



May 14, 2026

To Whom It May Concern,

Company: Digital Garage, Inc.
Representative: Kaoru Hayashi,
Representative Director,
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Notice of Valuation Loss on Shares of Subsidiaries and Associates (Non-Consolidated)

Digital Garage, Inc. (the "Company") hereby announces a recorded valuation loss on shares of subsidiaries and associates in its non-consolidated financial statements for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026).

1. Valuation Loss on Shares of Consolidated Subsidiaries and Associates Due to Impairment

The Company reviewed the future recoverability of share values of five consolidated subsidiaries and one associate. Finding their substantial values had significantly declined, the Company implemented impairment procedures. This resulted in a "Loss on valuation of shares of subsidiaries and associates" of 1,136 million yen, recorded under extraordinary losses in the non-consolidated financial statements (Japanese GAAP) for the fiscal year ended March 31, 2026.

In the consolidated statements of income (IFRS), although this valuation loss is eliminated, the Company recorded an impairment loss of 181 million yen on goodwill related to consolidated subsidiaries under "Other expenses." Additionally, an impairment loss of 822 million yen on shares of associates was recorded under "Share of profit (loss) of investments accounted for using equity method."

2. Impact on Financial Results

These losses are reflected in the "Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [IFRS]" announced today.