2025)
Sales	19,906,168	19,112,058
Cost of sales	15,031,777	14,108,694
Gross profit	4,874,390	5,003,364
Selling, general, and administrative expenses	4,048,607	3,564,792
Operating income	825,782	1,438,572
Non-operating income		
Interest income	14,960	15,382
Foreign exchange gains	—	14,569
Subsidy income	5,487	4,824
Other	8,927	8,104
Total non-operating income	29,375	42,881
Non-operating expenses		
Interest expenses	15,860	20,612
Equity in losses of affiliates	11,641	30,041
Foreign exchange losses	1,758	—
Other	16,571	8,609
Total non-operating expenses	45,831	59,263
Ordinary income	809,327	1,422,189
Extraordinary income		
Gain on reversal of loss on businesses restructuring	41,713	—
Total extraordinary income	41,713	—
Extraordinary loss		
Loss on retirement of noncurrent assets	1,529	—
Loss on valuation of investment securities	—	299,999
Provision of allowance for doubtful accounts	6,678	—
Penalty fee	3,865	—
Total extraordinary loss	12,072	299,999
First half net income (-) before income taxes and minority interests	838,967	1,122,189
Income taxes-current	359,155	446,840
Income taxes-deferred	8,461	-90,311
Total income taxes	367,616	356,528
First half net income or net loss (-)	471,351	765,661
Net income attributable to non-controlling shareholder	16,255	7,982
Net income attributable to shareholder of the parent	455,095	757,678

(First Half Consolidated Statement of Comprehensive Income)

(Unit: JPY thousand)

	Previous first half consolidated accounting period (From April 1, 2024 to September 30, 2024)	This first half consolidated accounting period (From April 1, 2025 to September 30, 2025)
First half net income	471,351	765,661
Other comprehensive income		
Valuation difference on available-for-sale securities	-66,911	-3,252
Foreign currency translation adjustment	236,603	-217,447
Share of other comprehensive income of entities accounted for using equity method	-13,986	-7,105
Total other comprehensive income	155,705	-227,805
First half comprehensive income	627,056	537,855
(Breakdown)		
First half comprehensive income attributable to shareholder of the parent	593,457	527,851
First half comprehensive income attributable to non- controlling shareholder	33,599	10,003

(3) First Half Consolidated Statement of Cash Flows

(Unit: JPY thousand)

	Previous first half consolidated accounting period (From April 1, 2024 to September 30, 2024)	This first half consolidated accounting period (From April 1, 2025 to September 30, 2025)
Net cash provided by (used in) operating activities		
First half net income before taxes and minority interests	838,967	1,122,189
Depreciation and amortization	254,515	248,334
Amortization of goodwill	233,885	146,648
Increase (decrease) in allowance for doubtful accounts	-37,824	3,346
Increase (decrease) in provision for bonuses	12,297	-3,843
Increase (decrease) in provision for directors' bonuses	-6,145	-166
Interest and dividends income	-14,960	-15,382
Share-based compensation expenses	8,706	5,811
Interest expenses	15,860	20,612
Foreign exchange losses (gains)	1,758	-14,569
Equity in losses (earnings) from investment in affiliates	11,641	30,041
Loss (gain) on valuation of investment-securities	—	299,999
Loss on retirement of noncurrent assets	1,529	—
Decrease (increase) in notes and accounts receivable- trade	492,349	-375,127
Decrease (increase) in inventories	-9,207	6,677
Increase (decrease) in accounts payable-other	203,610	-5,360
Subsidy income	-5,487	-4,824
Increase (decrease) in accrued expenses	-226,023	92,544
Increase (decrease) in accrued consumption taxes	-48,912	74,652
Decrease (increase) in other current assets	-123,265	-65,722
Increase (decrease) in other current liabilities	-68,333	-72,375
Other	-18,893	42,084
Subtotal	1,516,068	1,535,573
Interest and dividends income received	14,566	15,206
Interest expenses paid	-20,698	-20,705
Income taxes paid	-309,522	-556,616
Income taxes refund	51,943	3,139
Subsidies received	5,487	4,824
Net cash provided by (used in) operating activities	1,257,845	981,420

	(Unit: JPY thousand)	
	Previous first half consolidated accounting period (From April 1, 2024 to September 30, 2024)	This first half consolidated accounting period (From April 1, 2025 to September 30, 2025)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-196,810	-103,896
Proceeds from sales of property, plant and equipment	480	391
Purchase of intangible assets	-139,172	-223,448
Payment on conditional acquisition of shares of subsidiaries	-155,798	-110,000
Purchase of investment securities	-216,000	-18,400
Payments for lease and guarantee deposits	-25,031	-30,493
Proceeds from collection of lease and guarantee deposits	17,341	13,491
Net cash provided by (used in) investing activities	-714,990	-472,354
Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	-335,072	300,000
Repayments of lease obligations	-4,815	-7,549
Cash dividends paid	-233,227	-278,625
Payment of dividends to non-controlling interests	-39,173	-13,957
Net cash provided by (used in) financing activities	-612,289	-131
Effect of exchange rate change on cash and cash equivalents	140,983	-75,632
Increase (decrease) in cash and cash equivalents	71,548	433,300
Starting balance of cash and cash equivalents	6,858,575	7,593,742
Balance of cash and cash equivalents at end of first half period	6,930,124	8,027,043

(4) Notes to the First half Consolidated Financial Statements

(Notes regarding the going-concern assumption)

Not applicable

(Notes on marked changes to amount of shareholder' equity)

Not applicable

(Changes in accounting policies that are difficult to differentiate from changes in accounting estimates and changes in accounting estimates)

(Changes to the depreciation method for property, plant and equipment)

Although the declining-balance method was used until the previous consolidated fiscal year for tools, furniture and fixtures held by DIGITAL HEARTS Co., Ltd., a consolidated subsidiary, from this first half period onward the straight-line method was used.

This change is to be implemented in order to more accurately reflect actual usage of assets in profit or loss during the period, as it is expected that future use of test facilities and equipment will be stable as a result of construction of a system for large-scale procurement of test equipment and receiving orders in anticipation of future growth in demand following the simultaneous global release of new game equipment in the game industry in this first half period.

As a result of this change, compared to the previous method, Operating income, ordinary income, and net income before income taxes and minority interests increased by JPY16,336 thousand each.

(Change in the depreciation method and change in the useful life of minor depreciable assets)

DIGITAL HEARTS Co., Ltd., a consolidated subsidiary, had been amortizing testing equipment and materials with an acquisition cost of JPY100 thousand or more but less than JPY200 thousand as lump-sum amortization assets over three years in accordance with the provisions of the Corporation Tax Act.

Additionally, in conjunction with the change in depreciation method for low-value depreciable assets related to test equipment and machinery, the useful life of certain assets, specifically mobile terminal equipment and game equipment, has been extended from three years to five years.

These changes were made to more accurately reflect the usage of assets in period results, considering that the Company's comprehensive management system covers both fixed assets and low-value depreciable assets, and that the useful lives of mobile terminal equipment and game equipment are becoming longer.

As a result of this change, compared to the previous method, operating income, ordinary income, and net income before income taxes and minority interests each increased by JPY17,277 thousand in the cumulative period through the consolidated first half.

(Notes on Segment Information etc.)

[Segment information]

I Previous first half consolidated fiscal year (From April 1, 2024 to September 30, 2024)

1. Information on net sales and profit/loss amounts by reporting segment

(Unit: JPY thousand)

	Reporting segment			Total	Adjustment amount (Note 1)	Amounts on first half consolidated income statement (Note 2)
	DH Group Business	AGEST Group Business	Total			
Sales						
Net sales to external customers	12,001,722	7,904,446	19,906,168	19,906,168	—	19,906,168
Internal sales or transfers between segments	169,076	21,389	190,466	190,466	-190,466	—
Total	12,170,799	7,925,835	20,096,634	20,096,634	-190,466	19,906,168
Segment profit (loss)	832,294	-6,512	825,782	825,782	—	825,782

(Note 1) The adjustment amount to internal sales or transfers between segments of JPY-190,466 thousand represents eliminations related to first half transactions between segments.

(Note 2) The amounts of segment income (-) are consistent with the Operating income on the first half Consolidated Income Statement.

2. Impairment losses on noncurrent assets/goodwill etc. by reporting segment

Not applicable

II This first half consolidated fiscal year (from April 1, 2025 to September 30, 2025)

1. Information on net sales and profit/loss amounts by reporting segment

(Unit: JPY thousand)

	Reporting segment			Total	Adjustment amount (Note 1)	Amounts on first half consolidated income statement (Note 2)
	DH Group Business	AGEST Group Business	Total			
Sales						
Net sales to external customers	11,236,209	7,875,849	19,112,058	19,112,058	—	19,112,058
Internal sales or transfers between segments	85,187	29,479	114,666	114,666	-114,666	—
Total	11,321,396	7,905,328	19,226,725	19,226,725	-114,666	19,112,058
Segment profit	1,154,844	283,727	1,438,572	1,438,572	—	1,438,572

(Note 1) The adjustment amount to internal sales or transfers between segments of JPY-114,666 thousand represents eliminations related to first half transactions between segments.

(Note 2) The amounts of segment income are consistent with the Operating income on the first half Consolidated Income Statement.

2. Matters related to changes to reporting segments

(Changes to the depreciation method for property, plant and equipment)

As described in the Notes (Changes in accounting policies that are difficult to differentiate from changes in accounting estimates and changes in accounting estimates), beginning with the first half of this consolidated fiscal year changes to the depreciation method for property, plant, and equipment (excluding lease assets) are made to the straight-line method at certain domestic consolidated subsidiary.

This change increased DH Group Business segment income by JPY16,336 thousand in the cumulative period through the consolidated first half.

(Change in the depreciation method and change in the useful life of minor depreciable assets)

As described in the Notes (Changes in accounting policies that are difficult to differentiate from changes in accounting estimates and changes in accounting estimates), beginning with the first half of this consolidated fiscal year, certain domestic consolidated subsidiary have applied changes to the depreciation methods and changes to the useful lives of minor depreciable assets.

This change increased DH Group Business segment income by JPY17,277 thousand in the cumulative period through the consolidated first half.

3. Impairment losses on noncurrent assets/goodwill etc. by reporting segment

Not applicable

(Important developments arising after the end of the fiscal year)

(Corporate consolidation through acquisition)

In its board of directors on November 6, 2025, we resolved to purchase all shares of HUWIZ SOLUTIONS INC. ("HUWIZ") and make it a subsidiary.

1. Overview of this corporate consolidation

(1) Name of acquired firm and details of its businesses

Name of acquired firm HUWIZ SOLUTIONS INC.

Businesses content: Debugging and QA for game software

(2) Main reasons for acquisition

To expand the customer or client base in Europe and the United States and increase the capacity of the English-language

Debugging to respond

(3) Date of corporate consolidation

Date of the share acquisition: November 20, 2025 (Scheduled)

(4) Legal form of corporate consolidation

Purchase of shares in cash

(5) Company name after consolidation

Name unchanged.

(6) Percentage of voting rights acquired

100%

(7) Main evidence leading to the decision on acquisition

To purchase shares of common stock in the acquisition, for cash.

2. Price of acquisition and breakdown of price by type

Price of acquisition (cash and deposits)	CAD 16,562 thousand (JPY 1,801 million)
Acquisition cost	CAD 16,562 thousand (JPY 1,801 million)

(Note) Calculated at the rate of 108.80 yen to the Canadian dollar.

3. Details and amounts of main costs related to acquisition

Advisory expenses etc. CAD 234 thousand (JPY 25 million) (rough estimate)

4. Resulting amount of goodwill, its cause, and its redemption method and redemption period

To be determined

5. Amounts and main details of assets received and liabilities underwritten on the date of the corporate consolidation

To be determined