

Financial Report

FY26.3



2026.5.14

I. Introduction





PURPOSE

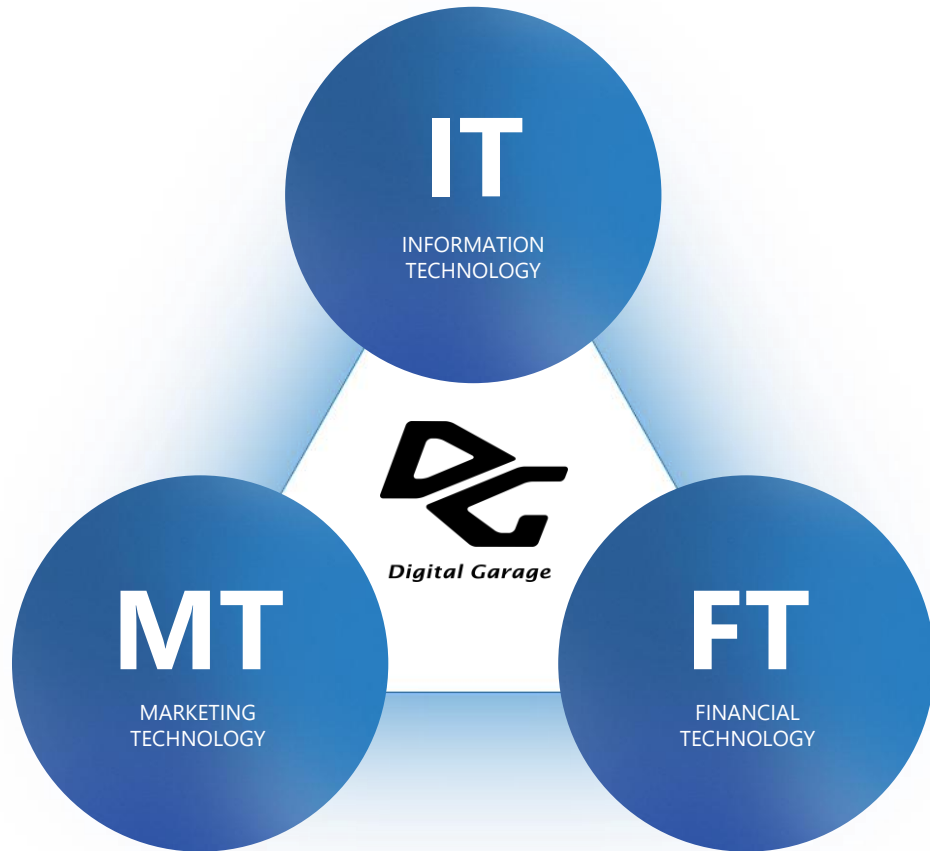
Designing 'New Context' for a sustainable society
with technology

<VALUES>

First Penguin Spirit

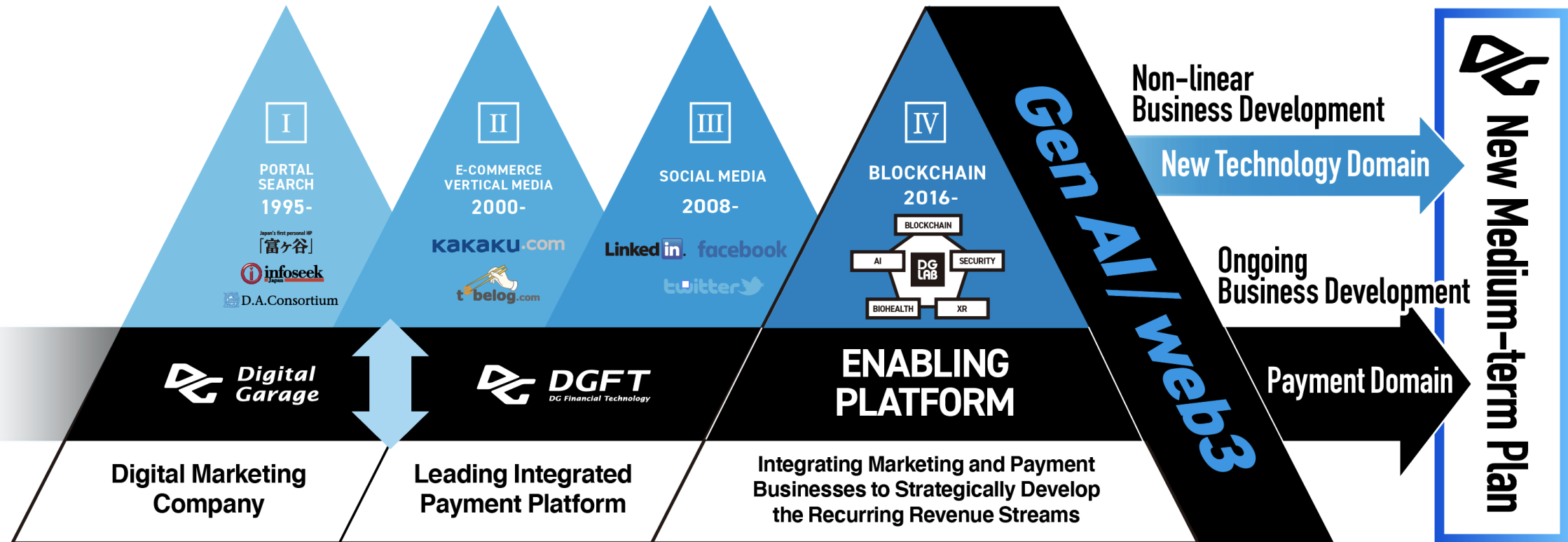
<CORPORATE SLOGAN>

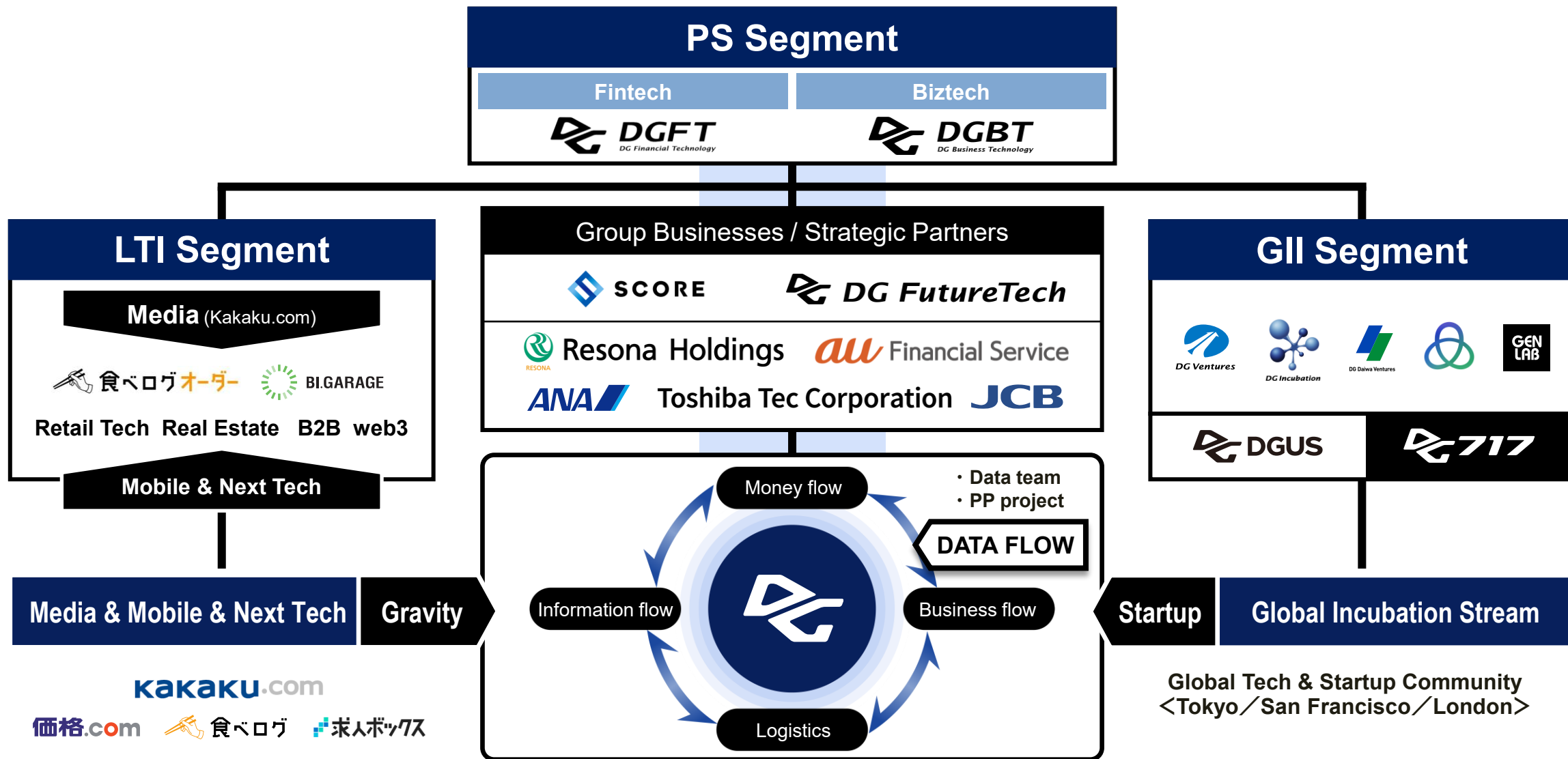
New Context Designer DG



By connecting 3 different technologies in context, Digital Garage has built a structure that captures technological evolution and achieves continuous business growth

Since its establishment in 1995, DG has been developing the latest internet business deploying cutting-edge technologies based on marketing and payment. Our next generation focus will be on Gen AI / web3, etc.





II. Consolidated Financial Highlights



Results Summary

Consolidated profit before tax reached 3 billion yen, driven primarily by easier year-over-year comparatives following the non-cash valuation loss recorded on investees in FY25.3

Consolidated Profit before tax	PS PMT TXN Vol.	PS Profit before tax	LTI Profit before tax	GII Investment business income
-¥10.2 B → ¥3.0 B (YoY) (+¥13.2 B)	¥7.5 T → ¥9.1 T (YoY) (+21.1%)	¥8.8 B → ¥9.1 B (YoY) (+3.6%)	¥1.0 B → ¥1.8 B (YoY) (+¥0.8 B)	Total: ¥15.7 B (FY24.3~FY26.3)

Segment Highlights

Platform Solution

- **NESTA**, the next-generation payment platform built for the KDDI Group, entered full-scale operation in the fourth quarter
- Launch of **Cloud Pay Business**, a next-generation DX service integrating cashless payments and AI
- Offer **premium solutions** such as AI-powered data analytics and branded digital currency services

Long-Term Incubation

- Several strategic businesses have entered the **monetization phase**, driving a reduction in operating losses
- Our out-of-app payment service, **AppPay**, and our real estate DX service, **Musubell**, continue to scale rapidly
- A **digital finance business for SMEs**, in collaboration with the Resona Group, is expected to launch withing the fiscal year

Global Investment Incubation

- Accelerating asset sales and off-balancing initiatives to achieve the MTP KPI of **30 billion yen in investment business income**
- Formed a strategic alliance with **Ion Pacific**, a world-leading secondary fund manager
- **Developing the secondary market** to shift Japan toward a capital-recycling investment model

Consolidated Financial Highlights – Segment Profit

(Unit: M JPY)	FY25.3	FY26.3	YoY	Change (%)	Summary
Consolidated profit before tax	-10,216	2,966	+13,182	-	<ul style="list-style-type: none"> YoY increase of approx. 13.2 billion yen, driven primarily by easier comps following the valuation losses recorded in the GII segment in the previous fiscal year
PS	8,757	9,074	+317	+3.6%	<ul style="list-style-type: none"> Payment and Marketing continue to face challenging YoY comps due to the one-time gains recorded in FY25.3 2Q Excluding one-off factors, underlying growth was 8%
Payment	7,023	6,767	-257	-3.7%	<ul style="list-style-type: none"> Revenue growth slowed because of merchant churn, and since revenue couldn't outpace our higher fixed costs, this impacted the bottom line Excluding one-off factors, underlying growth was -2%
Marketing	1,809	2,307	+498	+27.5%	<ul style="list-style-type: none"> Kept up a strong performance, fueled by continued momentum in the payments and financial advertising market, offsetting the temporary slowdown in the payment business Excluding one-off factors, underlying growth was +50%
LTI	969	1,752	+783	+80.8%	<ul style="list-style-type: none"> While equity-method profits from Kakaku.com and other affiliates declined in line with expectations, strategic businesses highly complementary to payment business have entered the growth phase, driving a reduction in operating losses
GII	-8,946	-1,218	+7,728	-	<ul style="list-style-type: none"> Benefited from easier YoY comps following the valuation losses recorded in FY25.3 on investees in the crypto-asset space
HQ/Adjustments	-10,997	-6,642	+4,354	-	<ul style="list-style-type: none"> Benefited from easier YoY comps following the valuation losses recorded in FY25.3 on investees in the crypto-asset space

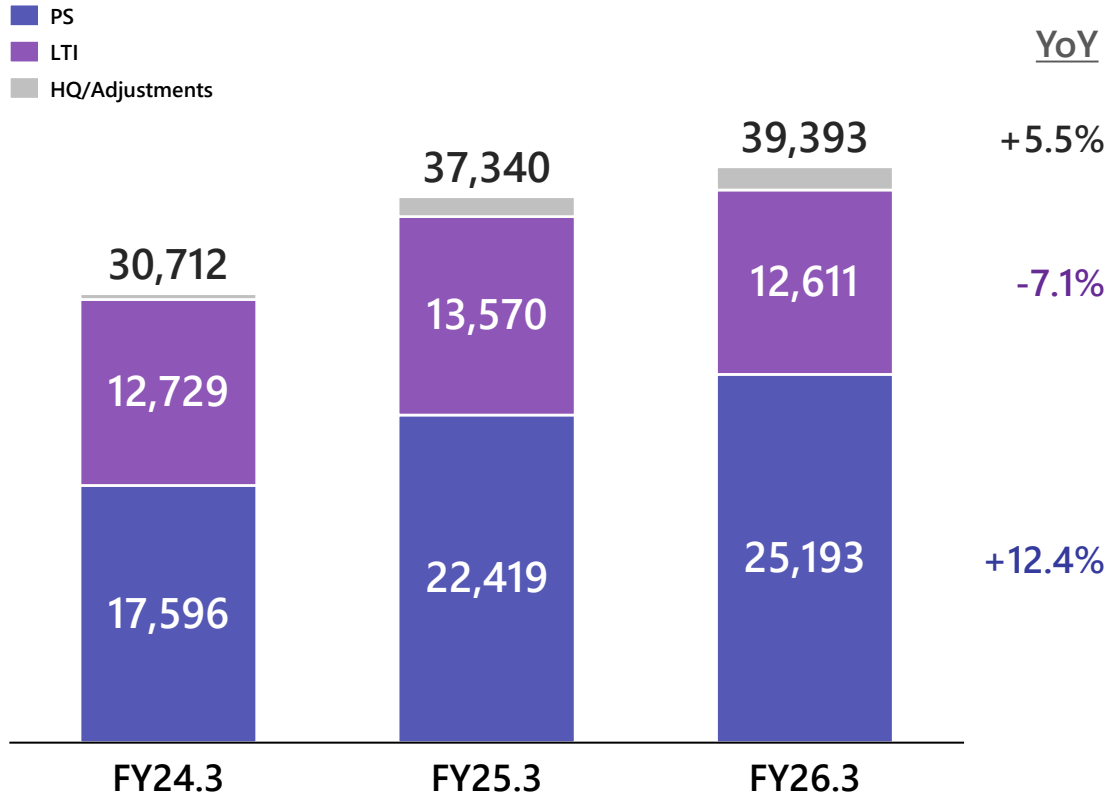
Basic Business Revenue and Profit*

*Recurring business revenue and profit excluding investment-related and one-time gains/losses

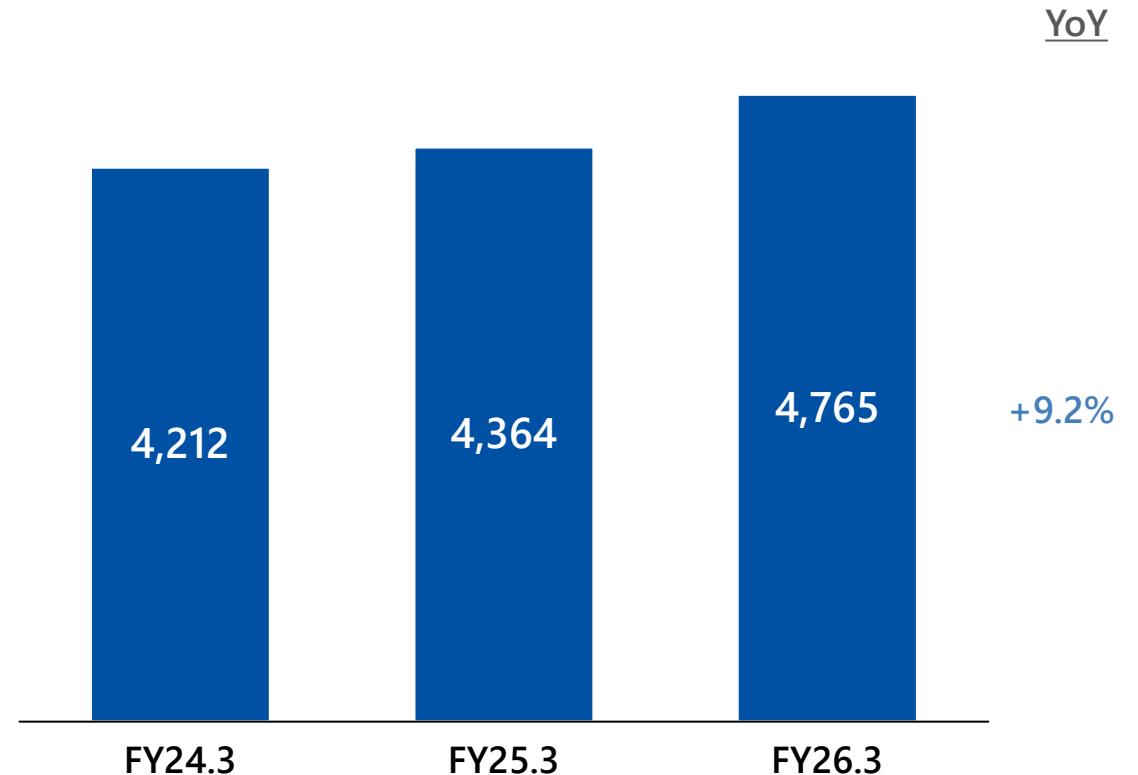


- Basic Business Revenue maintains solid growth momentum, driven by the expansion of the PS segment
- Basic Business Profit grew even after absorbing investments in technical resources, R&D talent, and the management infrastructure required for mid-to-long-term growth

Basic Business Revenue (Unit: M JPY)



Basic Business Profit (Unit: M JPY)



III. Grand Design and Strategic Objectives of the New MTP

— Strategic Reorganization of the Media and Investment Businesses and the Establishment of a Next-Generation Growth Foundation

- The current Medium-term Plan is expected to achieve the targets of “30 billion yen in cumulative investment business income” and “10.0 billion yen in shareholder returns,” driven by the progress in off-balancing the investment business
- Although impacted by factors such as the churn of major merchants, strategic partnerships with the KDDI Group and Resona Group have launched as planned, while the investment business has also undergone a structural transformation

Transitioning to a new Medium-Term Plan centered on focused investments in the payments-related domain, based on the reorganization of the business portfolio

	5-year KPIs	Actual	Initiatives
Growth Rate of Pre-tax Profit*	5-year CAGR 20% Over	+9.4% (3-year CAGR)	<ul style="list-style-type: none"> ■ Falling behind plan due to increased fixed costs driven by take-rate competition and missteps in organizational strategy decisions ■ To enhance the profitability of the payment business, we are advancing <u>the strengthening of the management structure</u> and <u>the review of the group strategy</u>
Payment Transaction Volume	FY28.3 ¥15 T Over	¥9.1 T (FY26.3)	<ul style="list-style-type: none"> ■ Transaction volume for FY26.3 fell short of the target of 10 trillion yen, primarily due to merchant churn among certain large-scale accounts ■ Large-scale projects with the <u>KDDI Group</u> and <u>Toshiba Tec</u> progressed steadily, while QR code payments also achieved significant growth
Investment Business Income	5-year total ¥30.0 B Over	¥15.7 B (3-year cumulative)	<ul style="list-style-type: none"> ■ Including the portfolio transfer to our joint fund with the Resona Group, cumulative investment business income has reached 15.7 billion yen ■ Going forward, <u>through a strategic partnership with Ion Pacific, we expect to achieve our target of 30 billion yen ahead of schedule</u>
Shareholder Returns (dividend)	5-year total ¥10.0 B Over	¥6.5 B (3-year cumulative)	<ul style="list-style-type: none"> ■ Inclusive of commemorative dividends, we have distributed a cumulative 6.5 billion yen to shareholders over the past three years. ■ <u>Supported by cash generation from the recent off-balancing initiatives, the target is expected to be achieved ahead of schedule</u>

*Excluding Investment Business and equity-method profit from Kakaku.com, Inc.

<Core Policy>

Toward DG's "Second Founding," promote the reorganization of the business portfolio and accelerate focused investments in next-generation growth domains

< Execution Principles >

1 Strategic Reorganization

Strategic Reorganization of the Media Business Portfolio

- Promote the reorganization of the business portfolio with a view toward medium- to long-term growth
- While maintaining the public nature and profitability of Kakaku.com, Inc., strengthen the long-term investment foundation required for the AI era
- Emphasize fair premiums for minority shareholders

2 Stabilization

Balancing Capital Efficiency and Financial Stability

- Stabilize the management foundation through off-balancing and evolve toward a capital recycling model utilizing the secondary market
- Generate approximately 30 billion yen in cash-in through portfolio sales enabled by the strategic partnership with Ion Pacific
- Establish a stable management foundation focused on AI with reduced earnings volatility

3 Focused Investment

Digital Financial Business Integrating Payments and Payment-Linked Financial Services

- Focus Area 1: Concentrate financial resources on payments (DGFT) and the newly launched financial business (DG Bank)
- Focus Area 2: AI, next-generation finance, data, and orchestration domains

4 Capital Discipline

Capital Policy and Financial Strategy Balancing Growth and Shareholder Returns

- Ensure financial soundness while fulfilling social responsibilities as an operator of nationally designated critical infrastructure
- Actively invest in payments, finance, and next-generation technologies to drive further growth
- Enhance financial disclosures aligned with global standards and proactively return profits to shareholders using capital generated through growth

Overview

- EQT (Akkergeelster Limited) and DG have formed a consortium to conduct a tender offer for Kakaku.com, Inc.
- If the transaction is completed and implemented, Kakaku.com is expected to be delisted, while DG plans to continue holding approx. 20% of its shares

History and Future with Kakaku.com

- DG made a capital investment in Kakaku.com in 2002, shortly after its founding, making it a consolidated subsidiary, and Kakaku.com was subsequently listed on the TSE Mothers market in October 2003
- Leveraging the strengths of both companies, the strategic partnership has been deepened with a focus on fintech, media, and next-generation technologies
- Going forward, further value enhancement is also expected through EQT's participation, backed by its extensive investment track record in the technology sector
- Pursuing an optimal capital structure that supports medium- to long-term growth while maintaining neutrality, public nature, and independence
- Promoting continued investments in AI, data, and product renewal

Financial Impact and Use of Proceeds

- Through this matter, we will accelerate the concentration of management resources into payment-related areas as outlined below, while implementing shareholder returns
- If the transaction is completed during FY27.3, DG expects to record a gain on the sale of shares of affiliates of approximately 30.0 billion yen
- Expected cash inflows are estimated at approx. 25.0 billion yen
- Regarding the use of proceeds, approx. 20.0 billion yen is planned to be allocated to growth investments in core domains to drive business expansion
- In addition, approx. 3.5 billion yen is planned for flexible shareholder returns

- Through the strategic partnership with Ion Pacific, the off-balancing of the investment business has advanced significantly, with Medium-term Management Plan targets now expected to be achieved ahead of schedule
- Maximizing the investment network to evolve into a new form of investment business that supports resilient management suited for the AI era

Transitioning from B/S investments to a fund management business to establish a stable management foundation with reduced earnings volatility

Strategic Significance

Evolution of the Investment Model :

Transitioning from a direct investment holding model to a capital recycling model leveraging the secondary market

Acceleration of Off-Balancing :

Transferring the investment portfolio to joint funds, aiming for the early achievement of the MTP target of “30 billion yen in investment business income”

Stabilization of Consolidated Earnings :

Clearly separating recurring and non-recurring businesses to mitigate the impact of sudden fluctuations on consolidated earnings

Overview of the Strategic Partnership

1 Strategic Partnership in the Secondary Business

- Revitalization of Japan’s secondary market
- Providing liquidity for unlisted shares and other assets

2 Establishment of Joint Funds and Off-Balancing of the Investment Business

- Transferring the majority of DG’s portfolio to joint funds (off-balancing)
- Co-management of multiple funds

3 Joint Development of Next-Gen Investment Infrastructure Utilizing AI

- Utilization of AI in the startup investment domain
- Aiming to enhance investment decision-making sophistication, improve transparency, and build infrastructure aligned with global standards

- Launching the project for the strategic financial business “Digital Garage Bank / DG Bank (tentative name)” with Resona Group, targeting commercialization within the current fiscal year
- Integrating payments and finance to provide a financial orchestration platform that supports SME management in the AI era

A Digital Financial “Personal Agent” Supporting SME Owners in the AI Era

Advanced Payment Platform / Next-Gen Fintech Technologies

- Next-generation payment system infrastructure
- B2B payment platform
- AI-powered credit assessment and data analytics technologies

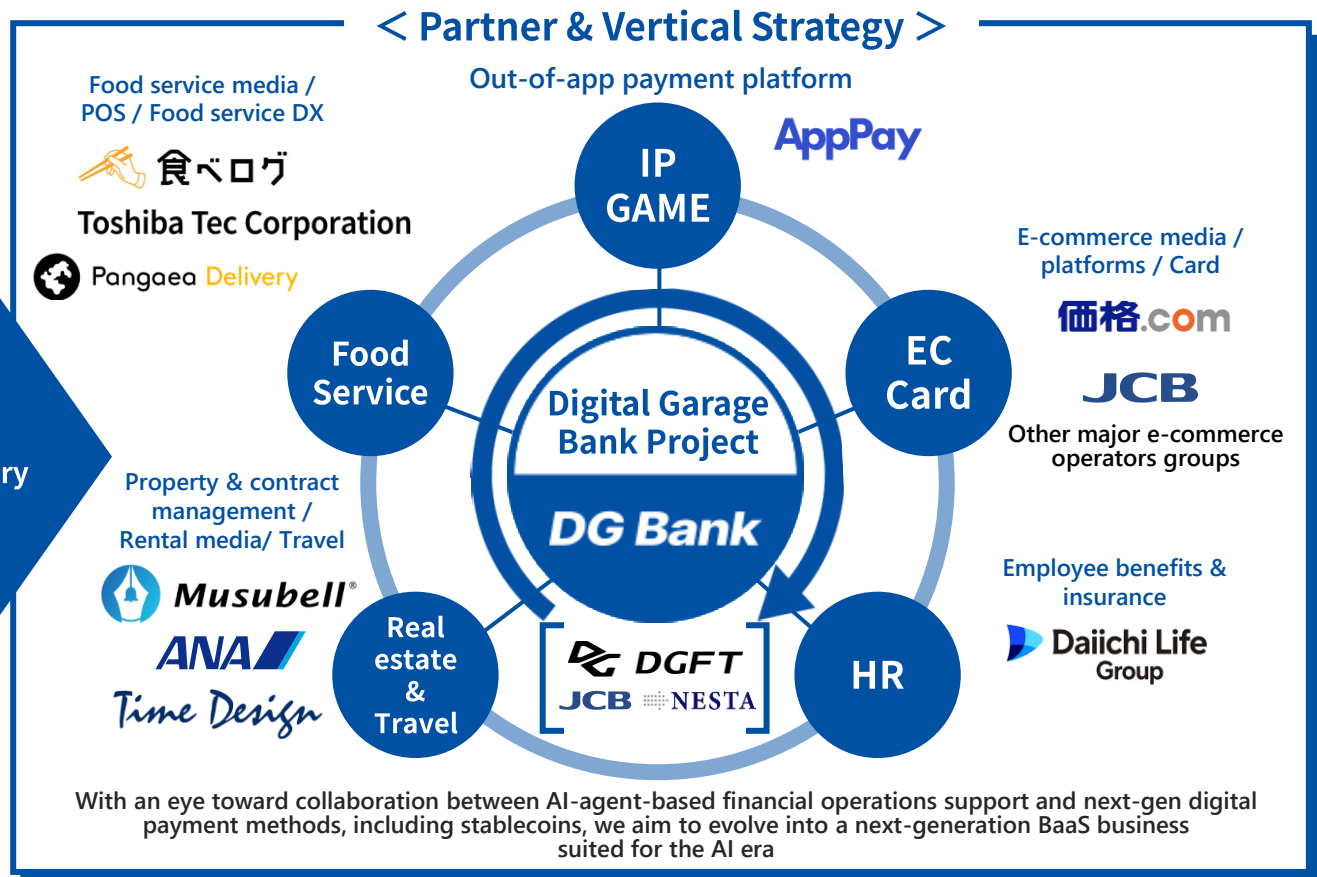
Merchant Locations Enabled for Payment Services
Approx. 1.33 million

- Next-generation financial services where personal agents support transfers and fund management
- Fast and seamless account-opening experience enabled by a proprietary fully online screening process

Community-based Relationship Support / Strong Banking & Finance Functions

- Settlement, transfer, and deposit account functions
- Community-based sales network
- Corporate lending and finance functions

Corporate Client Accounts
Approx. 500,000



- Ensuring financial soundness to support our social responsibility as a nationally designated critical infrastructure operator
- Actively investing in payments, finance, and next-generation technologies to drive further growth
- Enhancing financial disclosures with a focus on global standards and proactively returning capital to shareholders using profits generated through growth

Triggered by the Strategic Reorganization, DG has initiated a renewed review of its “Capital Policy and Financial Strategy Balancing Growth and Shareholder Returns”

Framework of the Capital Policy and Financial Strategy

1 Ensuring Financial Soundness

- Securing sufficient and appropriate operating capital to stabilize management (including initiatives to stabilize and diversify funding sources)
- Reducing interest-bearing debt in response to rising borrowing costs driven by higher interest rates
- Establishing and managing financial soundness indicators, such as the D/E ratio and the ratio of interest-bearing debt to EBITDA

2 Growth Investments in Core Areas

- While ensuring strong financial soundness, reorganizing investment and exit rules with a focus on IRR and other metrics to promote proactive growth investments
- Concentrating financial resources on core areas, including not only the payments business but also the newly entered digital financial business, to accelerate business growth

3 Proactive Shareholder Returns

- Implementing proactive shareholder returns using profits and capital generated from a stable business foundation and growth
- Setting targets that balance growth and shareholder returns, including total payout ratio and dividend payout ratio, while optimizing capital allocation
- In addition to stable dividends, implementing flexible shareholder return measures in consideration of market conditions

As the next evolution of the "Context Company," we implement a future-oriented foundation that



< 3 Layers Strategy >

First Penguin

Future Technology

Using next-generation finance (DG Bank) as the entry point, DG aims to expand its long-term earnings foundation through business development and investments in areas such as AI Agents, Stablecoins, and Orchestration

Orchestration

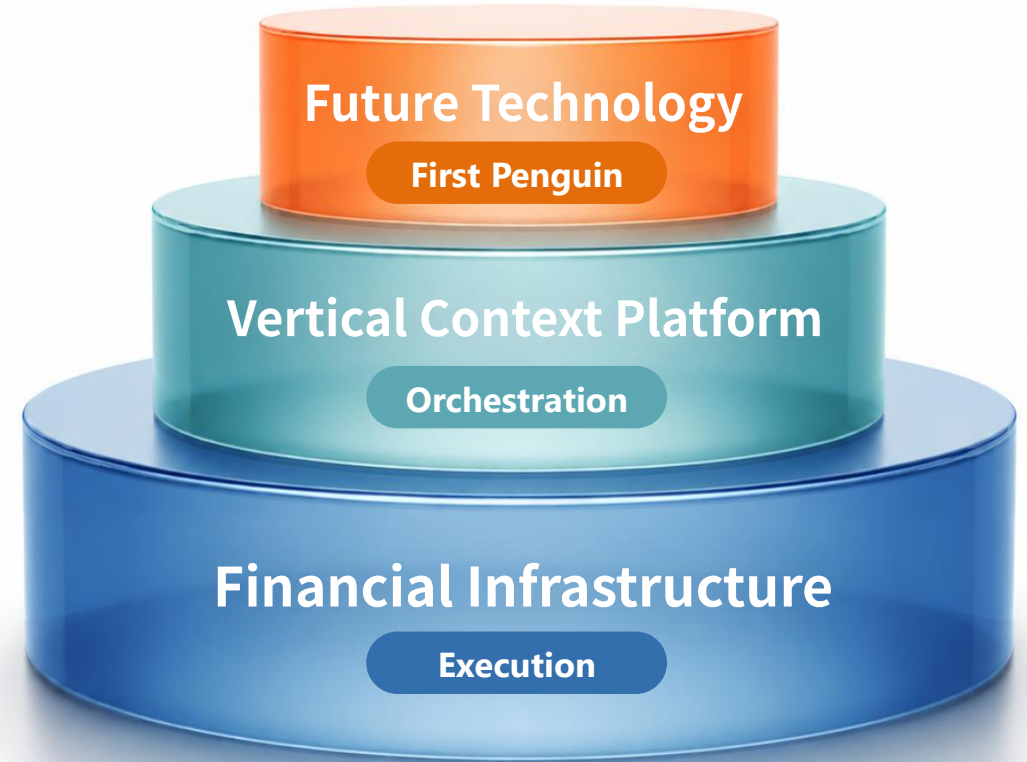
Vertical Context Platform

By fully leveraging the DG Group's capabilities in payments, credit assessment, market DX, and media, DG contributes to solving a wide range of management challenges faced by customers in specific industries, including: "Real Estate + LTV", "Food & Beverage + CVS", "Entertainment / IP", "Data-driven Finance" and "E-commerce"

Execution

Financial Infrastructure

Core function driving the next-generation payment and business flow infrastructure that technologically supports the wider financial ecosystem built around DGFT



IV. Segment Performance Highlights



II LTI segment

<KPIs>

New businesses revenue growth

+71%

Pre-tax profit growth

+81%

FY26.3 – Business Highlights

kakaku.com

- While equity-method profits declined, payment transaction volume reached a record high

Strategic businesses

- Several strategic businesses, including AppPay and Musubell, have entered the monetization phase, driving a reduction in operating losses

Group Synergies

- Payment transaction volume from the Kakaku.com Group **continues to grow**
- Transaction volumes from new businesses also **maintained strong growth**, up 40% YoY

I PS segment

<KPIs>

Payment TXN volume (TTM)

¥9.1 T

Payment TXN vol. growth

+21%

Pre-tax profit growth

+3.6%

FY26.3 – Business Highlights



Resona Holdings

- Deepened our capital and business alliance w/ Resona Group in July 2025, in order to fast-track our goal of hitting one trillion yen in payment transaction volume
- We've partnered up to build a new **BaaS and digital finance business for SMEs**, which we plan to roll out within the fiscal year



Financial Service

- Our next-generation payment platform, **NESTA**, is now fully operational
- We are scaling adoption across the broader **au economic zone** while actively driving deployment to enterprise clients outside the KDDI Group



Cloud Pay

- Launched **Cloud Pay Business**, a next-generation DX solution that fuses cashless payments with AI
- Starting with the arcade and family entertainment sector, we are offering **premium solutions** such as AI-driven customer data analytics and branded e-money services

III GII segment

<KPIs>

Investment business income

¥1.9 B

Operational investment securities (End of FY26.3)

¥53.5 B

FY26.3 – Business Highlights

Fair value

- Our portfolio saw some fluctuation, driven by valuation losses on certain investees as well as foreign exchange effects

Investment business income

- Recorded a cumulative total of **¥15.7 billion**
- Leverage our strategic partnership with **Ion Pacific** to achieve the MTP targets

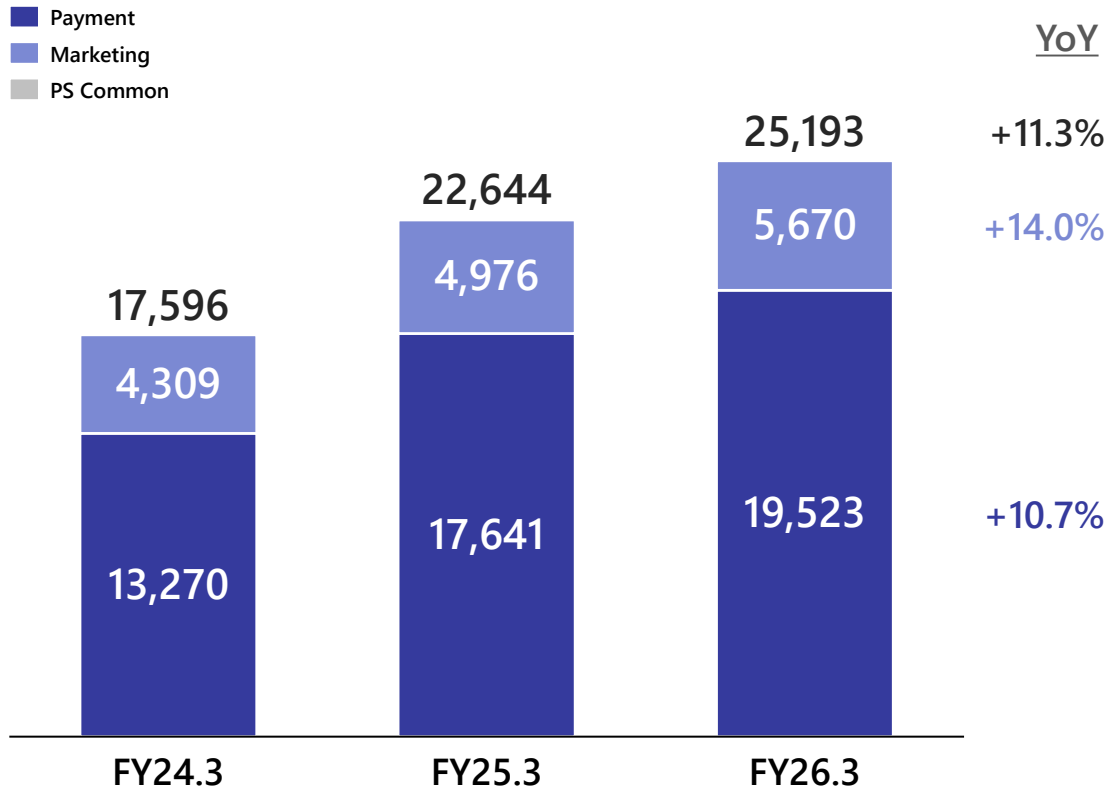
Group Synergies

- Established the **Business Co-Creation Department** to serve as a cross-functional hub for global tech startups, driving the implementation of cutting-edge Fintech
- Partnering with a U.S. investee startup** to develop an AI search optimization (GEO) service

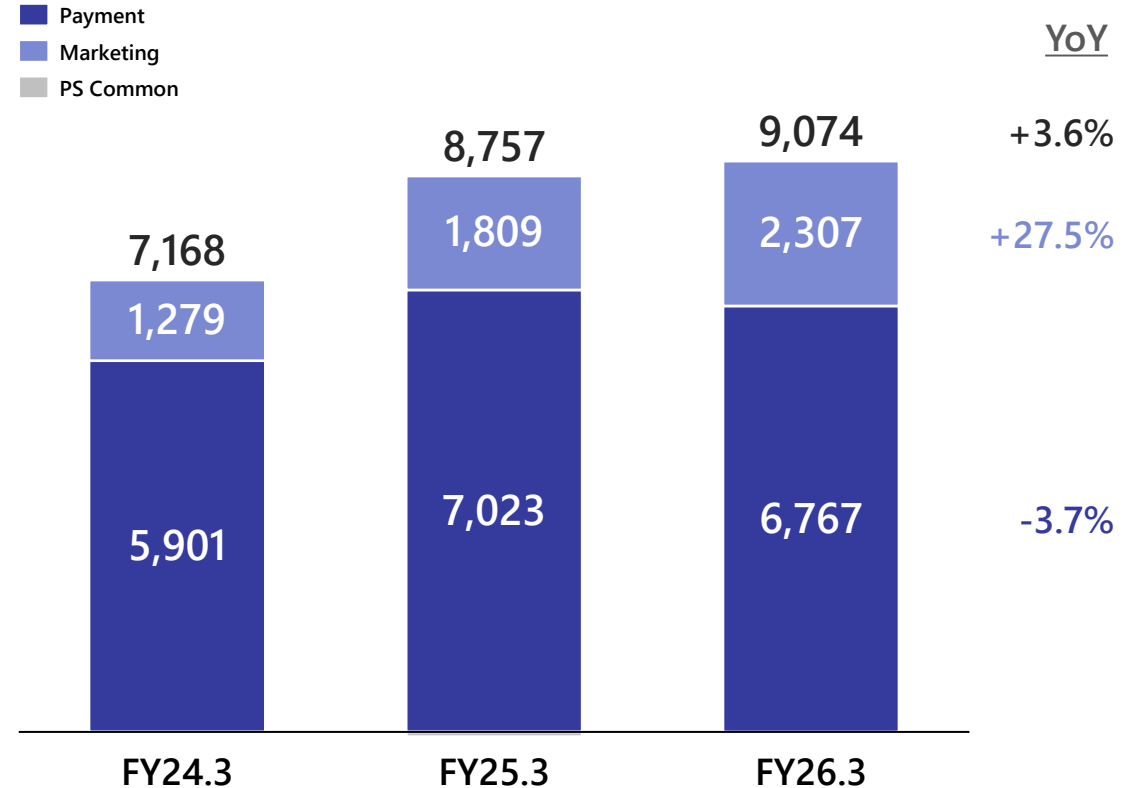
*All figures pertain to FY26.3 results

- Payment revenue growth softened due to merchant churn, leading to lower profits as higher fixed costs from development and sales structure enhancements went unabsorbed
- The Marketing business maintained strong performance, supported by the continued expansion of the payments and financial business market, achieving a significant 28% increase in full-year profit

Segment Revenue (Unit: M JPY)

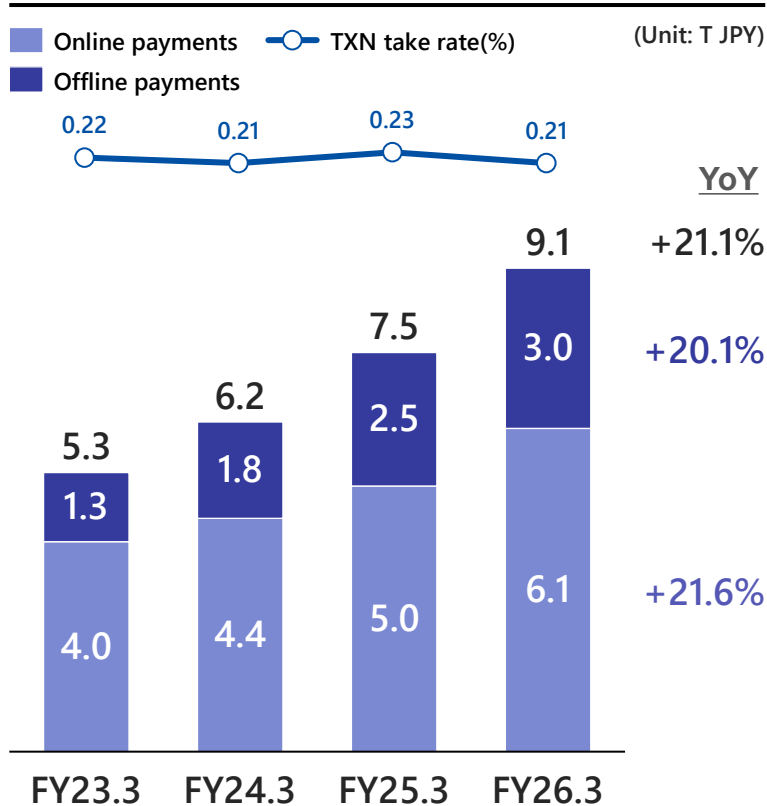


Segment Profit (Unit: M JPY)



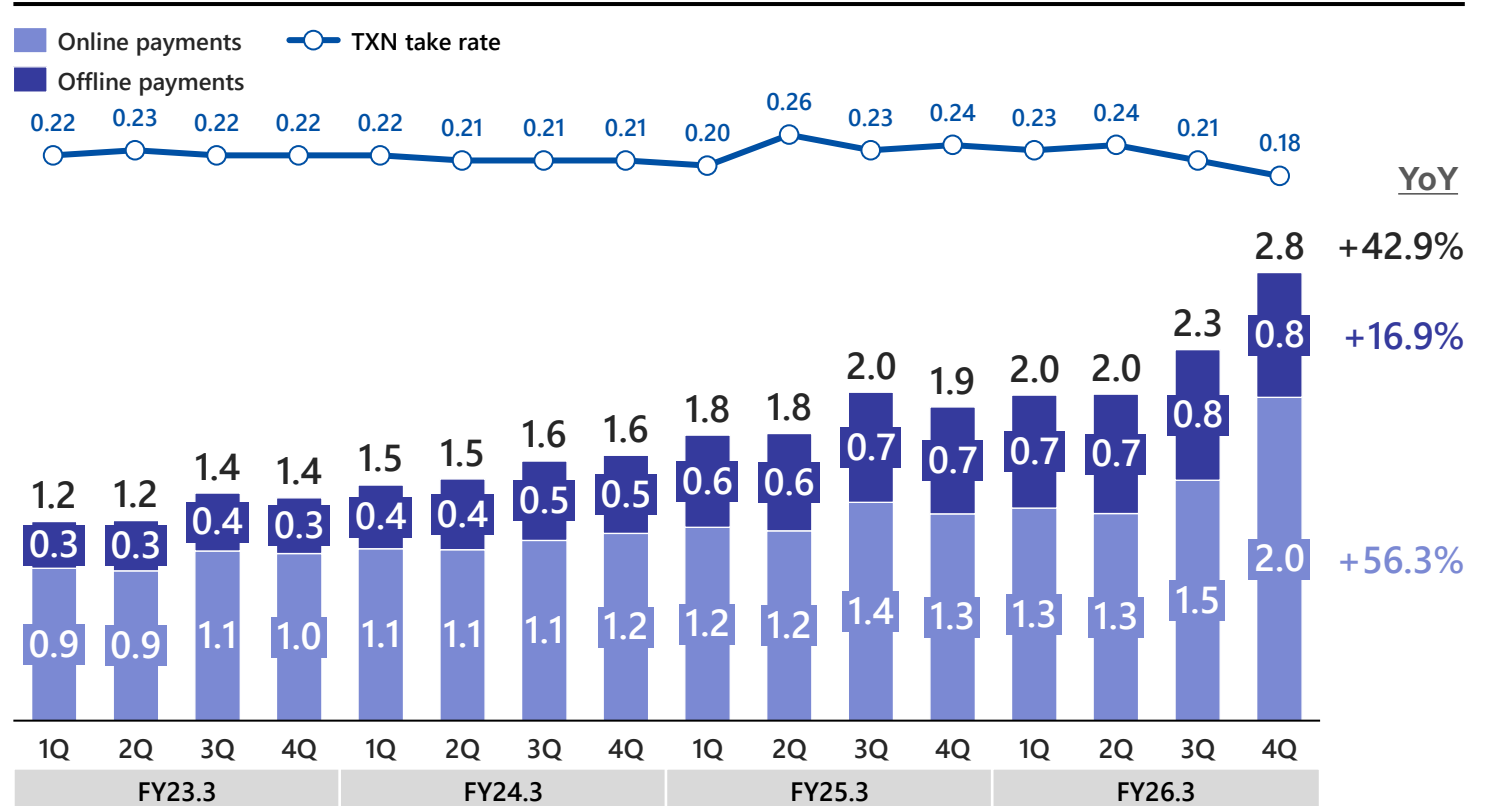
- Full-year payment transaction volume crossed the ¥9 trillion-mark, driven by the onboarding of major accounts, despite a slowdown in inbound tourism spending and headwinds from merchant churn
- Our take rate compressed by 3 basis points sequentially as expected, reflecting the full-scale launch in Q4 of the major payment platform for the KDDI Group

Payment Transaction Volume (by FY)



Payment Transaction Volume (Quarterly)

(Unit: T JPY)

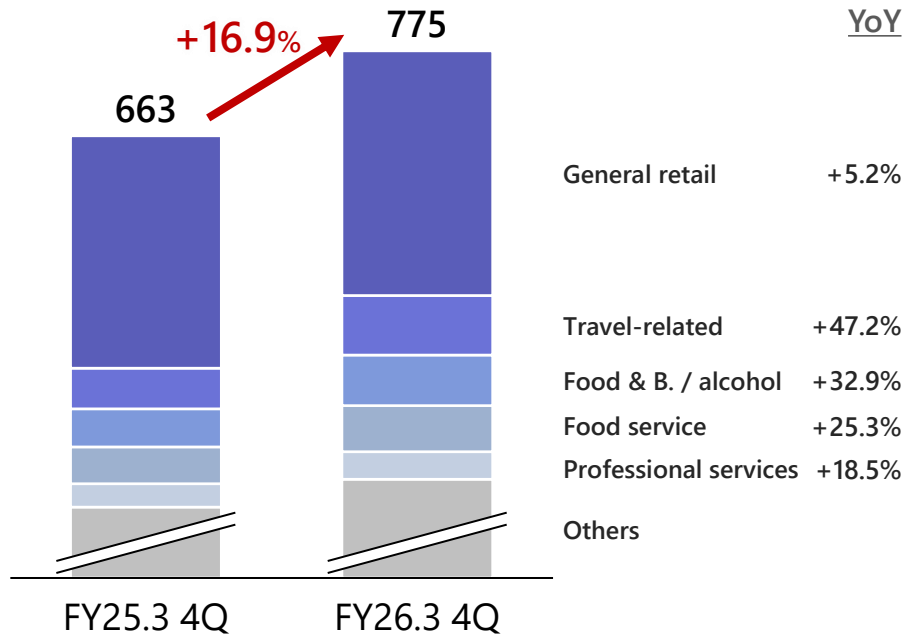


- Growth rates for offline payments softened, primarily due to the negative impact of deteriorating Japan-China relations on inbound tourism
- While we felt the effects of some merchant churn on online payments, full-scale contributions from the KDDI Group's mobile telecommunications billing ultimately translated into a significant increase in payment transaction volume

Offline Payments

(Unit: B JPY)

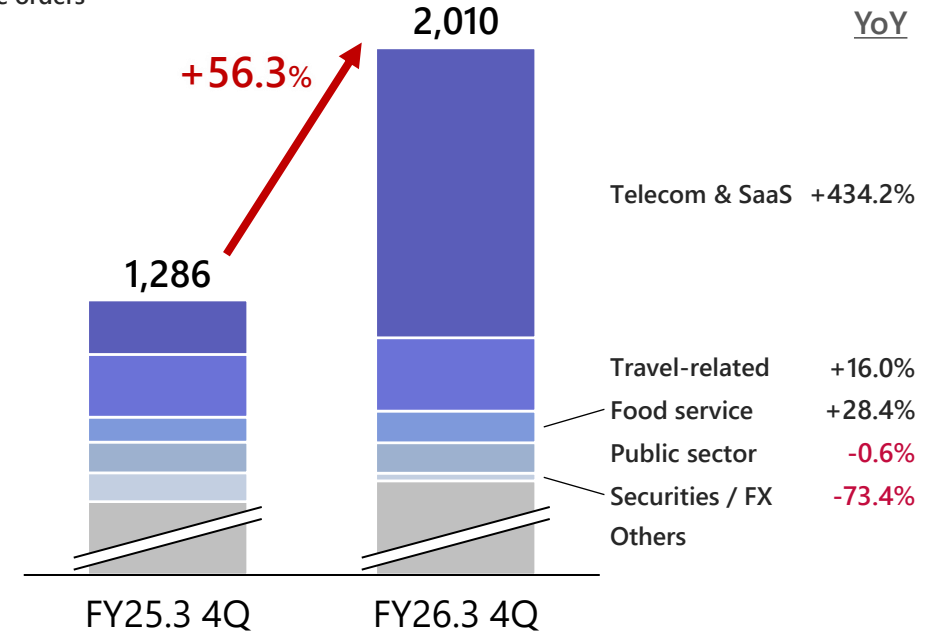
- Growth in **General retail** remained in the single digits, largely due to a slowdown in inbound spending. Specifically, we saw a 30% drop in overseas QR payments as Chinese tourist arrivals declined.
- Strategic alliances with partners such as Toshiba Tec, Recruit, and Square continue to serve as a steady growth driver



Online Payments

(Unit: B JPY)

- **Telecom & SaaS** saw a substantial increase, driven by the successful full-scale rollout of our initiative with the KDDI Group
- Transaction volume for **Securities / FX** dropped off significantly due to the lingering effects of merchant churn from FY26.3 Q2
- **Food service** maintained a high growth rate, fueled by the continued adoption of mobile and table orders



- We fell short of our FY26 targets due to external headwinds, such as take rate competition, alongside internal factors, including the concentration of technical resources on the large-scale project
- Moving forward, we aim to drive medium- to long-term growth by overhauling our revenue model and delivering value beyond just payments to align with the AI era

Causes

1. Concentration of Technical Resources on Large-Scale Projects

- Concentrated technology development resources on large-scale projects with the KDDI Group, which are expected to generate several billion yen in annual payment transaction volume.
- As a result, resource allocation became insufficient for acquiring new merchants and supporting other projects.

2. Misjudgment in Organizational Strategy

- Increased fixed costs resulting from personnel expansion measures implemented based on a misjudgment of the business environment and timing could not be fully absorbed, leading to lower profits.

3. Changes in the Competitive Environment Including Take Rates

- Intensifying competition among major PSPs surrounding take rates (payment processing fees) led to merchant churn and changes in contract terms with major merchants
- The external environment for EC merchants is also changing significantly, including the spread of AI and the advancement of zero-click experiences
- Merchant needs are diversifying, such as the transition from SEO to GEO, making comprehensive proposals necessary rather than simply providing standalone payment systems.

Solutions

1. Optimization of Resource Allocation and System Efficiency

- Initial development and Phase 1 of the large-scale project, i.e., implementation into telecommunications billing, are now complete. Moving forward, we will work with KDDI to drive the rollout across the au economic zone, including KDDI Group companies, while also targeting new merchant acquisition outside this zone. The project is now leveraging economies of scale and entering the monetization phase.
- In addition to strengthening our system architecture to improve operational efficiency, we have begun constructing next-generation systems designed to generate new data-driven value

2. Organizational Restructuring Aligned with the Revenue Model Overhaul

- Effective April 1, DG strengthened DGFT's management structure, including the participation of executives with experience in the card and payments industry, to enhance profitability
- DG will promote group-wide organizational restructuring and optimization while accelerating business process reviews and AI-driven efficiency improvements

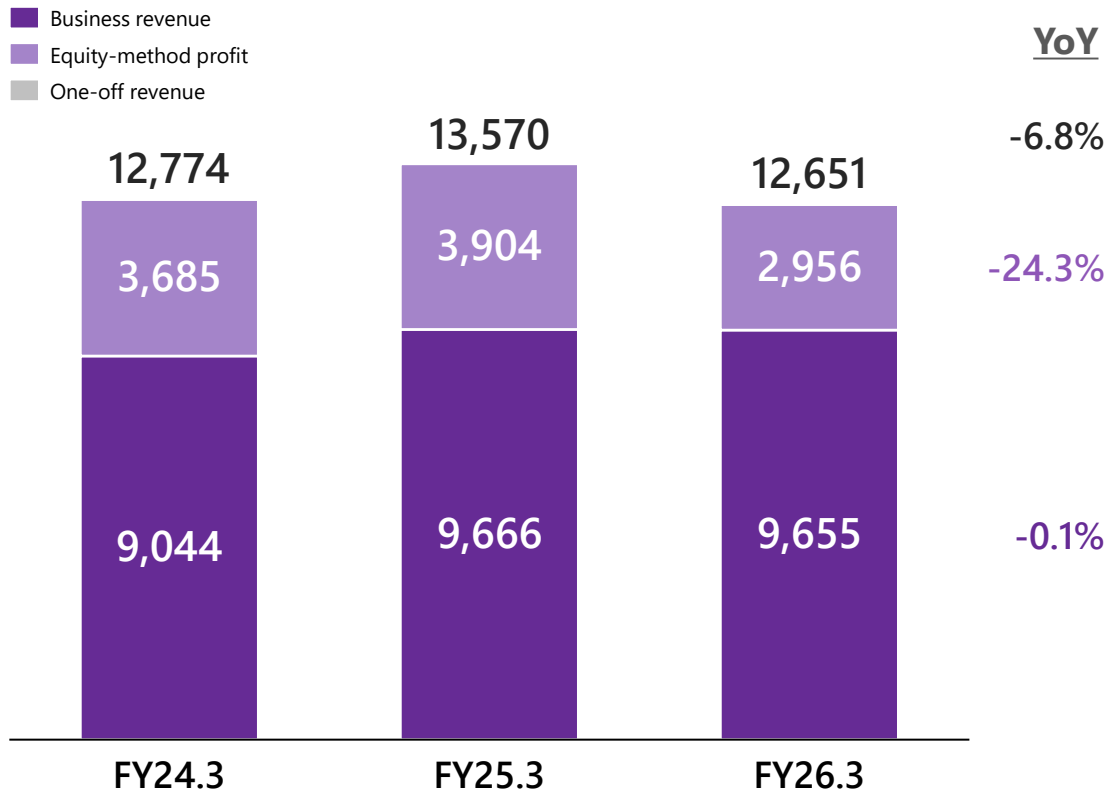
3. Fundamental Review of the Payments Business Earnings Model

- To respond to increasingly diverse market needs, DG Group will provide new added value beyond payments, including data strategies, DX services, support for Agentic Commerce, and stablecoin initiatives
- Through these initiatives, DG aims to deepen collaboration and business relationships with payment merchants (specific target markets), secure stable earnings, and move away from pure take rate competition
- The impact from merchant churn and contract revisions that occurred in the previous fiscal year is expected to run its course by Q3 of the current fiscal year

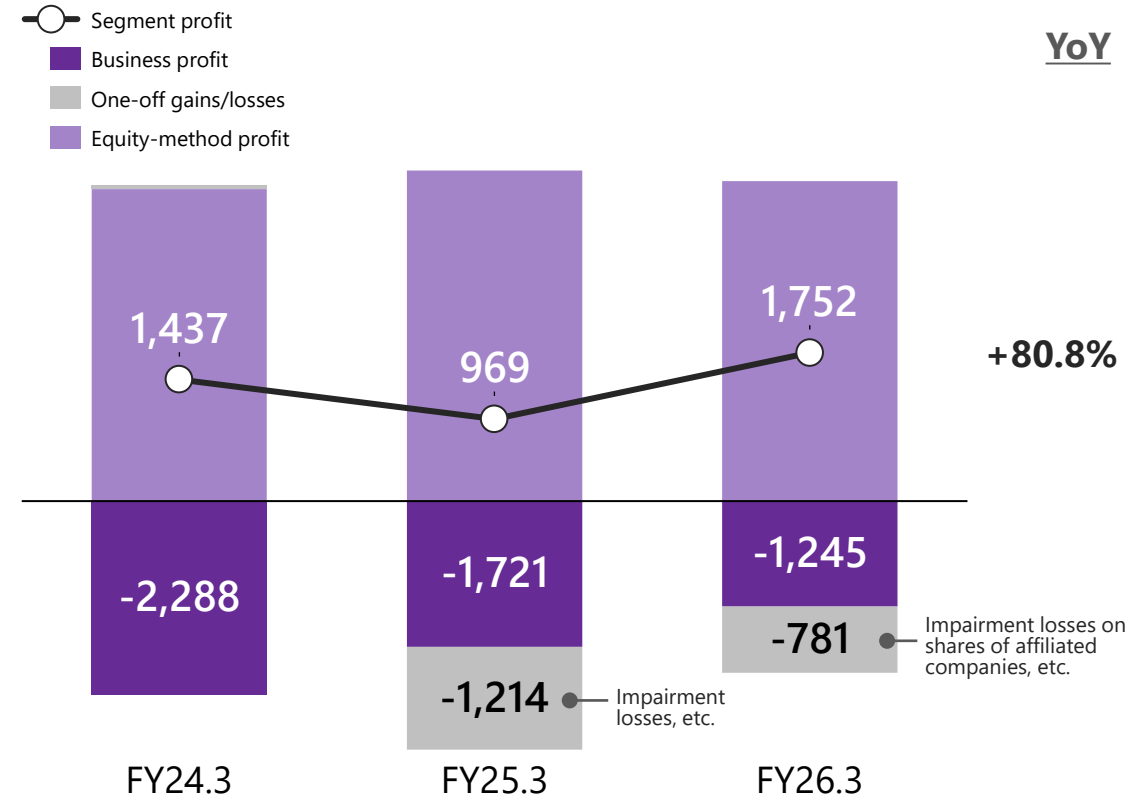
As DG plans to announce a new medium-term management plan during the current fiscal year, PS segment earnings guidance for this fiscal year will not be disclosed

- Several strategic businesses highly accretive with payments have now entered the growth phase, reducing the scale of operating losses
- While equity-method profits from Kakaku.com and other affiliates declined slightly, payment transaction volume via Kakaku.com continued on a steady upward trajectory (See p. 31)

Segment Revenue (Unit: M JPY)



Segment Profit (Unit: M JPY)



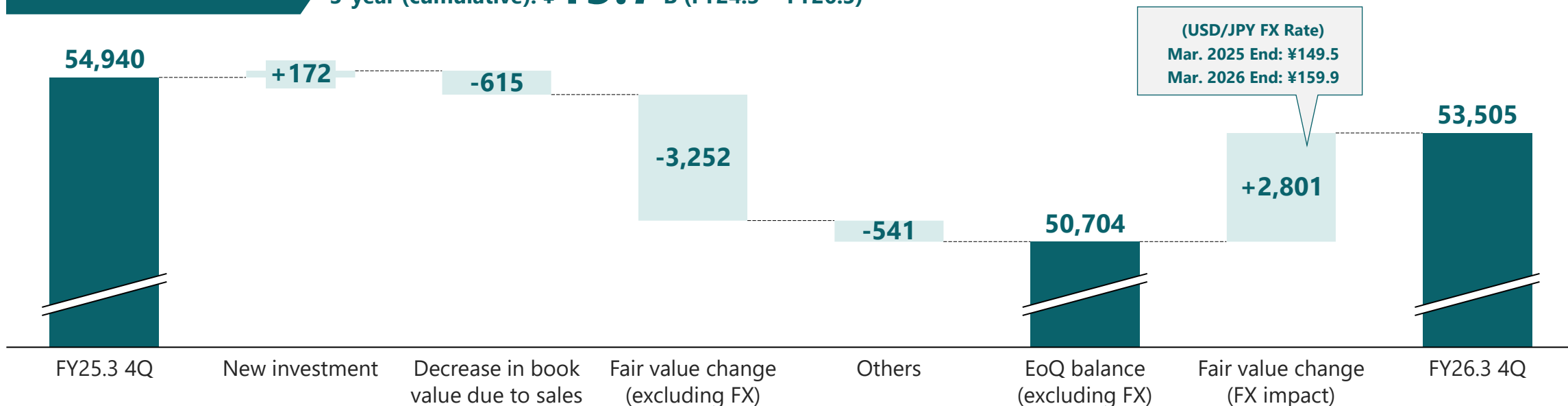
- We have signed an MoU on a strategic partnership with Ion Pacific, one of the world's largest secondary fund managers (See p. 15)
- Launching a joint fund and completing a phased transfer of the bulk of our investment portfolio **will keep us on track to achieve our Medium-Term Plan KPIs**

Operational Investment Securities – Waterfall Chart

(Unit: M JPY)

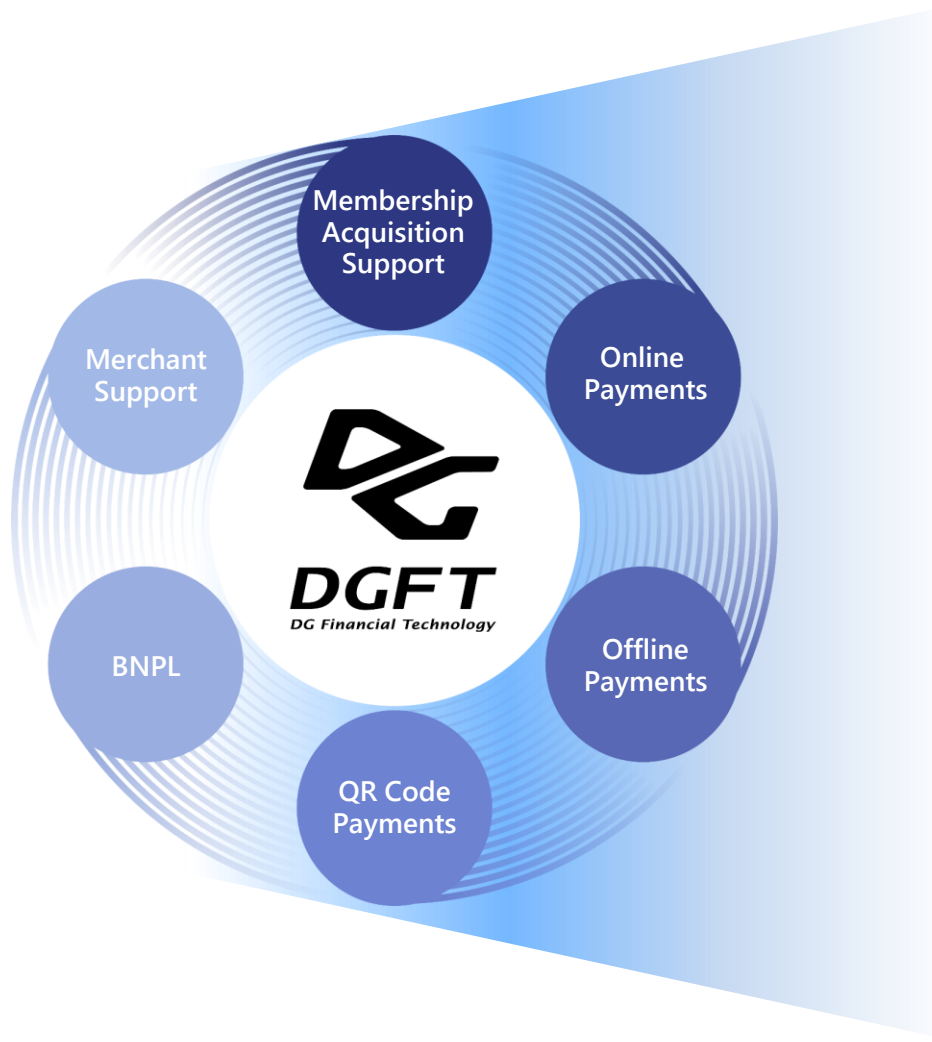
Investment business income (MTP) 5-year (cumulative): **¥30.0 B** (FY24.3 ~ FY28.3)

Investment business income (Actual) 3-year (cumulative): **¥15.7 B** (FY24.3 ~ FY26.3)



V. Segment Topics





Business Domain	Growth Engine	Results
Membership Acquisition Support	Affiliate advertising consulting capabilities & technology utilization	Annual Revenue ¥24.4 B
Online Payments	Further expansion through collaboration with Resona/KDDI Group, etc.	Annual GMV ¥6.1 T
Offline Payments	Collaboration with Toshiba Tec Corporation, ANA Group, Square & Recruit etc.	Annual GMV ¥3.0 T
QR Code Payments	Growth acceleration by Cloud Pay series	3y CAGR +45%
BNPL (Buy Now Pay Later)	Business growth through SCORE's expansion into the B2B BNPL	3y CAGR +38%
Merchant Support (Website creation, cybersecurity, etc.)	Marketing talents collaboration and unified data infrastructure development	Annual Revenue ¥6.5 B

(*Annual results: Apr. 2025 – Mar. 2026; 3Y CAGR: FY23.3 to FY26.3; QR code payment: GMV CAGR; BNPL: PBT CAGR)

- We are launching Cloud Pay Business, a next-generation DX solution that integrates AI across our Cloud Pay series
- It delivers an end-to-end solution that goes beyond cashless payments and features AI-driven operations management, demand forecasting, and marketing

< Cloud Pay Series - Outline >



1. One of Japan's largest* QR Payment Bundled Services

Cloud Pay supports major domestic and international QR payment methods, (including overseas QR payment services; compatible with approx. 40 services) and is fully integrated with Square, one of the world's largest payment platforms

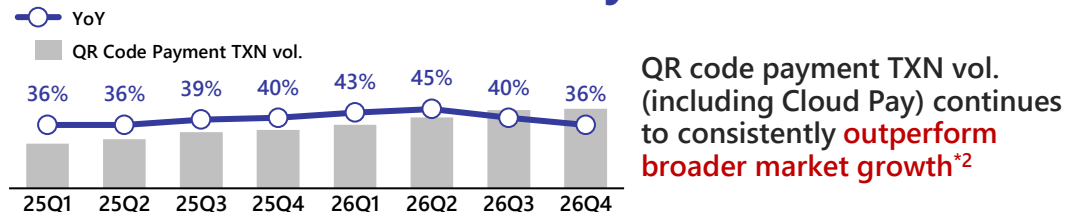
2. Low-cost deployment enabled by a device-less approach

The solution's simple implementation, which requires merchants to do nothing more than display a QR code, has been positively received by a broad range of merchants seeking to improve operational efficiency and accelerate cashless adoption

3. Offer access to payment methods beyond QR codes

"Cloud Pay Neo" offers other payment methods beyond QR codes, such as credit card and convenience store payments

< Growth in QR Code Payment TXN vol. >



< Payments x Marketing - Initiatives >



- Next-generation DX solution **integrating cashless payments and AI**
- We offer **premium solutions**, including AI-driven data analytics and branded e-money services
- We are expanding adoption primarily within **cash-heavy sectors**, such as the arcade and family entertainment business.
- This initiative also leverages the **branded e-money platform** operated by our Group company, Pocket Change

* September 25, 2024 press release: DGFT's Integrated QR Code Payment "Cloud Pay" Now Compatible with Square, One of the World's Largest Payment Platforms.

- Building on our alliance with strategic partner Toshiba Tec, we are upgrading offline payments and expanding our service offerings
- We plan to launch "SCORE Atokara Card™," a new payment service specifically optimized for subscription-based e-commerce businesses

< Launch of New Payment Terminals >



Alongside the new terminals, we help enhance merchant's in-store data management and DX capabilities

- Toshiba Tec and DGFT have launched the new N750P and N750 payment terminals in order to expand our hardware lineup
- Integrating with Toshiba Tec's POS systems allows us to deploy a variety of asset-driven applications, including table ordering, delivery, branded e-money, and digital coupon issuance
- These terminals lay the foundation for the development of a new payment platform that delivers end-to-end digital transformation for our merchants

< Launch of "SCORE Atokara Card™" >



Combining "high-conversion BNPL" with "high-retention card payments"

- A new service that enables users to instantly switch from BNPL to card payment after product delivery is scheduled to launch in June 2026
- By combining high-conversion BNPL with high-retention card payments in a hybrid model, the pilot version recorded conversion rates of up to 25%, significantly exceeding the conventional level of below 1%.
- Leveraging DGFT's payment infrastructure to support merchants in stabilizing sales, while continuing to expand integrations with e-commerce platforms going forward

Development & nurturing of strategic businesses to drive payment platform expansion for medium to long-term growth

Support Kakaku.com's growth & implement cross-group projects to expand payment transactions through Kakaku's media
Driving new revenue through strategic business planning & development, & M&A, while increasing DGFT payment transaction volumes

LTI segment business domain

kakaku.com

Operating an internet media business with one of the highest traffic volumes in Japan

Media

食べログ • Monthly users: 97M
• Monthly PV: 2,460M

価格.com • Monthly users: 31M
• Monthly PV: 236M

求人ボックス • Monthly users: 16M
• Monthly PV: 173M

* As of March 2026

Traffic

Digital Garage

Developing strategic business initiatives and next-generation infrastructure in sectors aligned with payment services

Focus area

I Industry-specific DX

II B2B payment/finance

III Next-gen technologies

Payment

PS segment business domain

DGFT

DG Financial Technology

Operating one of Japan's largest payment processing businesses / Designated as critical infrastructure in Japan

Payment

Payment TXN volume **¥9.1T**

Payment Location **1.33M**

Supported payment methods **40 + types**

*As of FY26.3

- Several strategic businesses highly accretive with payments have entered the growth phase, driving a steady expansion in both revenue and payment transaction volume.
- Payment transaction volume via Kakaku.com continues on a steady upward trajectory, and we are promoting joint business initiatives that leverage the assets of both companies.

Key Business Topics

Growth of AppPay (out-of-app PMT service)



- Full-scale global rollout of this service in September 2025
- The Mobile Software Competition Act (MSCA), which went into effect in December 2025, is serving as a tailwind to expand our business
- The number of contracted titles has grown significantly, establishing AppPay as the **No. 1 out-of-app payment service in Japan**^{*1}

Growing adoption of our Musubell real estate DX service



Musubell®

- This platform provides DX and digitization services for contract lifecycle management in real estate transactions
- Growing demand driven by tailwinds from regulatory reforms and chronic labor shortages in the real estate sector
- The service has now surpassed the 170-client milestone, driven by adoption among major developers

Strategic Partnership with Affiliate Kakaku.com

kakaku.com

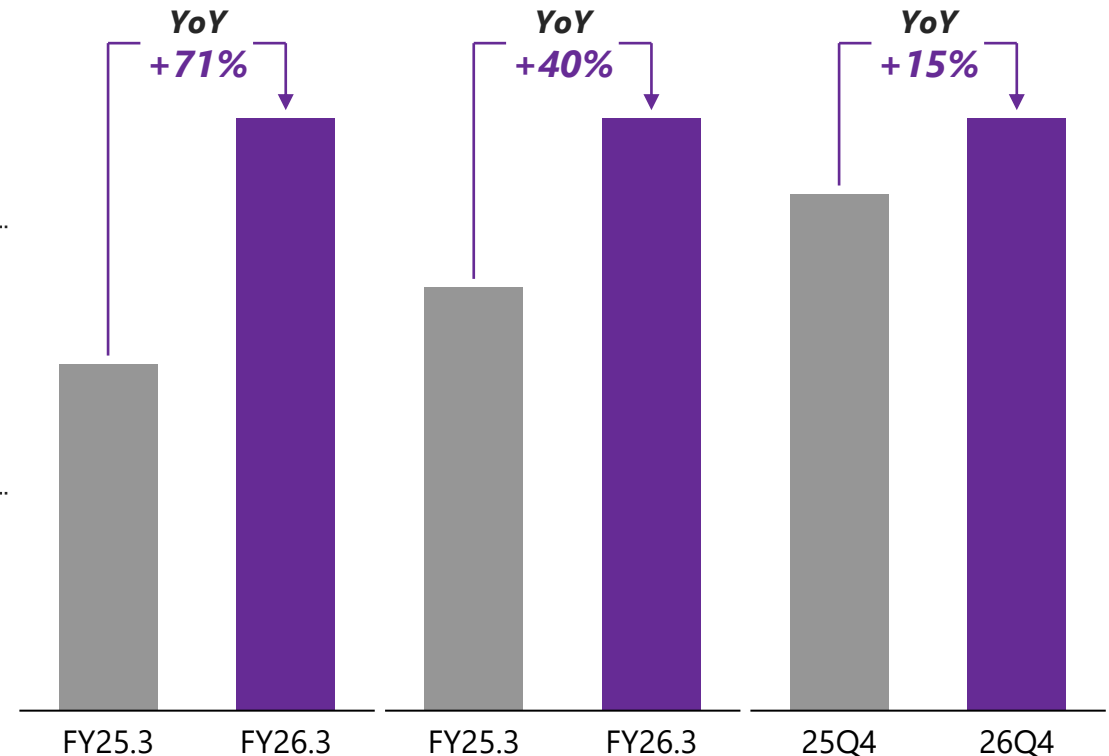


- We rolled out Tabelog’s multilingual reservation system to roughly 63,000 locations nationwide to better service international visitors, creating one of the largest booking networks in Japan
- **Payment transaction volume** through Kakaku.com continues on a steady growth trajectory.

Strategic businesses
- Revenue
(YTD basis)

Strategic businesses
- PMT TXN. Vol.
(YTD basis)

TXN vol from Kakaku.com
(TTM)



^{*1}) Ranks No. 1 out of all third-party PMT service platforms in Japan by number of mobile game and app integrations (October 2025 survey by Digital Garage) ^{*2}) As of August 2025

- Changing to a fund investment model minimizes the impact of quarterly fair value fluctuations on our consolidated earnings
- We will drive business co-creation initiatives to create synergies between startups and our payment-focused PS Segment

< **Basic Policy for the Investment Business** >

1 Shifted from on-balance investments to fund investments

▶ Changing our investment model minimizes the impact of quarterly fair value fluctuations on our consolidated earnings

2 We will be highly selective with balance sheet investments, limiting them to opportunities that offer business and technological partnerships

▶ We will be highly selective with direct balance sheet investments, limiting them to opportunities that offer business and technological partnerships

3 Through business co-creation, we focus on driving strategic value alongside financial returns

▶ We will further accelerate collaboration between startups—primarily in Fintech and AI sectors—and the PS Segment

Reference Materials

Digital Garage Group

Long-term Incubation Segment

New services/products to drive payment platform expansion

Non-linear business to implement next-generation technologies in society

- Industry-specific DX services
- New Fintech
- Next-gen Media

kakaku.com

Musubell **DGFT** 請求書カード払い

AppPay **Pangaea Delivery**

CRYPTO GARAGE **BI.GARAGE**

Platform Solution Segment

Core business built around the payment platform

- Payment service provider
- Payment-related functions that add value
- Marketing and CRM solutions for the financial sector

DGFT DG Financial Technology **DGBT** DG Business Technology

SCORE **DG FutureTech**

ANA DIGITAL GATE **TDP** **リそな決済サービス**

Global Investment Incubation Segment

Investing in and supporting startups focused on next-gen technologies and collaborating with DG Group

- Investment incubation
- Supporting startups
- Fund management

DG Ventures

DG Incubation

DG Daiwa Ventures

DGUS

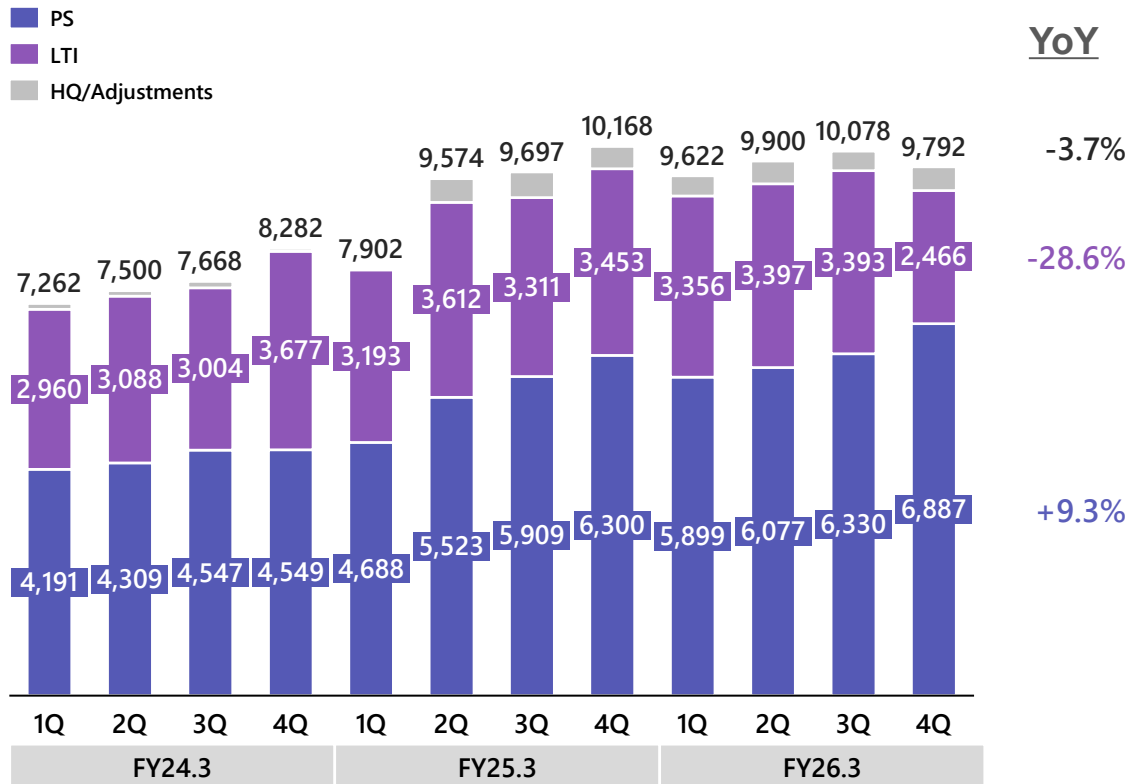
GEN LAB

Reference Materials (1): Supplementary Data

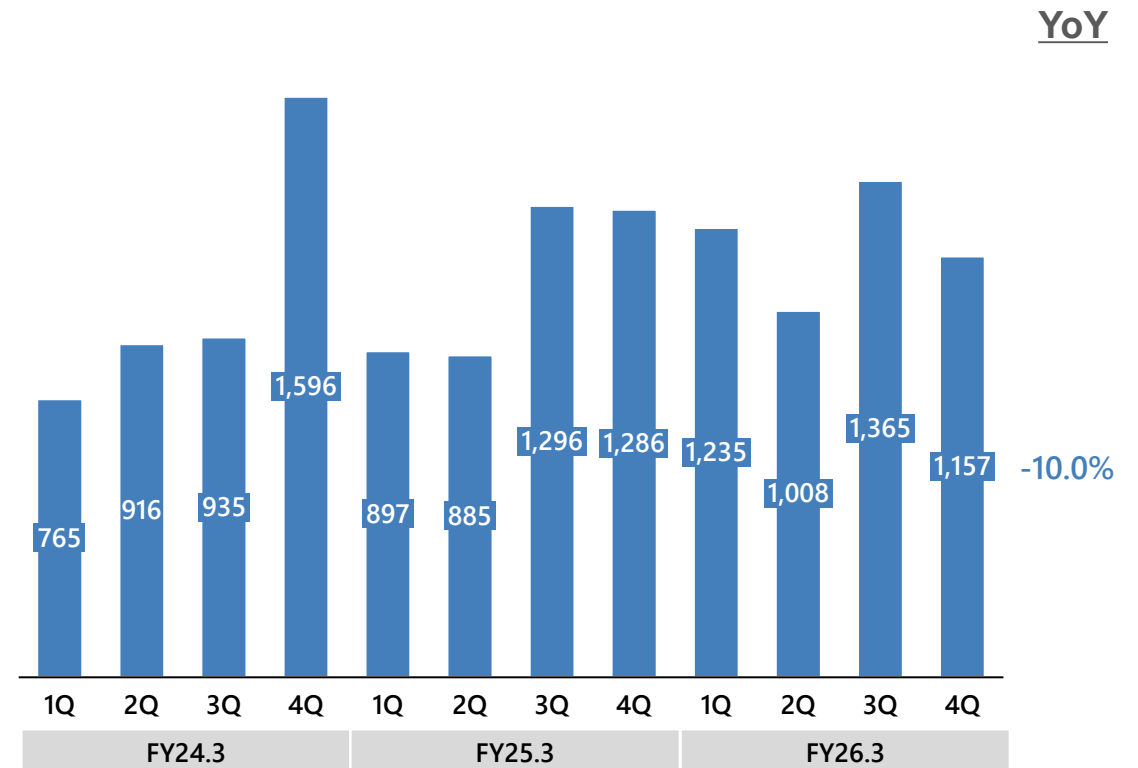


- While the PS segment continued to expand, Basic Business Revenue saw a slight dip due to lower equity-method profits from Kakaku.com
- Basic Business Profit also experienced a temporary decline as we absorbed strategic investments in technical resources, R&D talent, and management infrastructure to secure mid- to long-term growth

Basic Business Revenue (Unit: M JPY)



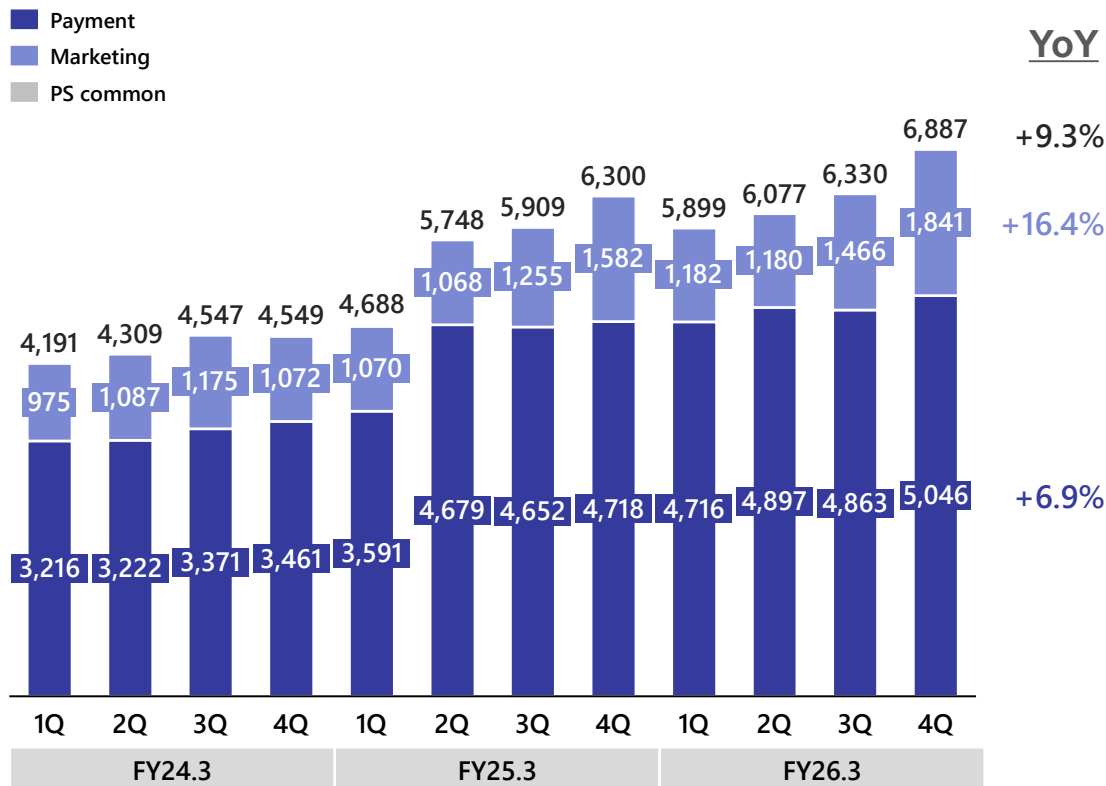
Basic Business Profit (Unit: M JPY)



- Payment revenue growth softened due to merchant churn, leading to lower profits as higher fixed costs from development and sales structure enhancements went unabsorbed
- The Marketing business maintained strong performance, supported by the continued expansion of the payments and financial business market

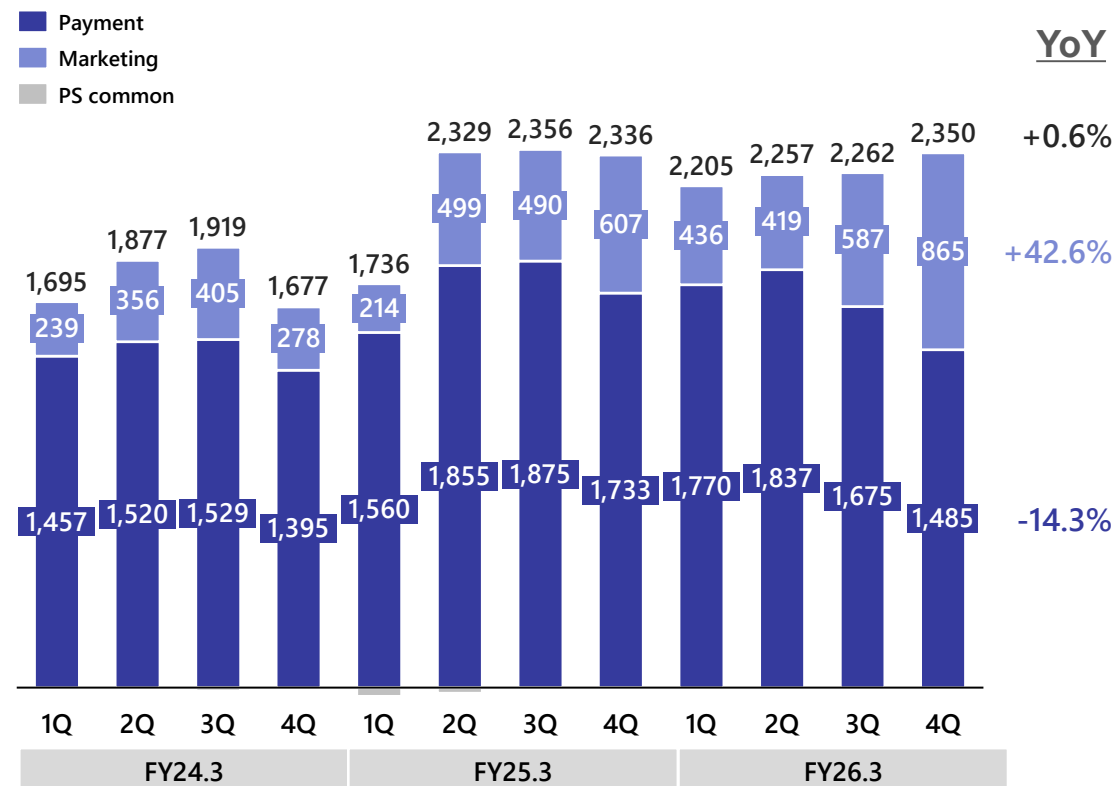
Segment Revenue

(Unit: M JPY)



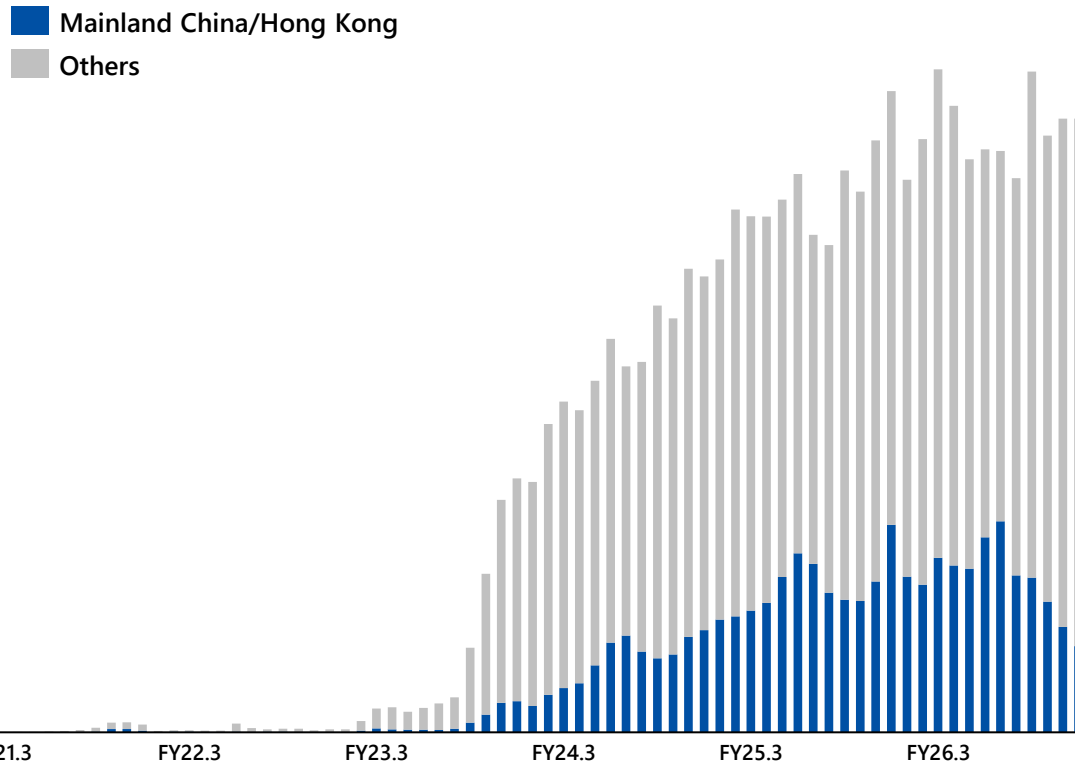
Segment Profit

(Unit: M JPY)



- In Q4, visitor arrivals from China decreased by 43% YoY, dampening the overall visitor growth and leaving us with just a slight overall increase
- As such, inbound-driven QR code payments in Q4 fell by approximately 30% YoY

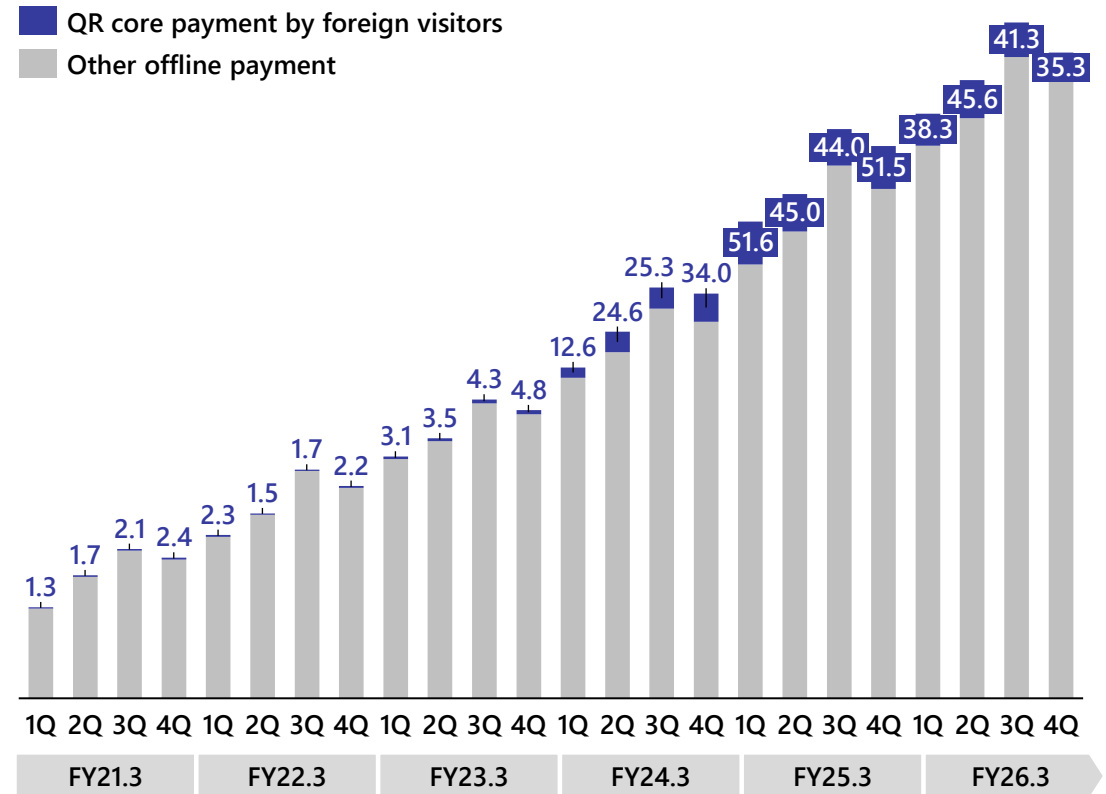
The Number of Foreign Visitors to Japan (by Area)



(Source) Japan National Tourism Organization, "Visitor Statistics"

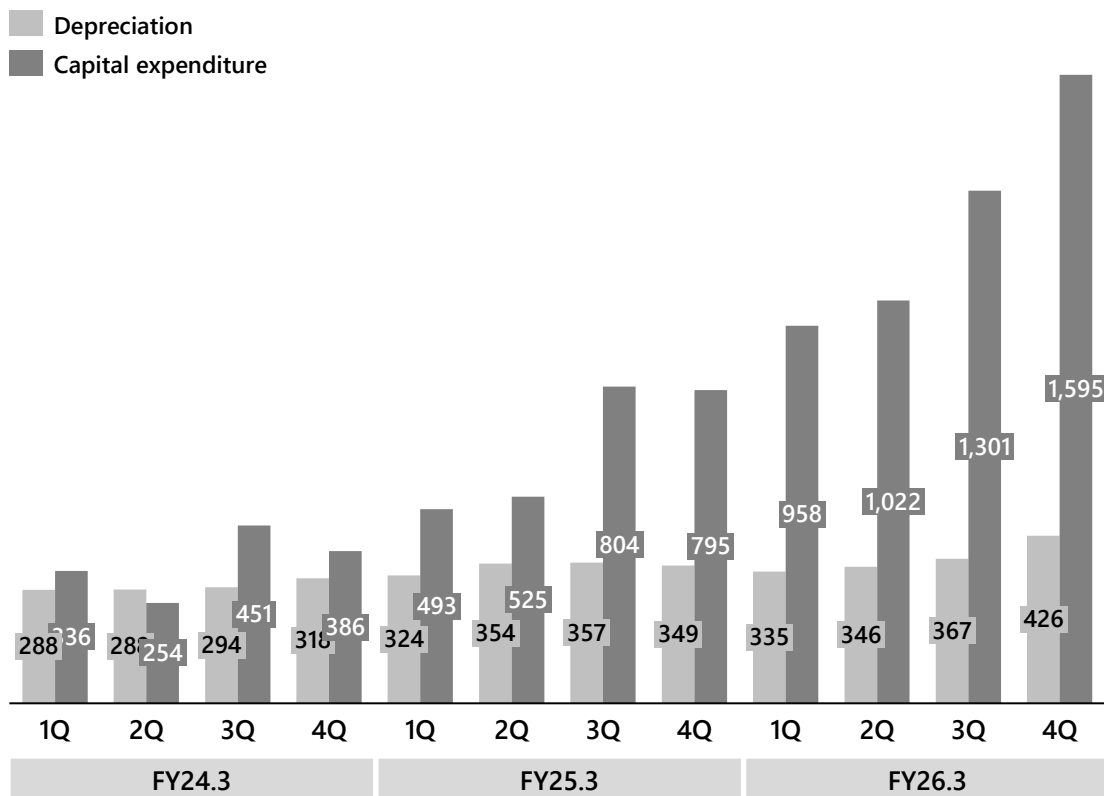
Offline Transaction Volume

(Unit: B JPY)

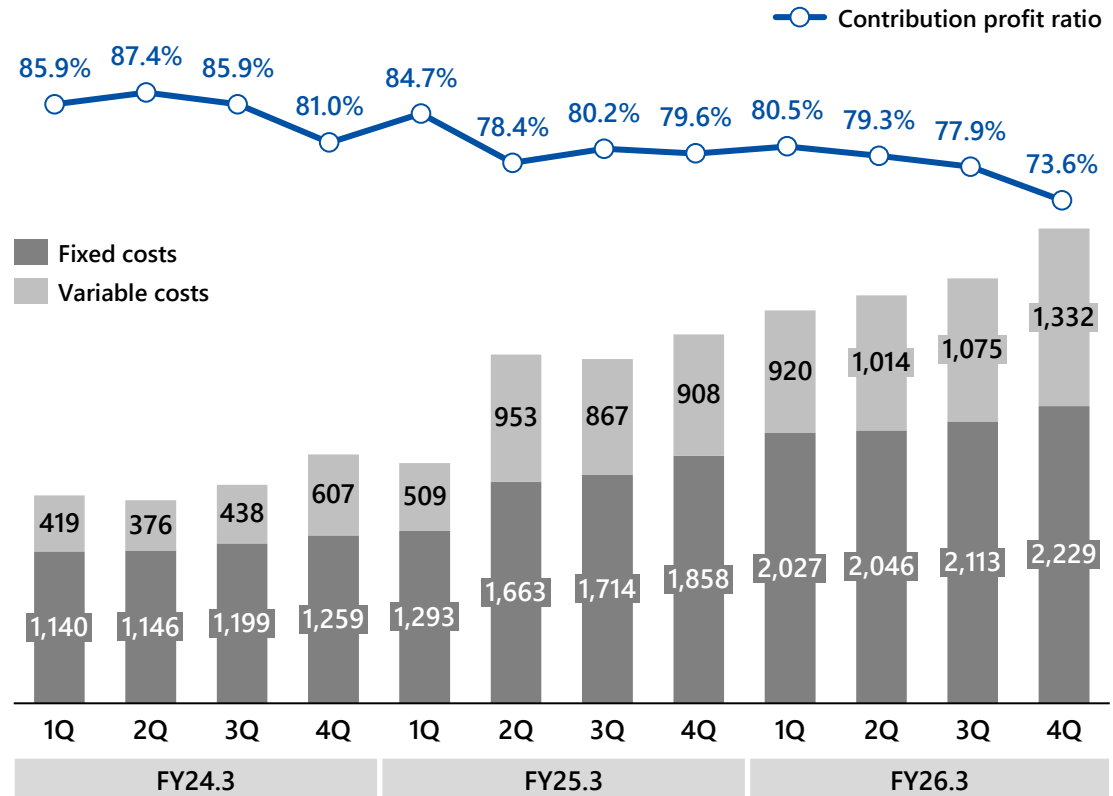


- Payment-related capital expenditures increased as we finalized the large-scale project and BNPL system development
- Fixed costs increased due to higher personnel expenses resulting from the strengthening of the payment business organization, as well as increased system-related costs, including development for large-scale projects

Payment-related Expenditures/Depreciation (Unit: M JPY)



Payment-related Costs/Marginal Profit Ratio (Unit: M JPY)

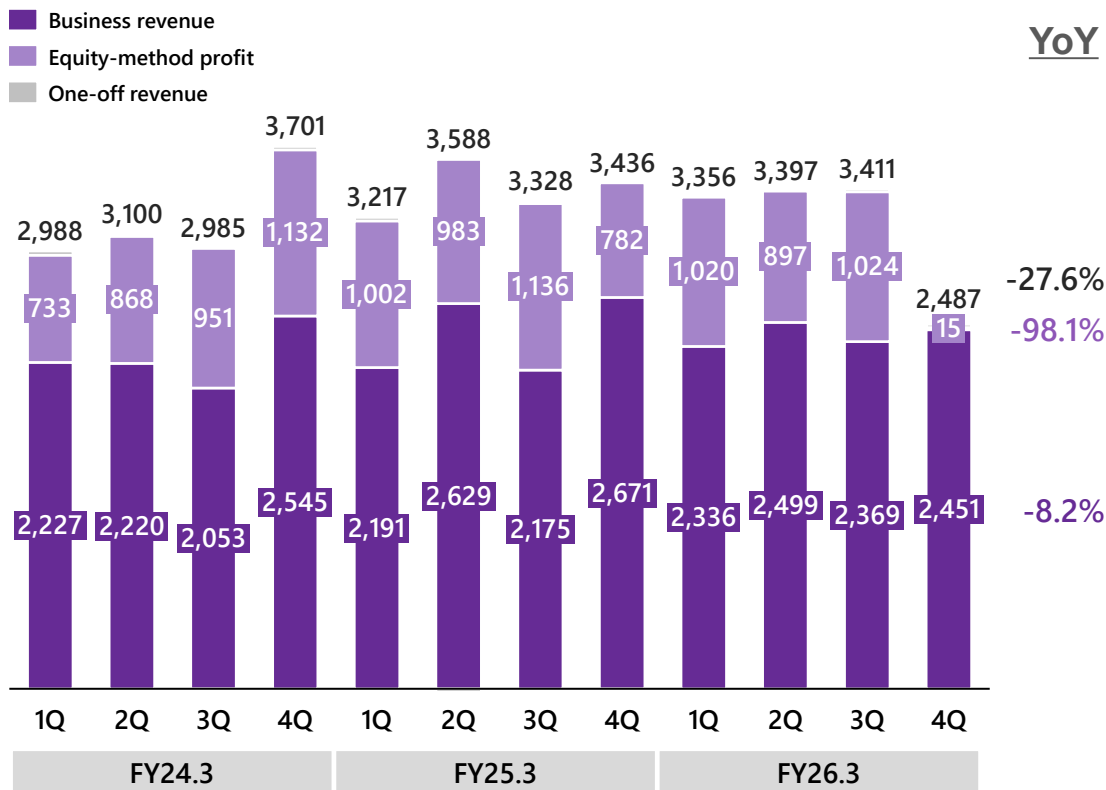


* Correction: This document provides revised capital expenditure figures following an error in the initial FY26.3 Q3 financial results briefing materials

- Several strategic businesses highly-accretive with payments have now entered the growth phase, reducing the scale of operating losses
- While equity-method profits from Kakaku.com and other affiliates declined slightly, payment transaction volume via Kakaku.com continued on a steady upward trajectory (Refer to p.31)

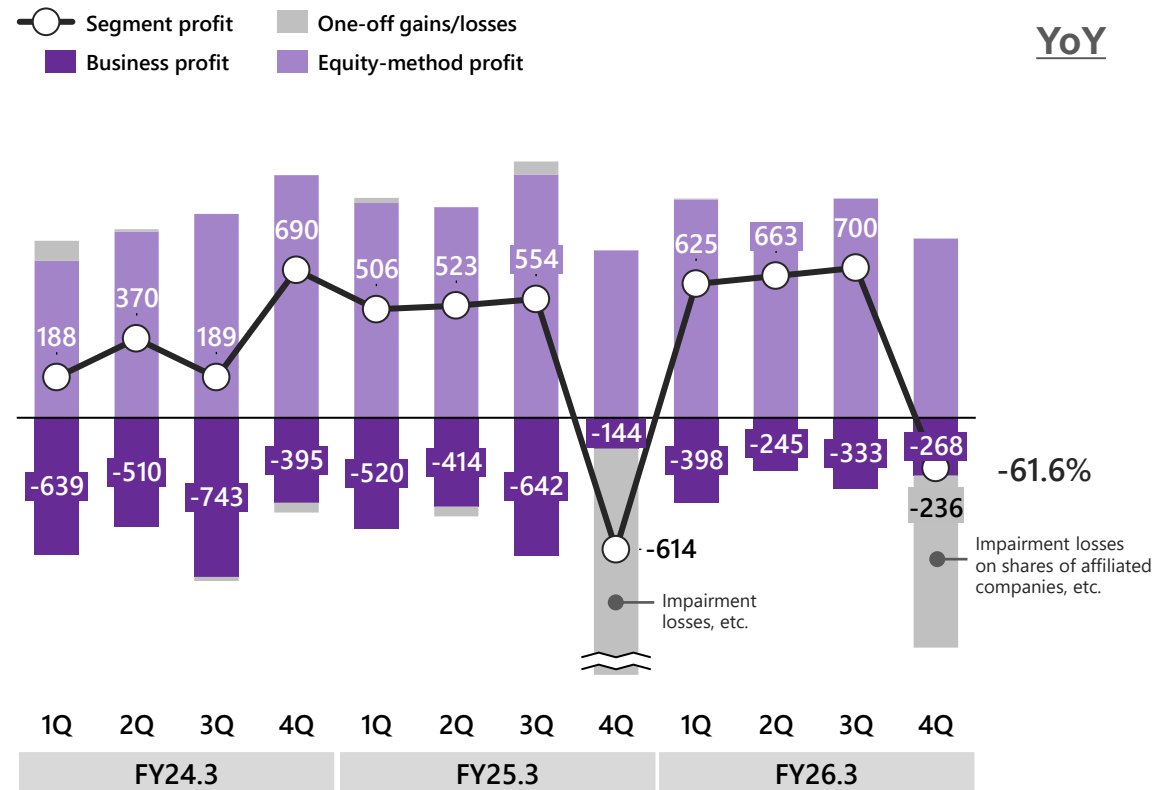
Segment Revenue

(Unit: M JPY)



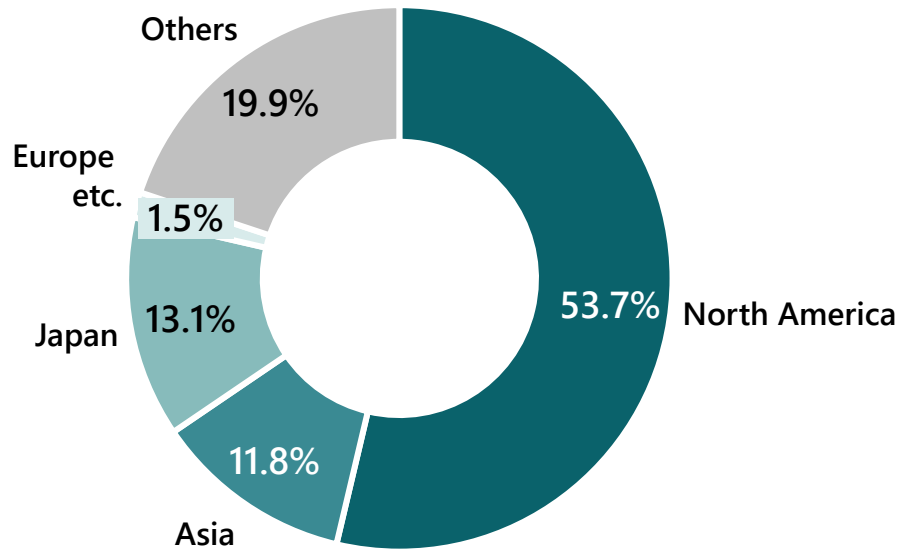
Segment Profit

(Unit: M JPY)

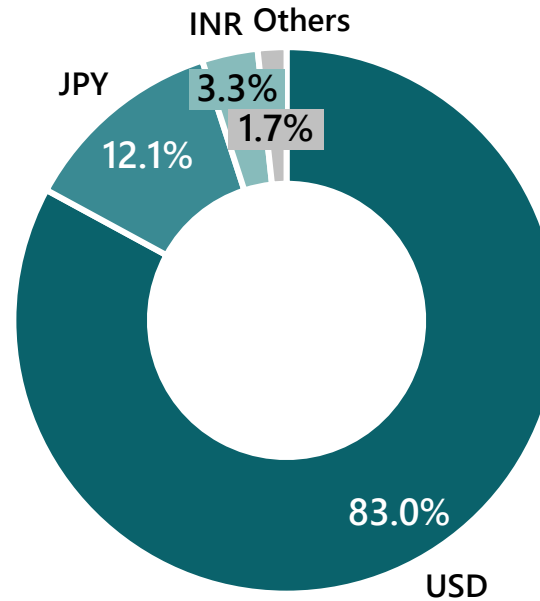


- Diversified portfolio comprising companies across North America, Asia, and Japan
- As of March 31, 2026, the fair value of our operational investment securities reached 53.5 billion yen, a two-fold return on investment

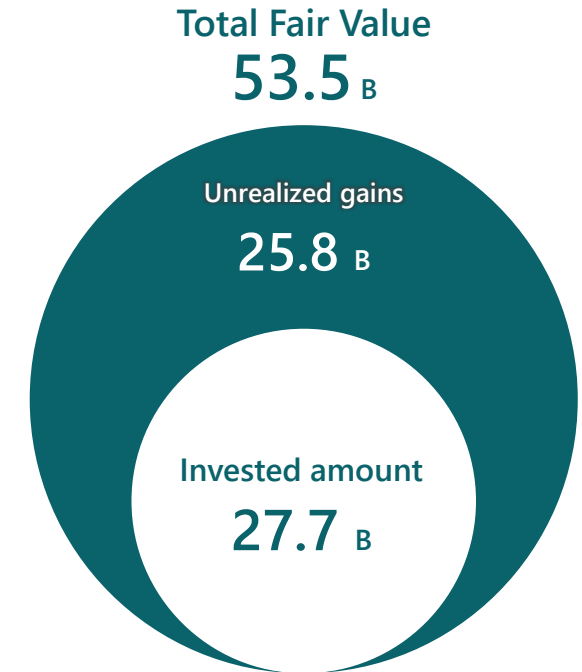
Investments by Area



Investments by Currency



Breakdown



Consolidated Statement of Financial Position (IFRS)

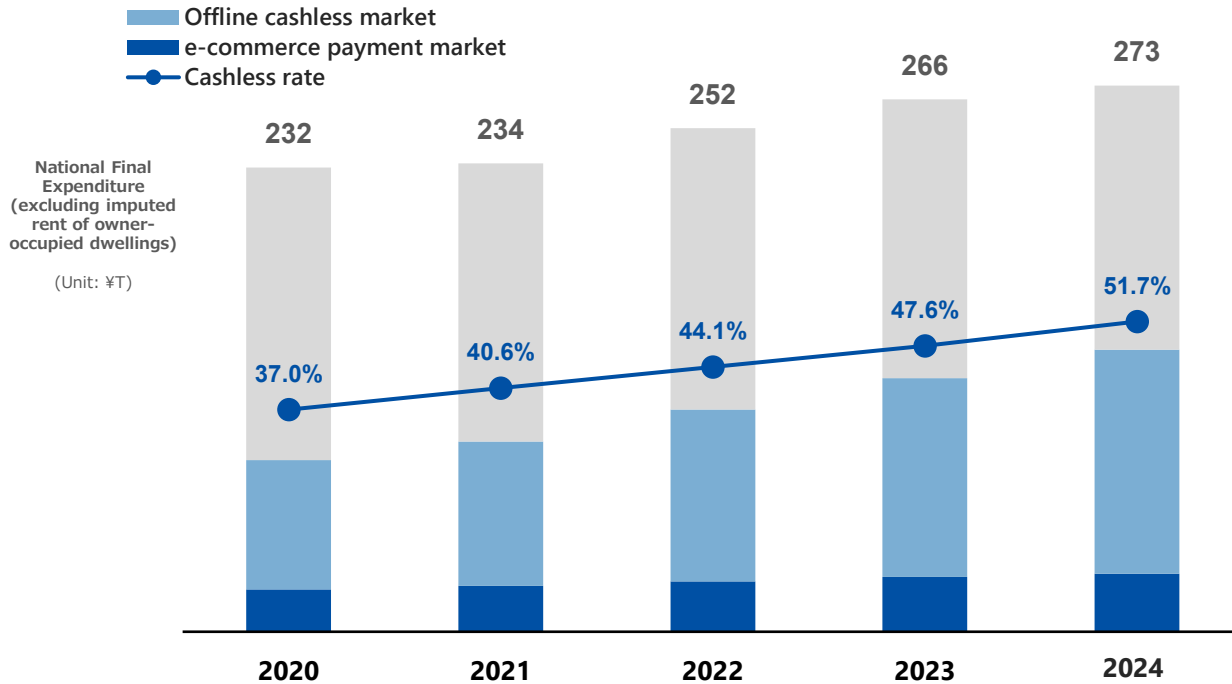
	FY25.3 4Q	FY26.3 4Q	Difference	Reason for change / Remarks
Current assets	144,446	132,472	-11,974	
Cash and cash equivalents	56,354	40,469	-15,885	
Trade and other receivables	30,538	35,695	+5,157	Payment business-related item
Operational investment securities	54,940	53,505	-1,435	Exit and change in fair value of investee companies in GII segment (including FX effects)
Non-current assets	81,899	86,231	+4,332	
Property, plant and equipment	13,163	11,997	-1,165	
Intangible assets	7,316	11,390	+4,074	
Investments accounted for using equity	37,643	37,356	-287	
Other financial assets	12,896	14,761	+1,865	Change in fair value of investee companies (including FX effects)
Total assets	226,344	218,703	-7,642	
Current liabilities	97,558	87,868	-9,690	
Bonds and borrowings	27,676	26,366	-1,310	
Trade and other payables	62,532	54,364	-8,167	Payment business-related item
Non-current liabilities	51,091	53,139	+2,047	
Bonds and borrowings	33,956	35,687	+1,730	
Other financial liabilities	5,976	4,927	-1,049	
Total liabilities	148,649	141,007	-7,643	
Total equity attributable to owners of parer	75,417	75,584	+167	
Share capital	7,888	8,014	+127	
Capital surplus	5,229	5,457	+228	
Treasury shares	-5,108	-5,033	+75	
Retained earnings	66,296	65,146	-1,150	
Non-controlling interests	2,278	2,112	-166	
Total equity	77,695	77,696	+1	

Reference Materials (2): Business Model



Starting in 2026, METI is updating their cashless payment tracking methodology
 Specifically, stripping out non-transactional items such as imputed rent gives a clear picture of actual spending
 The government aims for 65% cashless penetration in Japan by 2030 (55% on a global comparison basis)

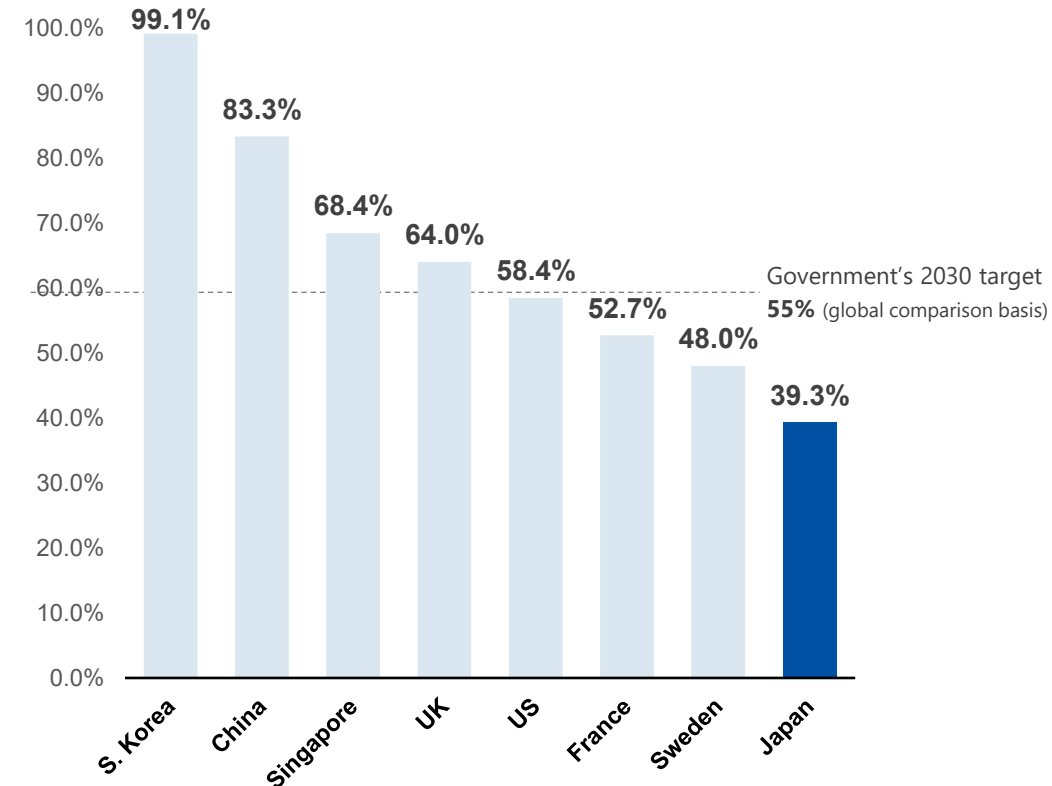
Cashless Market Size (Japan)



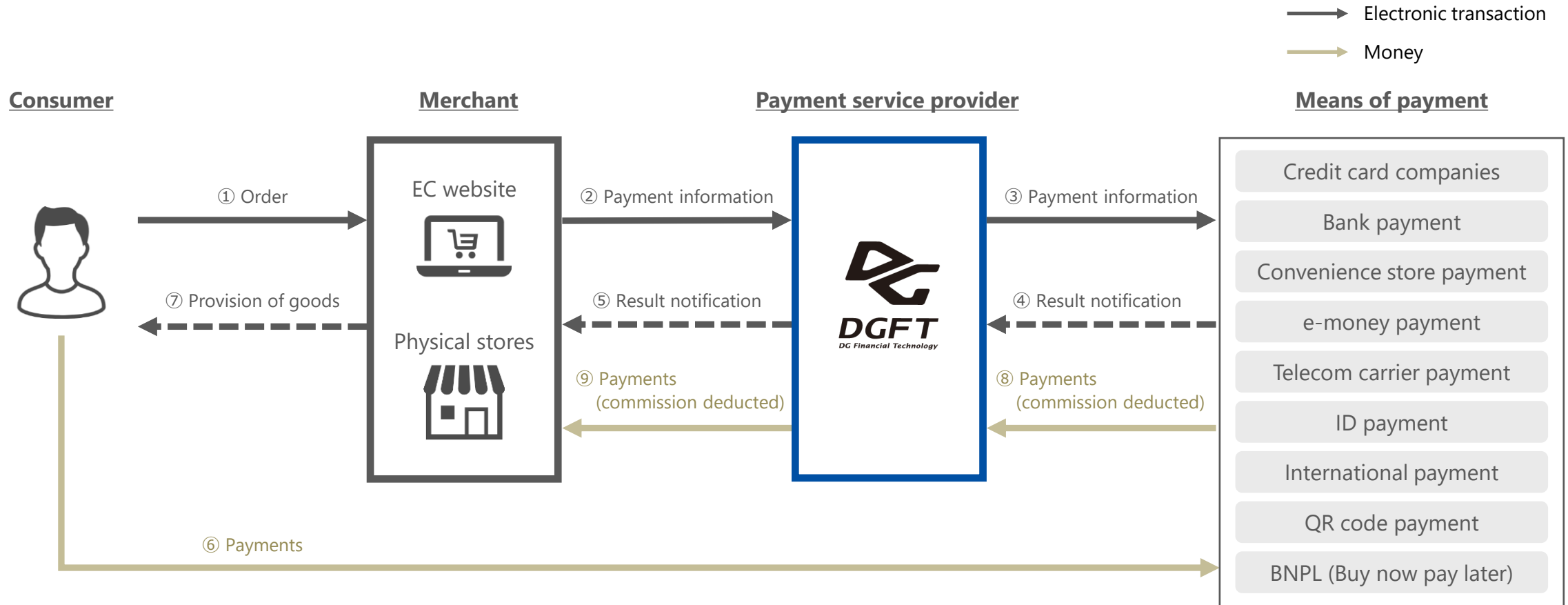
Source: DG estimates based on Cabinet Office "Annual Report on National Accounts", METI "Market Survey on Electronic Commerce", "Cashless Roadmap", "Cashless Vision."

Cashless Rate by Country

(As of 2023)



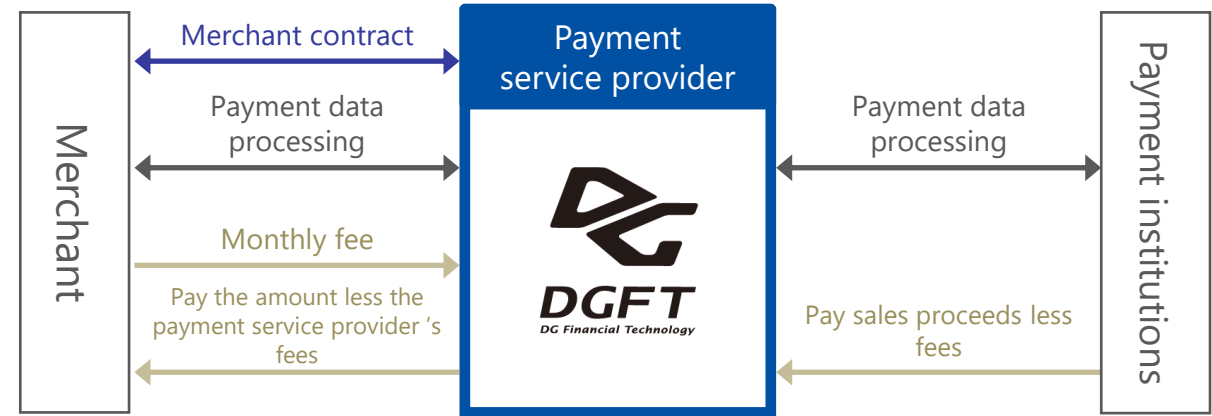
An intermediary service that connects merchants (e-commerce and physical stores) with payment providers (credit card companies, convenience stores, etc.) allowing merchants to implement multiple payment methods through a single contract



Storage agency type (Representative contract)

Acting as an all-in-one agent for contracting procedures with various payment institutions and payment of sales amounts

- We handle all contracting procedures with payment providers such as credit card companies and financial institutions
- Monthly sales proceeds are deposited into the merchant's account in a lump-sum payment from our company
- Single point of contact for payment
- Streamline operations such as payment management and confirmation

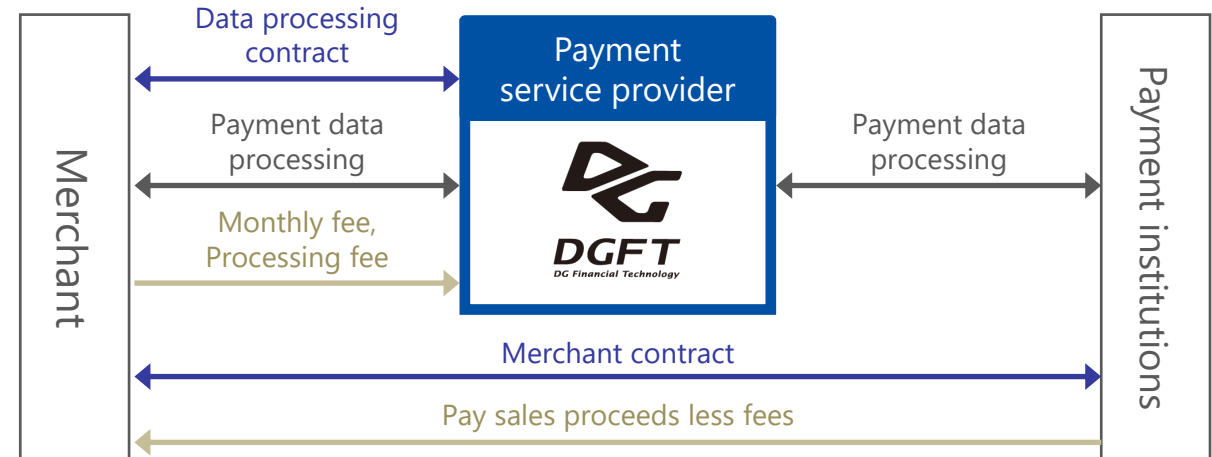


Payment data processing type (Direct contract)

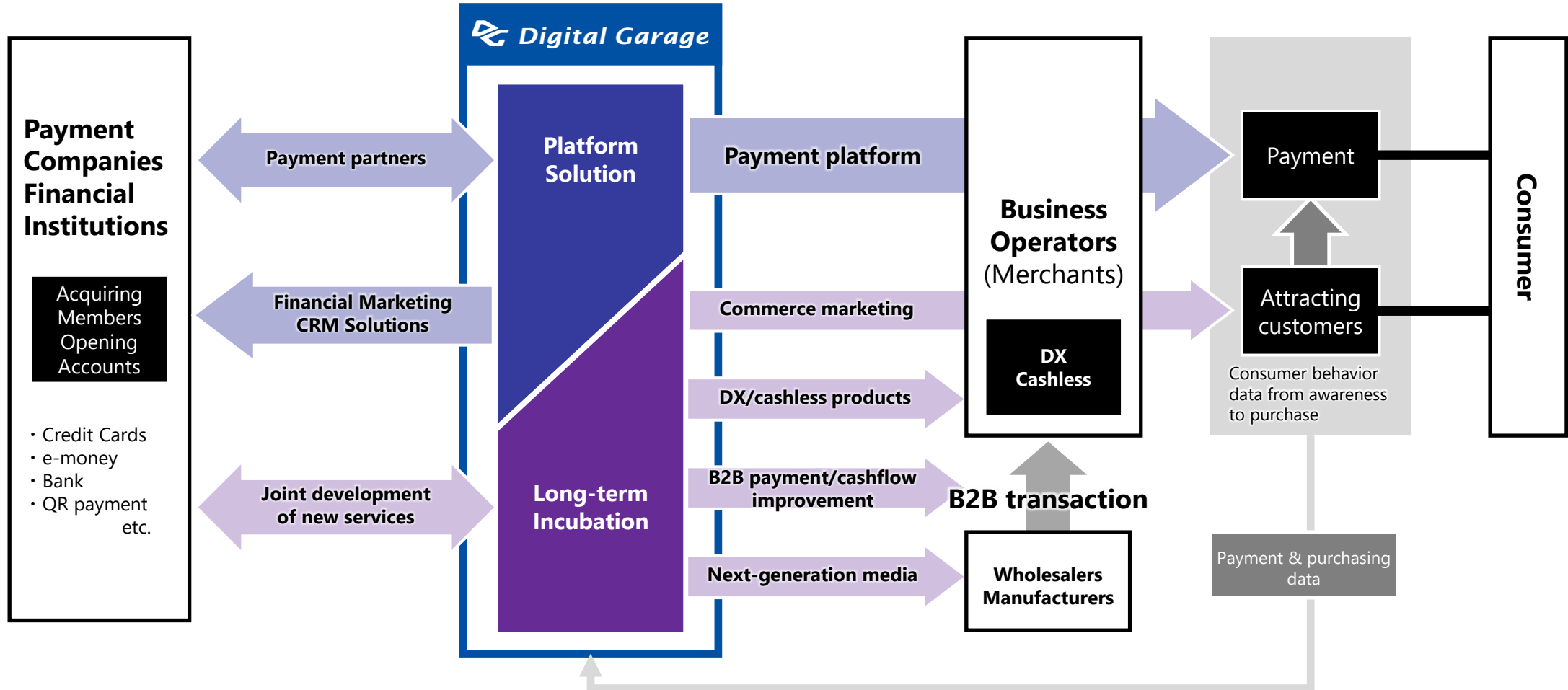
Based on the merchant agreements with credit card companies signed by the merchants, credit card payment processing is automated through the introduction of a payment system provided by PSP

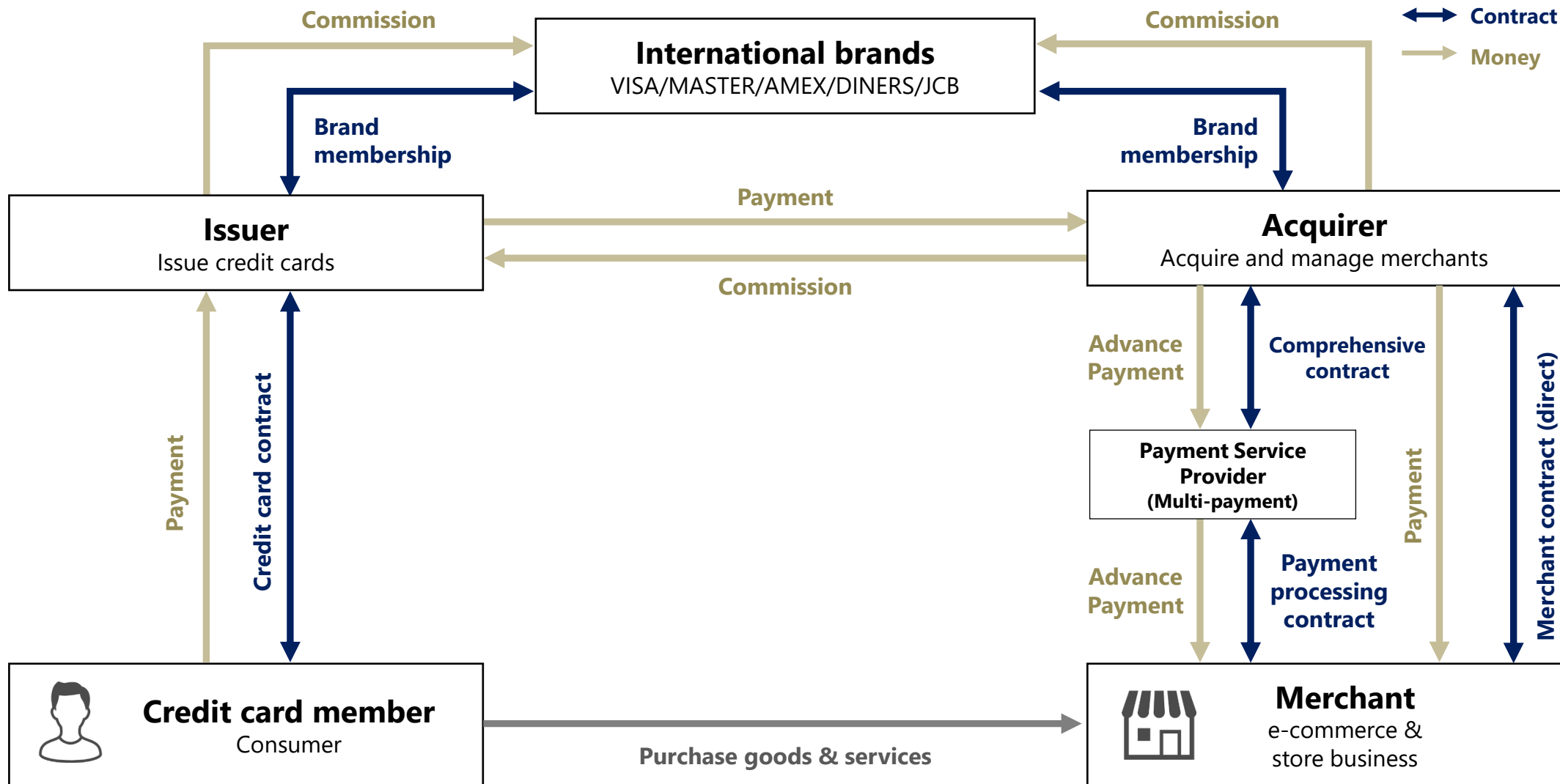
- Provide payment systems and automate card payment processing
- Merchants sign contracts directly with credit card companies
- Provide the necessary software and transaction management tools
- Also provide support for software installation

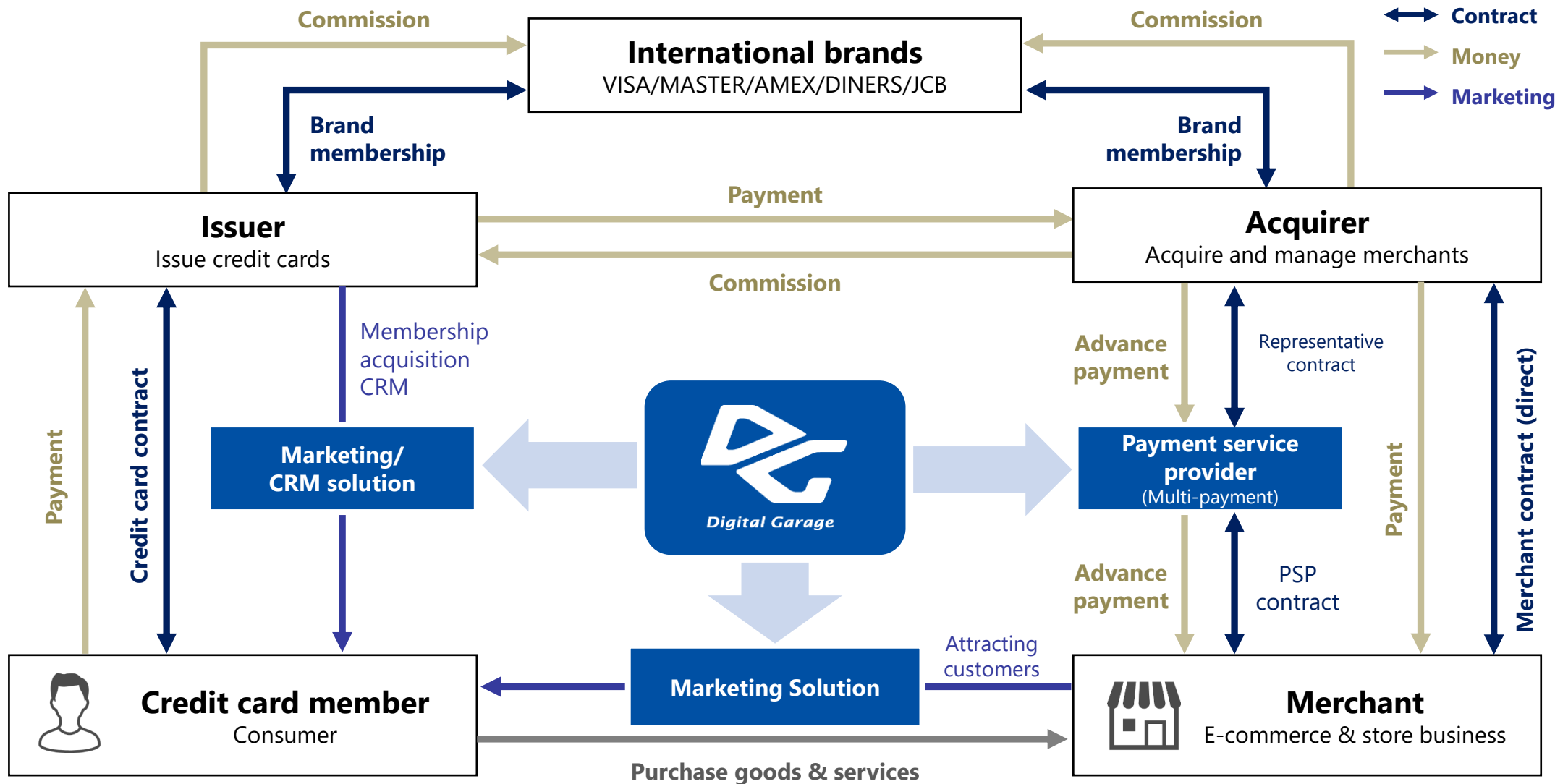
→ Electronic message
→ Money



- Stable platform generating consistent revenue, primarily from payment services
- Building multi-layered revenue streams through existing businesses, DX, Fintech, and Next-generation media

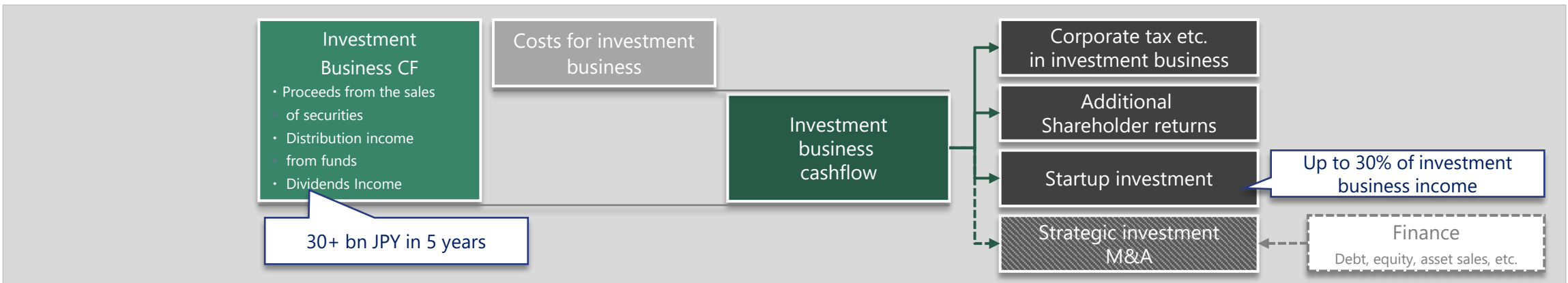
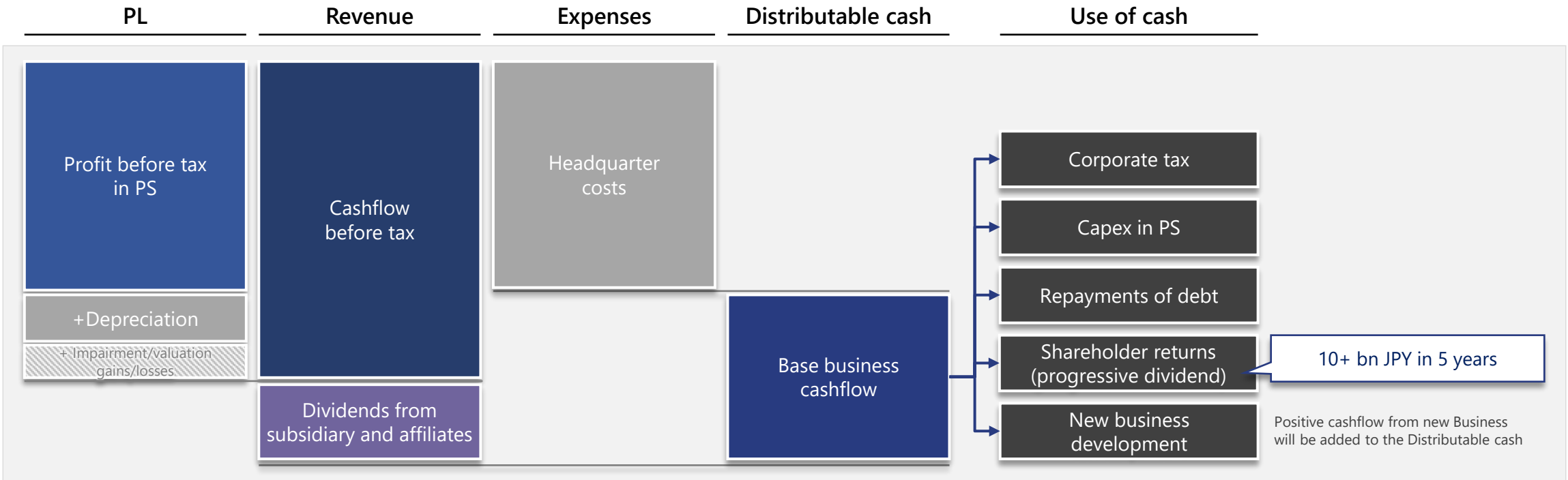




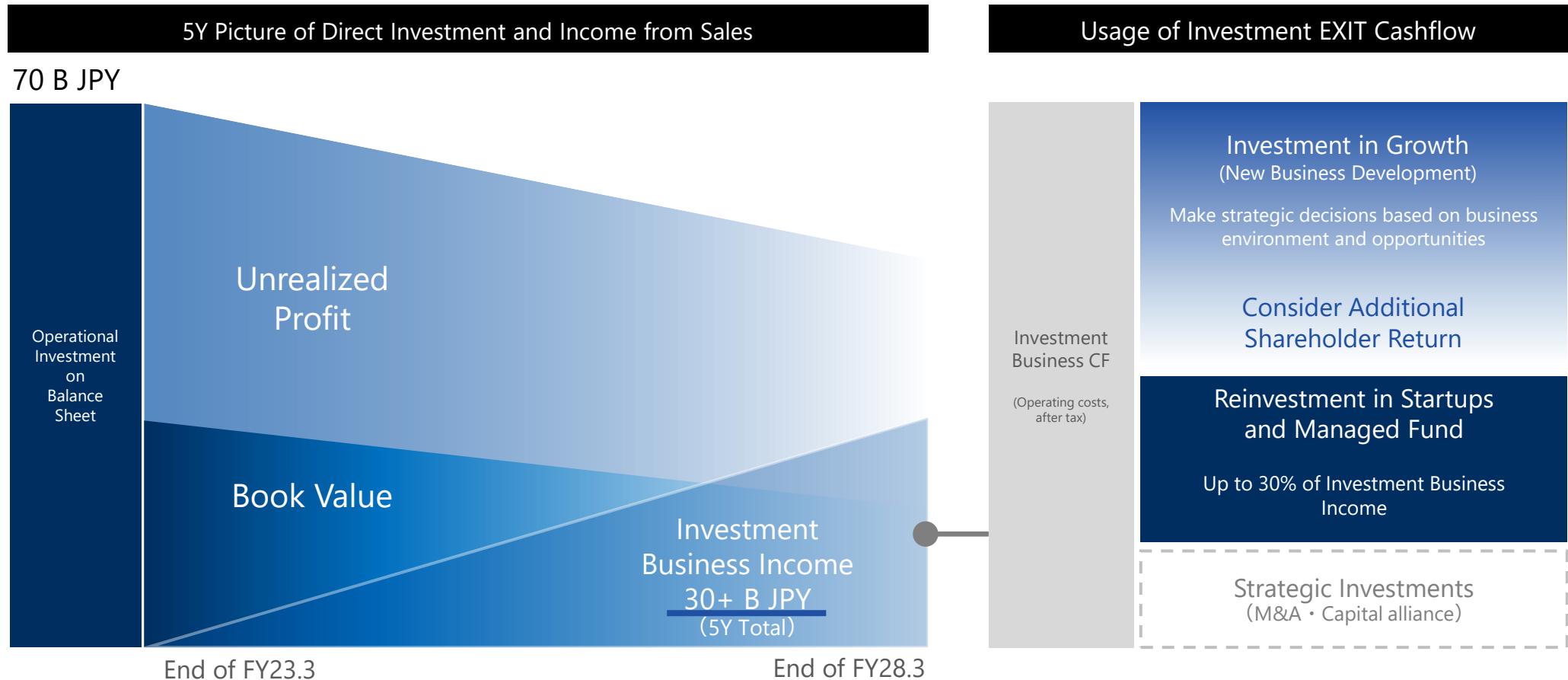


Reference Materials (3): Cashflow Allocation / Shareholder Return





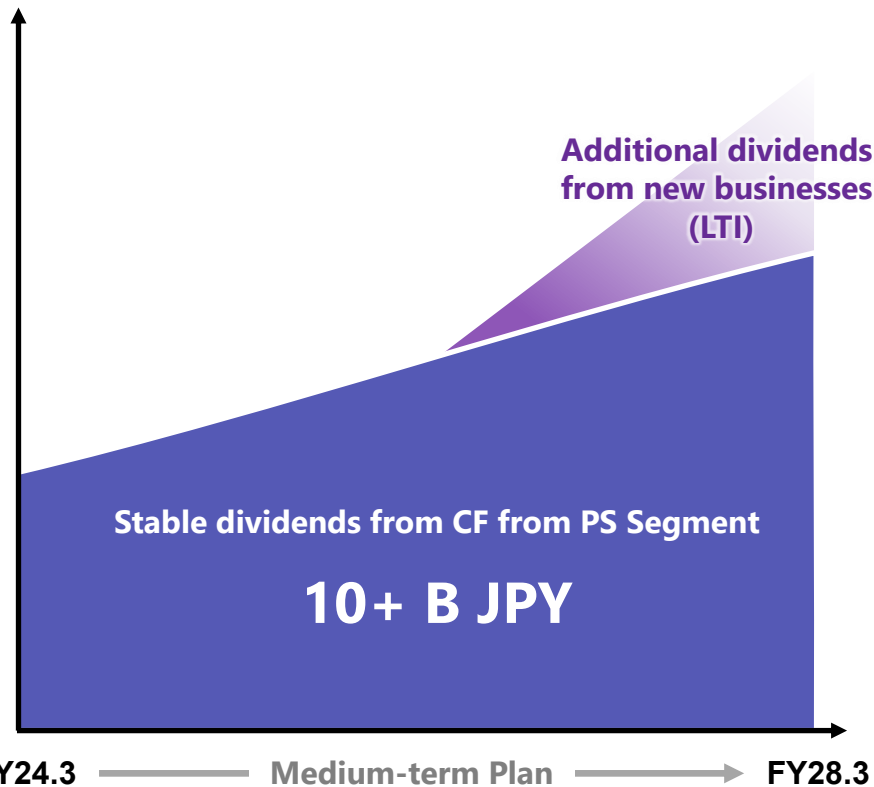
- Promote the sales of shares directly held by DG to generate investment EXIT income (proceeds from sales, etc.)
- Carefully select new investments, and plan for investing through funds for income purposes to diminish the balance
- Clarify the use of investment EXIT income and make strategic decisions on growth investment and additional returns, including new business development



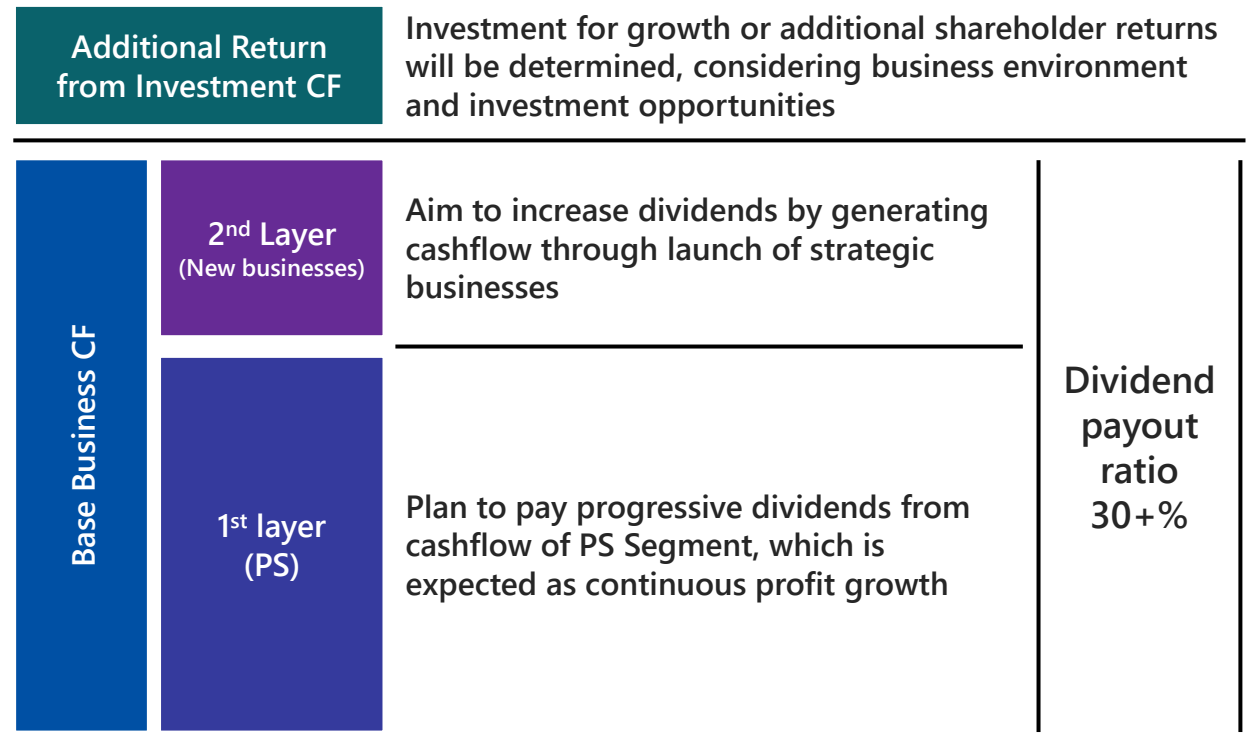
	Policy	Distributable Resources
Stable Dividends	Long-term stable dividends on a progressive dividend basis	Base Business Cashflow
Accelerating Dividend Increase	Increasing dividend growth rate by launching new businesses	
Additional Return	Special dividends/share buybacks based on portfolio sales progress	Income from sales/distributions in the investment business

- Dividend Policy: Progressive dividends based on PS cash flow plus additional dividends from new business cash flow
- Consider additional returns (including special dividends and share buybacks) from investment business cash flow as active options

Shareholder Return by Base Business CF



Shareholder Return Policy



Reference Materials (4): Sustainability Initiatives



Drove continuous improvement of materiality KPIs, integrating sustainability across reporting, assessment, and internal buy-in

Environment

Environmental policy, TCFD, GHG

- Formulated and published a new Environmental Policy (September)**
 Driven by our Corporate Purpose, we formalized our commitment to leveraging technology for environmental impact reduction
- Substantially revised TCFD disclosures in line with international standards**
 Newly added scenario analyses (1.5°C/4°C) and impact assessments of risks and opportunities
- Ongoing third-party assurance for Scope 1 and 2 GHG emissions**
 Scope 1 and 2 emissions decreased by 37% compared to a FY22.3 baseline

Social

Human Rights Policy, Training, and Regulations

- Formulated and published a new Human Rights Policy (September)**
 Compliant with international standards, including the UN Guiding Principles on Business and Human Rights
- Conducted human rights training for all employees (Jan–Feb)**
 Achieved a 100% completion rate for our company-wide human rights training
- Conducted harassment training for all employees (October)**
 Achieved a 100% completion rate in harassment training

Governance

Integrated Report, Training, and Security

- Released our Integrated Report 2025 (October 22)**
 We have expanded the depth of this year's report, offering insights from our CEO and COO, alongside a roundtable discussion with our outside directors
- We achieved a 100% completion rate for our compliance training**
 We successfully executed our company-wide training program, delivering dedicated modules on insider trading in November and comprehensive compliance training in January/February 2026
- Security certifications (80% coverage) & Security training (100% completion rate)**
 Crypto Garage successfully obtained ISMS certification, broadening our overall certification footprint across the Group

ESG Rating Agency (CDP)

Climate change

CDP Climate Change Score

B

Management Level

Execute policies & strategies
 2023:D→2024:B→2025:B

About CDP

One of the world's largest environmental disclosure platforms, operated by a U.K. NGO. A score of 'B' ranks third highest on its 8-level scale

CDP 8-Level Evaluation

A,A–	Leadership	Implementing best practices
B,B–	Management	Executing policies & strategies
C,C–	Awareness	Understanding risks & impacts
D,D–	Disclosure	Environmental Disclosures



Digital Garage Group

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