

January 23, 2026

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

Notice of a Capital and Business Alliance Agreement Execution with GTL Media, Inc. and Prospective Consolidation

DIGITAL HEARTS HOLDINGS Co., Ltd. (hereinafter referred to as “the Company”) announces that, at the Board of Directors meeting held today, it has resolved to enter into a capital and business alliance agreement with GTL Media, Inc. (hereinafter referred to by its brand name “GameScribes”) and to explore the possibility of making the company a consolidated subsidiary in the future, as outlined below.

1. Reasons for the capital and business alliance

In recent years, the global expansion of game titles has accelerated, leading to a sharp increase in demand for multilingual support and localization to enable simultaneous releases across various countries and regions. Against this backdrop, our group, which offers comprehensive quality enhancement services for game software, has been actively developing a one-stop solution framework. This includes not only leveraging the management resources and expertise cultivated through our original core business in game debugging/Quality Assurance (QA), but also utilizing M&A and strategic alliances to provide translation and LQA (Linguistic Quality Assurance*) while preserving the game’s worldview and character identity, multilingual voice recording, and marketing support tailored to local market practices. In particular, for translation and LQA, we are focused on delivering high-value services that combine quality and speed. This is made possible by “ella”, our unique AI translation engine specializing in games. It supports 17 language pairs across 8 languages—including Asian and Western languages—powered by a team of over 350 native-speaking professionals.

Founded in 2009 in the United States, Gamescribes is a localization company with a global network of over 900 freelance professionals. The company has contributed to the localization of numerous major game titles. GameScribes delivers high-quality translation services by combining native-speaking talent across a wide range of languages—including Russian, Arabic, and Latin American languages—with a four-tiered talent classification system based on translation skill and experience, earning strong praise from clients.

By integrating our strengths in Asian languages, GameScribes’ expertise in Western and other languages, and the use of our unique AI engine “ella,” we are now able to deliver high-quality multilingual translation and LQA services through a seamless one-stop solution. In light of this strategic alignment, we have decided to enter a capital and business alliance agreement with GameScribes.

Looking ahead, we will continue to enhance our one-stop solutions to strongly support our clients’ global expansion, with the aim of evolving into a corporate group that can compete globally as a true “Global Quality Partner” in the entertainment industry.

*LQA...An abbreviation for Linguistic Quality Assurance. It refers to the process of verifying localized content by checking for issues such as text overflow and character corruption, while also reviewing the linguistic and cultural appropriateness of the translated text to ensure the overall quality of localization.

2. Regarding capital and business alliance

(1) Capital alliance

We plan to acquire 250 newly issued shares of GameScribes through a third-party allotment for a total consideration of USD 1 million (JPY 158 million). Following the transaction, we will hold 20.0% of GameScribes' total outstanding shares as of February 6, 2026.

Furthermore, we intend to acquire the remaining 1,000 shares of GameScribes (representing 1,000 voting rights), thereby making GameScribes a wholly-owned subsidiary, provided that GameScribes meets its performance targets for the fiscal year ending December 2028. The specific details of the additional acquisition, including the schedule and purchase price, have not yet been fixed and will be disclosed once finalized.

* The exchange rate used for calculation is 158.27 yen per US dollar.

(2) Business alliance

Through this strategic partnership, we aim to accelerate the global expansion of both companies by combining GameScribes' localization expertise for European languages, Russian, Arabic, and Latin American languages with our group's strengths in Asian language localization, debugging, and game development support services.

3. Overview of capital and business alliance partner

(1)	Company name	GTL Media, Inc.		
(2)	Location	171 PIER AVE #179, SANTA MONICA, CA 90405, USA		
(3)	Title and name of representative	President and CEO Philippe Erwin		
(4)	Business descriptions	Localization and voice recording for video game software, etc.		
(5)	Share capital	USD 10 (JPY 1 thousand)		
(6)	Date of establishment	February 24, 2009		
(7)	Major shareholders and shareholding ratios	Philippe Erwin 100.0%		
(8)	Relationship between the listed company and the said company	Capital ties	None	
		Personnel relations	None	
		Business relations	DIGITAL HEARTS USA Inc., a consolidated subsidiary of the Company, has a business relationship with GameScribes in connection with game translation services.	
(9)	Operating results and financial position of GameScribes for the past three years			
	Fiscal year	Fiscal Year Ended December 2022	Fiscal Year Ended December 2023	Fiscal Year Ended December 2024
	Net assets	USD 27 thousand (JPY 4 million)	USD 56 (JPY 8 thousand)	USD 31 thousand (JPY 5 million)
	Total assets	USD 668 thousand (JPY 105 million)	USD 1,012 thousand (JPY 160 million)	USD 564 thousand (JPY 89 million)
	Net assets per share	USD 27.29 (JPY 4 thousand)	USD 0.06 (JPY 8.98)	USD 31.67 (JPY 5 thousand)
	Net sales	USD 1,892 thousand (JPY 299 million)	USD 2,815 thousand (JPY 445 million)	USD 1,707 thousand (JPY 270 million)
	Ordinary income	USD 3 thousand (JPY 575 thousand)	USD -145 thousand (JPY -23 million)	USD 1 thousand (JPY 217 thousand)

Net income	USD 966 (JPY 152 thousand)	USD -234 (JPY -37 thousand)	USD 31 thousand (JPY 5 million)
Net income per share	USD 0.97 (JPY 152.97)	USD -0.23 (JPY -37.12)	USD 31.83 (JPY 5 thousand)
Dividend per share	—	USD 27.00 (JPY 4 thousand)	—

* The exchange rate used for calculation is 158.27 yen per US dollar.

4. Schedule

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| (1) Date of the Board of Directors' resolution | : January 23, 2026 |
| (2) Date of conclusion of capital and business alliance agreement | : January 23, 2026 (Scheduled) |
| (3) Commencing date of capital and business alliance | : February 6, 2026 (Scheduled) |

5. Future Outlook

We expect the capital and business alliance agreement to have a minor effect on our business results for the fiscal year ending March 31, 2026. However, we will promptly make an announcement if it is necessary to revise our results forecast or if any matter requiring disclosure is generated in the future.