

Translation

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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under IFRS)

May 14, 2026

Company name Digital Garage, Inc. Stock exchange listings: Tokyo Prime
 Securities code 4819 URL <https://www.garage.co.jp/en/>
 Representative (Title) Representative Director, President Executive Officer and Group CEO (Name) Kaoru Hayashi
 Inquiries (Title) Corporate Officer, Deputy Head of Corporate Div. (Name) Hiroyuki Nozaki Tel 03-6367-1111
 Date of general shareholders' meeting (as planned) June 24, 2026 Dividend payable date (as planned) June 25, 2026
 Annual securities report filing date (as planned) June 23, 2026
 Supplemental material of annual results : Yes
 Convening briefing of annual results : Yes (for institutional investors and analysts)

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended										
March 31, 2026	40,971	7.0	2,966	—	1,097	—	1,283	—	1,978	—
March 31, 2025	38,306	1.2	(10,216)	—	(7,476)	—	(7,190)	—	(7,981)	—

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of parent ratio	Profit before tax to total assets ratio	Profit before tax to revenue ratio
	Yen	Yen	%	%	%
Fiscal year ended					
March 31, 2026	27.96	27.57	1.7	1.3	7.2
March 31, 2025	(155.29)	(155.29)	(8.7)	(4.5)	(26.7)

(Reference) Share of profit of investments accounted for using equity method: For the fiscal year ended March 31, 2026 3,094 million yen
 For the fiscal year ended March 31, 2025 4,317 million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio	Equity attributable to owners of parent per share
	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of					
March 31, 2026	218,703	77,696	75,584	34.6	1,645.80
March 31, 2025	226,344	77,695	75,417	33.3	1,645.49

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended				
March 31, 2026	(4,939)	(7,259)	(3,449)	40,469
March 31, 2025	31,726	(10,003)	(14,914)	56,354

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to equity attributable to owner of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	0.00	—	53.00	53.00	2,438	—	3.0
Fiscal year ended March 31, 2026	—	0.00	—	47.00	47.00	2,165	168.1	2.9
Fiscal year ending March 31, 2027 (Forecast)	—	—	—	—	—	—	—	—

(Note) 1. Breakdown of year-end dividend for the fiscal year ended March 31, 2025: Ordinary dividend: 43.00 yen

Special/commemorative dividend: 10.00 yen

2. The total dividend paid includes amounts paid to the trust for Digital Garage Employee Stock Ownership Plan (7 Million yen for the fiscal year ended March 2026, 9 Million yen for the fiscal year ended March 2025)

3. The dividend forecast for the fiscal year ending March 2027 has not yet been determined.

3. Consolidated financial forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

The Company does not disclose consolidated financial results forecasts due to the difficulty of reasonably estimating the fair value of securities—particularly its investments in startup companies—at period end.

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS : None

(ii) Changes in accounting policies due to other reasons : None

(iii) Changes in accounting estimates : None

(3) Number of issued shares (ordinary shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)	As of March 31, 2026	47,714,532 shares	As of March 31, 2025	47,650,900 shares
② Number of treasury stock at the end of fiscal year	As of March 31, 2026	1,789,265 shares	As of March 31, 2025	1,818,338 shares
③ Average number of shares	Fiscal year ended March 31, 2026	45,885,868 shares	Fiscal year ended March 31, 2025	46,301,868 shares

Note: Treasury shares include the Company shares held by the trust for the Digital Garage Employee Stock Ownership Plan.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2026 [Japanese GAAP] (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2026	10,171	15.1	(7,409)	—	2,711	83.0	2,393	—
March 31, 2025	8,833	8.9	(7,666)	—	1,482	(49.0)	(715)	—

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	52.16	51.44
March 31, 2025	(15.44)	—

(Note) Diluted earnings per share for the fiscal year ended March 31, 2025 are not stated because a net loss per share was recorded, despite the existence of potential shares

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	96,714	25,034	23.9	502.40
March 31, 2025	93,542	24,566	24.3	496.27

(Reference) Owner's equity As of March 31, 2026 23,073 million yen
As of March 31, 2025 22,745 million yen

<Reasons for Differences from the Previous Fiscal Year's Non-Consolidated Results>

In this fiscal year, ordinary income increased due to a rise in dividends received. In addition, net income increased as a result of a reduction in valuation losses on shares of affiliated companies and a decrease in valuation losses on investment securities.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Regarding How to Obtain Supplementary Financial Explanation Materials and Financial Results Video)

The Company plans to post a financial results video in both Japanese and English on our website (<https://ir.garage.co.jp/en/>).

The materials used in this video will be disclosed on TDnet on the same day and will also be posted on our website.

Consolidated financial statements

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and cash equivalents	56,354	40,469
Trade and other receivables	30,538	35,695
Inventories	376	316
Operational investment securities	54,940	53,505
Other financial assets	292	285
Income taxes receivable	575	784
Other current assets	1,370	1,419
Total current assets	144,446	132,472
Non-current assets		
Property, plant and equipment	13,163	11,997
Goodwill	8,030	7,844
Intangible assets	7,316	11,390
Investment property	1,872	1,990
Investments accounted for using equity method	37,643	37,356
Other financial assets	12,896	14,761
Deferred tax assets	517	181
Other non-current assets	461	711
Total non-current assets	81,899	86,231
Total assets	226,344	218,703

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	27,676	26,366
Trade and other payables	62,532	54,364
Other financial liabilities	1,787	1,869
Income taxes payable	1,001	387
Other current liabilities	4,562	4,882
Total current liabilities	97,558	87,868
Non-current liabilities		
Bonds and borrowings	33,956	35,687
Other financial liabilities	5,976	4,927
Retirement benefit liability	372	341
Provisions	519	522
Deferred tax liabilities	9,737	10,985
Other non-current liabilities	531	677
Total non-current liabilities	51,091	53,139
Total liabilities	148,649	141,007

Equity		
Share capital	7,888	8,014
Capital surplus	5,229	5,457
Treasury shares	(5,108)	(5,033)
Other components of equity	1,112	1,999
Retained earnings	66,296	65,146
Total equity attributable to owners of parent	<u>75,417</u>	<u>75,584</u>
Non-controlling interests	<u>2,278</u>	<u>2,112</u>
Total equity	<u>77,695</u>	<u>77,696</u>
Total liabilities and equity	<u><u>226,344</u></u>	<u><u>218,703</u></u>

(2) Consolidated statements of income and statements of comprehensive income
(Consolidated statements of income))

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Revenue		
Revenue in recurring business	32,201	35,187
Revenue in operational investment securities	—	29
Other income	1,706	1,385
Finance income	83	1,277
Share of profit of investments accounted for using equity method	4,317	3,094
Total	<u>38,306</u>	<u>40,971</u>
Expenses		
Cost of sales	12,948	13,285
Loss in operational investment securities	7,290	—
Selling, general and administrative expenses	21,643	23,492
Other expenses	1,954	553
Finance costs	4,689	676
Total	<u>48,523</u>	<u>38,006</u>
Profit (loss) before tax	<u>(10,216)</u>	<u>2,966</u>
Income tax expense	<u>(2,740)</u>	<u>1,868</u>
Profit (loss)	<u>(7,476)</u>	<u>1,097</u>
Profit (loss) attributable to		
Owners of parent	(7,190)	1,283
Non-controlling interests	(286)	(186)
Earnings (loss) per share		
Basic earnings (loss) per share	(155.29)	27.96
Diluted earnings (loss) per share	(155.29)	27.57

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Profit (loss)	(7,476)	1,097
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(376)	(15)
Remeasurements of defined benefit plans	52	28
Share of other comprehensive income of investments accounted for using equity method	(1)	(2)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(180)	863
Share of other comprehensive income of investments accounted for using equity method	0	6
Other comprehensive income, net of tax	(504)	881
Comprehensive income	(7,981)	1,978
Comprehensive income attributable to		
Owners of parent	(7,692)	2,167
Non-controlling interests	(288)	(188)

(3) Consolidated statement of changes in equity

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			Total
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Remeasurements of defined benefit plans	
Balance at beginning of period	7,846	5,385	(975)	(1,124)	2,737	(0)	1,613
Profit (loss)							—
Other comprehensive income				(377)	(175)	51	(502)
Comprehensive income	—	—	—	(377)	(175)	51	(502)
Issuance of new shares	42	42					—
Changes in ownership interest in subsidiaries		(337)					—
Change in scope of consolidation							—
Dividends							—
Share-based payment transactions		164	299				—
Purchase of treasury shares		(9)	(4,500)				—
Disposal of treasury shares		16	68				—
Transfer from other components of equity to retained earnings				1			1
Other		(32)					—
Total	42	(155)	(4,133)	1	—	—	1
Balance at end of period	7,888	5,229	(5,108)	(1,500)	2,561	51	1,112
Profit (loss)							—
Other comprehensive income				(16)	873	28	884
Comprehensive income	—	—	—	(16)	873	28	884
Issuance of new shares	32	32					—
Changes in ownership interest in subsidiaries		1					—
Change in scope of consolidation							—
Dividends							—
Share-based payment transactions	95	230					—
Disposal of treasury shares		17	75				—
Transfer from other components of equity to retained earnings				3			3
Other		(51)					—
Total	127	228	75	3	—	—	3
Balance at end of period	8,014	5,457	(5,033)	(1,513)	3,434	78	1,999

(Millions of yen)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance at beginning of period	75,382	89,251	2,887	92,138
Profit (loss)	(7,190)	(7,190)	(286)	(7,476)
Other comprehensive income		(502)	(2)	(504)
Comprehensive income	(7,190)	(7,692)	(288)	(7,981)
Issuance of new shares		84		84

Changes in ownership interest in subsidiaries		(337)	(320)	(657)
Change in scope of consolidation		—	6	6
Dividends	(1,895)	(1,895)	(7)	(1,902)
Share-based payment transactions		463		463
Purchase of treasury shares		(4,509)		(4,509)
Disposal of treasury shares		84		84
Transfer from other components of equity to retained earnings	(1)	—		—
Other		(32)		(32)
Total	(1,896)	(6,141)	(321)	(6,462)
Balance at end of period	66,296	75,417	2,278	77,695
Profit (loss)	1,283	1,283	(186)	1,097
Other comprehensive income		884	(3)	881
Comprehensive income	1,283	2,167	(188)	1,978
Issuance of new shares		63		63
Changes in ownership interest in subsidiaries		1	0	1
Change in scope of consolidation		—	49	49
Dividends	(2,429)	(2,429)	(27)	(2,456)
Share-based payment transactions		325		325
Disposal of treasury shares		91		91
Transfer from other components of equity to retained earnings	(3)	—		—
Other		(51)		(51)
Total	(2,433)	(2,000)	23	(1,977)
Balance at end of period	65,146	75,584	2,112	77,696

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit (loss) before tax	(10,216)	2,966
Depreciation and amortization	4,155	4,265
Impairment losses	1,549	181
Interest and dividend income	(83)	(140)
Interest expenses on borrowings and bonds	397	659
Share of loss (profit) of investments accounted for using equity method	(4,317)	(3,094)
Loss (gain) on investment securities	4,116	(1,021)
Loss (gain) on sales of shares of subsidiaries and associates	—	10
Decrease (increase) in trade and other receivables	4,168	(5,346)
Decrease (increase) in investment securities for sale	14,384	1,588
Decrease (increase) in inventories	52	60
Increase (decrease) in trade and other payables	16,790	(7,339)
Increase (decrease) in accrued consumption taxes	(302)	171
Other	(153)	331
Subtotal	30,539	(6,710)
Interest and dividends received	1,779	2,959
Interest paid	(376)	(643)
Income taxes refund (paid)	(215)	(545)
Net cash provided by (used in) operating activities	31,726	(4,939)
Cash flows from investing activities		
Purchase of property, plant and equipment	(595)	(352)
Purchase of intangible assets	(4,008)	(5,641)
Purchase of investment securities	(2,421)	(1,097)
Proceeds from sale of investment securities	1	15
Proceeds from dividend of investment partnership	46	169
Payments for acquisition of subsidiaries	(1,008)	—
Purchase of investments accounted for using equity method	(2,316)	(500)
Proceeds from sale of investments accounted for using equity method	—	587
Payments for acquisition of businesses	(642)	—
Other	940	(439)
Net cash provided by (used in) investing activities	(10,003)	(7,259)

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(6,175)	(1,800)
Proceeds from long-term borrowings	29,300	9,550
Repayments of long-term borrowings	(29,193)	(7,340)
Repayments of lease liabilities	(1,775)	(1,870)
Capital contribution from non-controlling interests	10	350

Payments for acquisition of interests in subsidiaries from non-controlling interests	(667)	—
Purchase of treasury shares	(4,512)	—
Proceeds from disposition of treasury shares	84	91
Dividends paid	(1,894)	(2,429)
Other	(93)	(2)
Net cash provided by (used in) financing activities	<u>(14,914)</u>	<u>(3,449)</u>
Effect of exchange rate changes on cash and cash equivalents	(26)	37
Net increase (decrease) in cash and cash equivalents	6,783	(15,609)
Cash and cash equivalents at beginning of period	49,571	56,354
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	—	(276)
Cash and cash equivalents at end of period	<u>56,354</u>	<u>40,469</u>