

Digital Garage, Inc.

FYE March 31, 2023 Financial Report



Investment Highlights





Financial Performance

- Consolidated revenue and profit before tax for FY23.3 decreased due to the fair value loss on Blockstream.
- Consolidated profit before tax excluding gains/losses on investments and one-off gains/losses was **4.5B JPY (+13% YoY) showing steady growth.**
 - FT: The transaction volume **increased by 19% YoY**, and the costs associated with system enhancement and integration of two PSP subsidiaries have been stabilized. **Profit before tax** for H2 (the second half) of FY23.3 excluding loss on disposal associated with system integration **increased by 22%** with steady growth.
 - MT: Profit before tax for FY23.3 increased by 13% and **the profit for H2 of FY23.3** excluding one-off gain/loss, etc. **increased by 58%** especially in the financial sector.
 - LTI: Kakaku.com's performance recovered. **2.7 B JPY of profit on sales of investments in affiliates was recoded** in 3Q.

Progress of “DG FinTech Shift”

- ✓ **New medium-term plan**, a five-year growth strategy starting from FY24.3 to further accelerate “DG FinTech Shift”, **is released** with the announcement of the financial results for FY23.3.
- ✓ **DG is jointly developing Fintech services for the food service industry with Tabelog** and launched an invoice card payment service for restaurants following “Tabelog Order”, continuing to expand Fintech business for restaurants.
- ✓ **Crypto Garage, Inc. launched Digital Asset Custody and OTC trading services.**

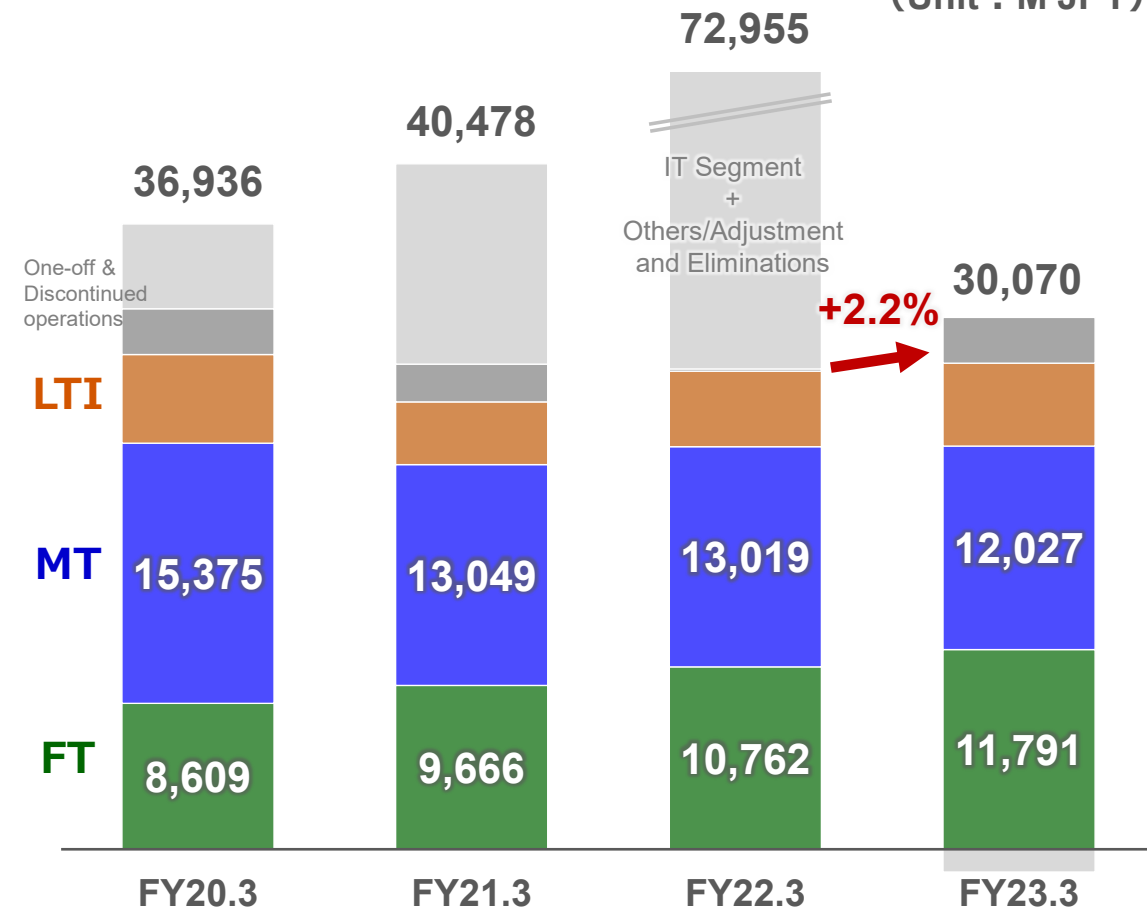
Highlight – Consolidated Revenue, Consolidated Profit before tax



- Revenue in business segments (FT/MT/LTI) excluding gains/losses on investments increased by 2.2%.
- Consolidated profit before tax excluding gains/losses on investments and one-off gains/losses increased by 13.0% YoY, showed steady growth.

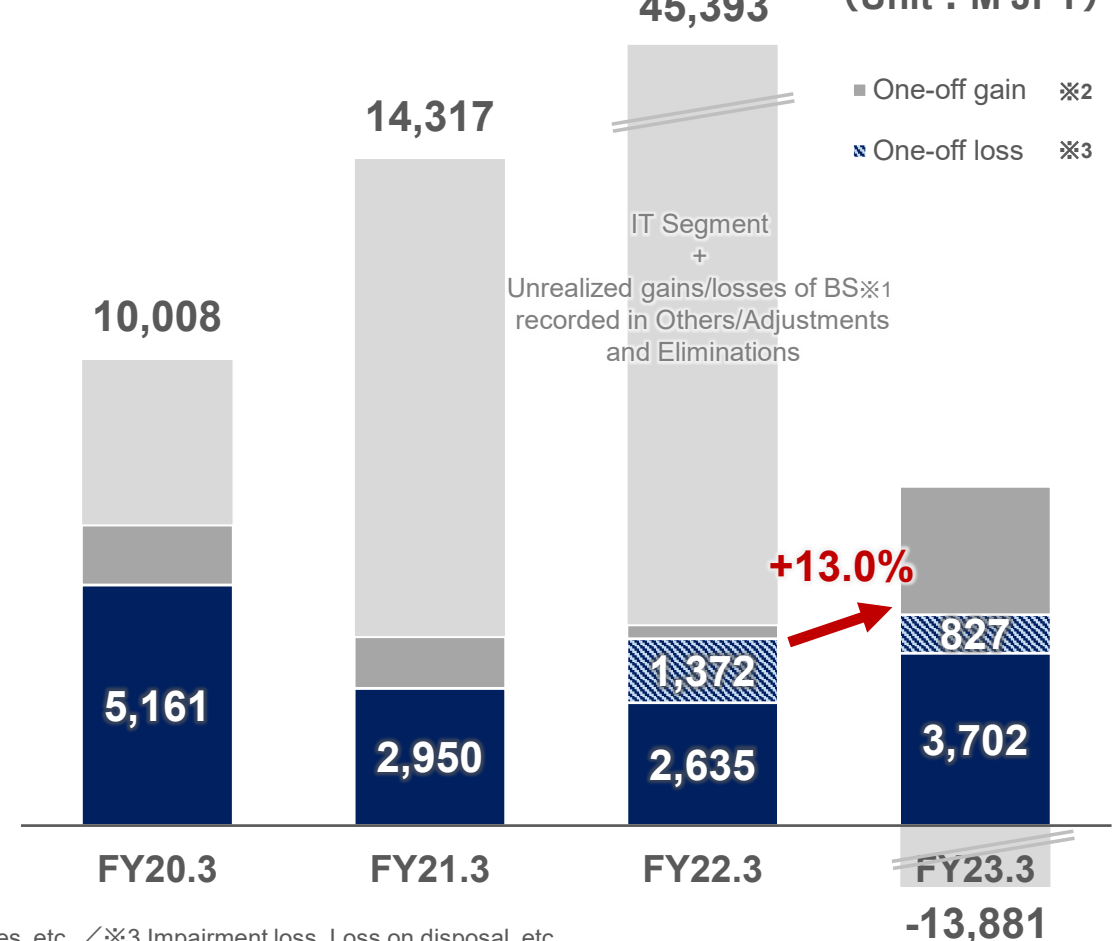
Consolidated Revenue

(Unit : M JPY)



Consolidated Profit before tax

(Unit : M JPY)



※1 BS stands for Blockstream Corporation Inc. / ※2 One-off gain : Profit from the sales of investments in affiliates, etc. / ※3 Impairment loss, Loss on disposal, etc.

◆ Highlight – Profit before tax by Segment



- Profit before tax for FY23.3 in FT/MT/LTI segments achieved double-digit growth with strong performance excluding IT segment.
- FT: The costs associated with system integration have been stabilized. MT: Profit started to grow from H2 of FY23.3 driven by a shift in environmental trends. LTI: Profit increased due to profit on the sales of investment in affiliates.

(M JPY)	FY22.3	FY23.3	YoY Increase /Decrease	YoY % Change	Remarks
Profit before tax	45,393	-13,881	-59,274	-	Excluding the backlash of the fair value gain/loss on Blockstream in consolidated financial results, FT/MT/LTI business segments grew steadily.
FT	4,548	5,122	+574	+12.6%	Transaction volume in both non-face-to-face and face-to-face settlements grew steadily. Profit before tax excluding loss on disposal associated with payment system integration for H2 of FY23.3 increased by 22% .
MT	1,023	1,151	+128	+12.5%	Profit before tax excluding one-off gain/loss grew by 58% for H2 of FY23.3 with steady growth especially in the financial sector despite the valuation loss on affiliates recorded in 4Q,
IT	31,215	-12,022	-43,237	-	Portfolio was stable though profit before tax significantly decreased due to the impact of the backlash of the fair value gain/loss of Blockstream, etc.
LTI	1,252	4,635	+3,384	+270.3%	Kakaku.com, etc. performed firmly as demand for food services recovered. 2.7 B JPY of profit on sales of investments in affiliates was recorded in 3Q.
Others/ Adjustments and Eliminations	7,355	-12,768	-20,123	-	Profit before tax decreased significantly compared to the previous year due to the valuation loss on Blockstream securities held directly by the Company.

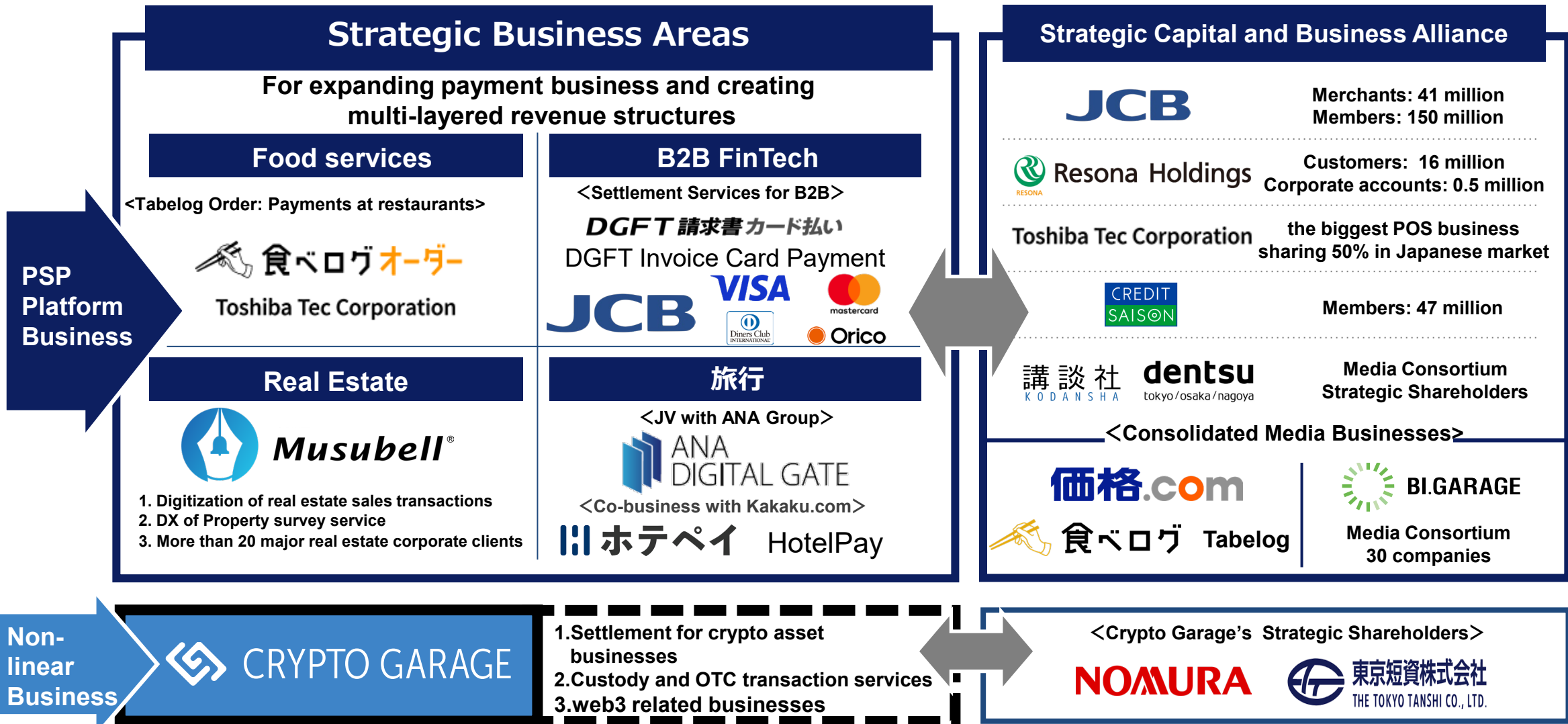
(Musubell business was reclassified from MT to LTI from FY23.3. Results from the same period of the previous fiscal year were retroactively revised to reflect the change.)





- Strategic alliances with various companies in the area of face-to-face settlement worked successfully, resulting in continued growth of settlement transaction volume.
- Equity method income from Kakaku.com, Inc. increased as the restaurant industry recovered.
The digital advertising business is performing steadily, driven by strong financial sector performance.

Segment	KPI	Unit	FY22.3	FY 23.3	YoY Increase/Decrease	YoY % Change
FT	Transaction Volume	100 M JPY	44,348	52,774	+8,426	+19.0%
	Non-Face-to-Face	100 M JPY	34,874	39,707	+4,834	+13.9%
	Face-to-Face	100 M JPY	9,474	13,067	+3,593	+37.9%
MT	Digital Ads Volume	M JPY	30,151	31,953	+1,801	+6.0%
	Financial	M JPY	17,668	20,316	+2,647	+15.0%
IT	Fair Value	M JPY	77,950	67,676	-10,273	-
	Amount Sold	M JPY	3,741	5,051	+1,310	-
	Amount Invested	M JPY	6,682	2,817	-3,865	-
LTI	Equity Method Income from Kakaku.com	M JPY	2,949	3,327	+378	+12.8%

In “DG FinTech Shift” since 2021, many strategic businesses and alliances are in progress.











NEW Alliance	2023 Apr	Launched DGFT Invoice Card Payment for individual business operators and Freelancers, and for Diners Cub Members / Launched “Invoice Card Payment” for customers of Orico
NEW New Business	Apr	 CRYPTO GARAGE launched Digital Asset Custody and OTC trading services.
NEW New Business	Mar	Digital Garage and Kakaku.com decided to jointly develop Fintech services for the food service industry.
NEW New Business	Mar	Real Estate DX platform  Musubell [®] launched DX of property survey services in addition to digitizing real estate transactions for new condo and brokerage contracts.
New Alliance	2023 Feb	Launched “Invoice Card Payment”, a service exclusively for cardholders issued by JCB (JCB acquired additional shares in the company)
New Business	Jan	Launched クイックマネー , a quick financing service for SMBs. (Quick Money)
New Business	2022 Dec	B2B payment service, DGFT 請求書カード払い , now accepts Visa/Mastercard® brands in addition to JCB (DGFT Invoice Card Payment)
New Business	Nov	Signed a capital and business alliance agreement with Resona Holdings
New Business	Oct	Launched a B2B payment service DGFT 請求書カード払い (DGFT Invoice Card Payment) together with JCB.

※New: Updated in FY23.3 4Q



New Business	July	Launched a B2B payment service  食ベログオーダー with Kakaku.com and Toshiba Tec Corp. (Tabelog order)
New Business	Mar	Launched business of online ordering service  Pangaea Delivery in collaboration with JCB and Toshiba Tec Corp.
Alliance	Feb	Capital and business alliance with JCB Co., Ltd. , a long-term leading partner in the payment business
Alliance	Dec 2021	Capital and business alliance with Toshiba Tec Corporation , which had already collaborated to establish JV
Alliance	Oct	At the same time as a capital and business alliance with Nomura Holdings, Inc. , a business alliance with a group company in the custody business
New Business	Sep	Launched an electronic contract centralized management service  Musubell to support the real estate industry's digital transformation <small>不動産DXプラットフォーム Digital Garage</small>
Organization	Sep	Acquired India's financial system development company (DG FutureTech India) as a new financial hub
New Business	Jun	Strategic subsidiary  CRYPTO GARAGE registered as Japan's first B2B-only crypto asset exchange service provider
Organization	Feb	Announced group strategy of  Merged two payment related subsidiaries into  DGFT <small>DG Financial Technology</small>

Segment Performance Review





Performance

	FY22.3	FY23.3	YoY Inc./Dec.	YoY % Chg.
Segment Revenue	10,762 M JPY	11,791 M JPY	+1,029 M JPY	+9.6 %
Segment Profit before tax	4,548 M JPY	5,122 M JPY	+574 M JPY	+12.6 %

Note) Revenue is external revenue. Profit before tax is before intersegment eliminations.

Major Group Companies / Businesses

▶ **DG Financial Technology, Inc.**

Japan's leading payment service provider



▶ **NaviPlus Co., Ltd.**

Subsidiary of DG Financial Technology, Inc. Provides SaaS business for value-added services for EC, such as recommendation and search engines



▶ **Scudetto Corporation**

Provides fraud detection/prevention solutions, marketing solutions, etc.



▶ **TD Payment Corporation** (49% stake / equity method)

JV with Toshiba Tec Corporation. Deploys multi-payment solutions for POS systems



▶ **ANA Digital Gate, Inc.** (49% stake / equity method)

JV with All Nippon Airways Trading Co., Ltd. Develops and provides new payment solutions using Fintech



▶ **SCORE Co., Ltd.** (49% stake / equity method)

JV with Nissen Co., Ltd. Develops post-payment settlement business and various financial businesses utilizing settlement data



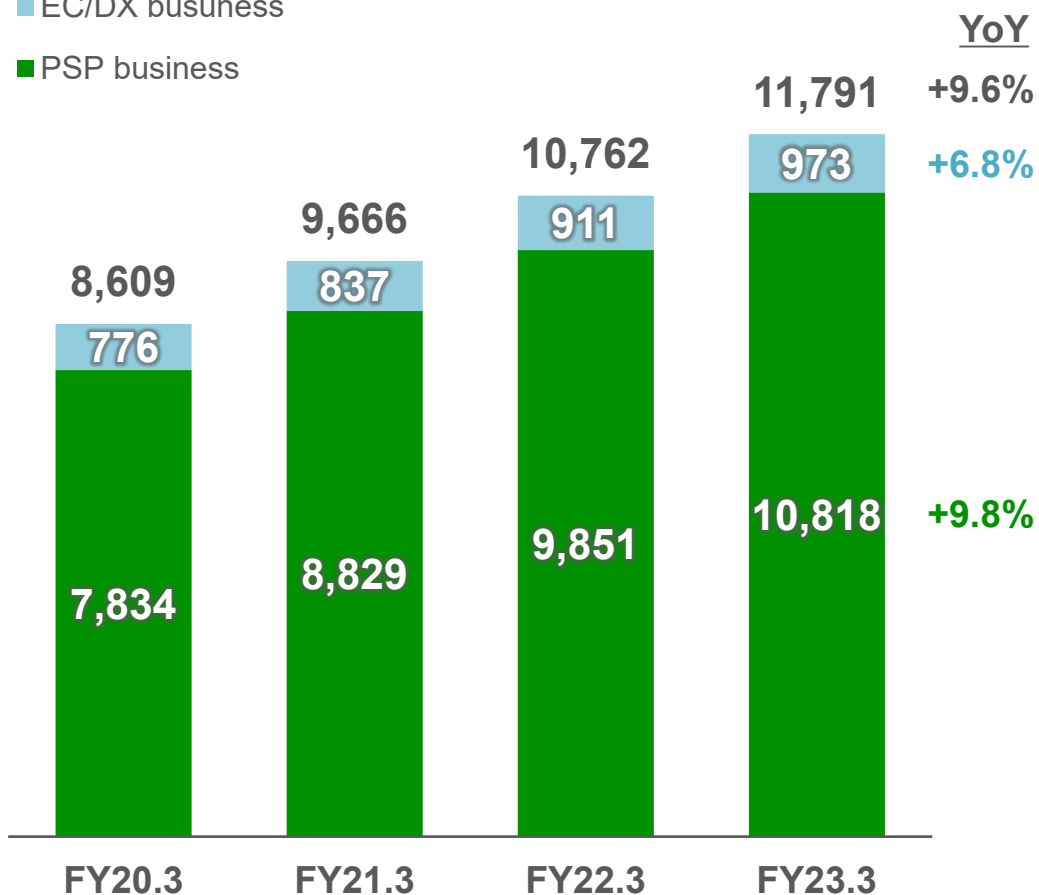


- Profit before tax increased by 12.6% YoY, and the growth rate excluding loss on disposal associated with system integration increased by 16.0% YoY.
- Business performance remained strong with steady growth in transaction volume in both non-face-to-face and face-to-face settlements.

Segment Revenue

(Unit : M JPY)

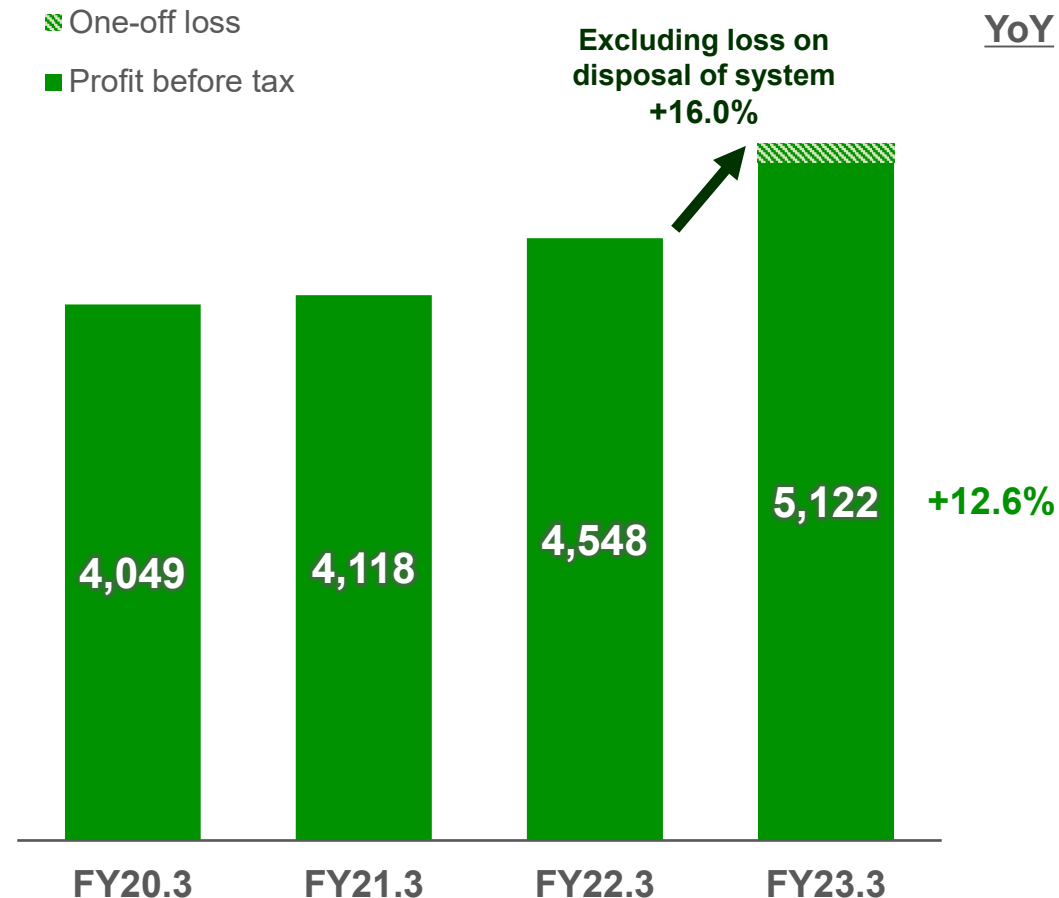
- EC/DX business
- PSP business



Segment Profit before tax

(Unit : M JPY)

- One-off loss
- Profit before tax



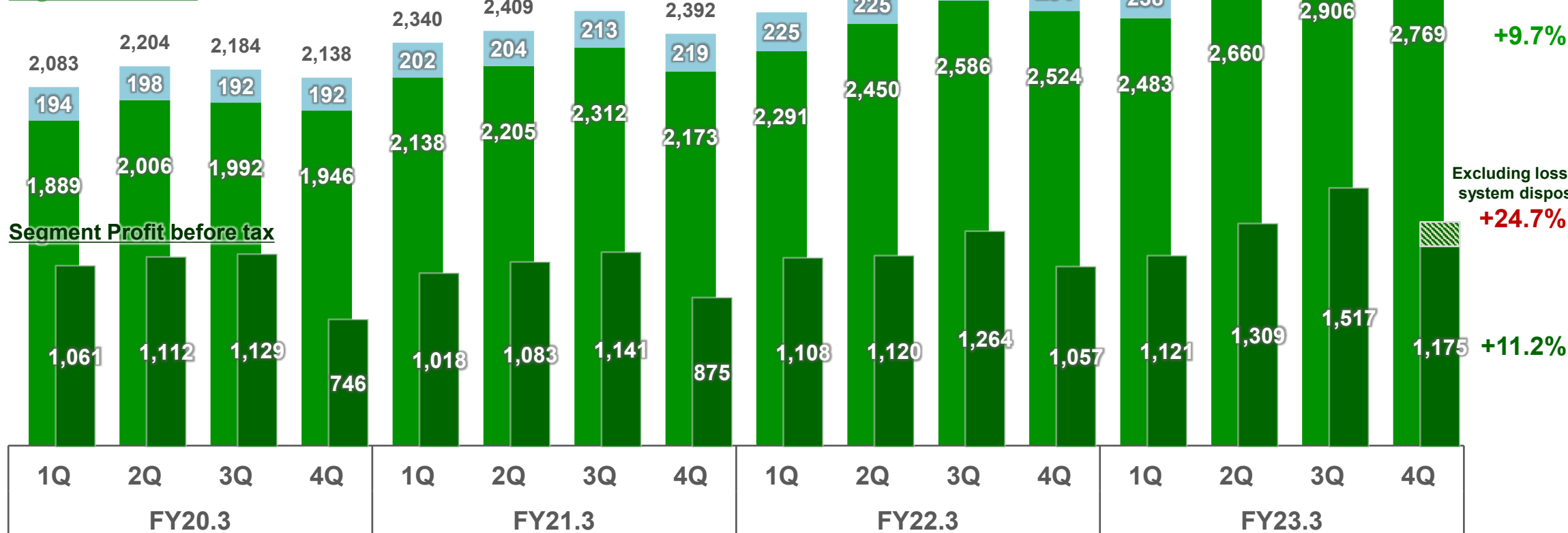


- Quarterly revenues remained strong due to increased settlement transaction volume.
- Quarterly profit before tax by segment excluding loss on disposal associated with system integration grew steadily by 24.7%.

(Unit : M JPY)

■ EC/DX business
■ PSP business

Segment Revenue

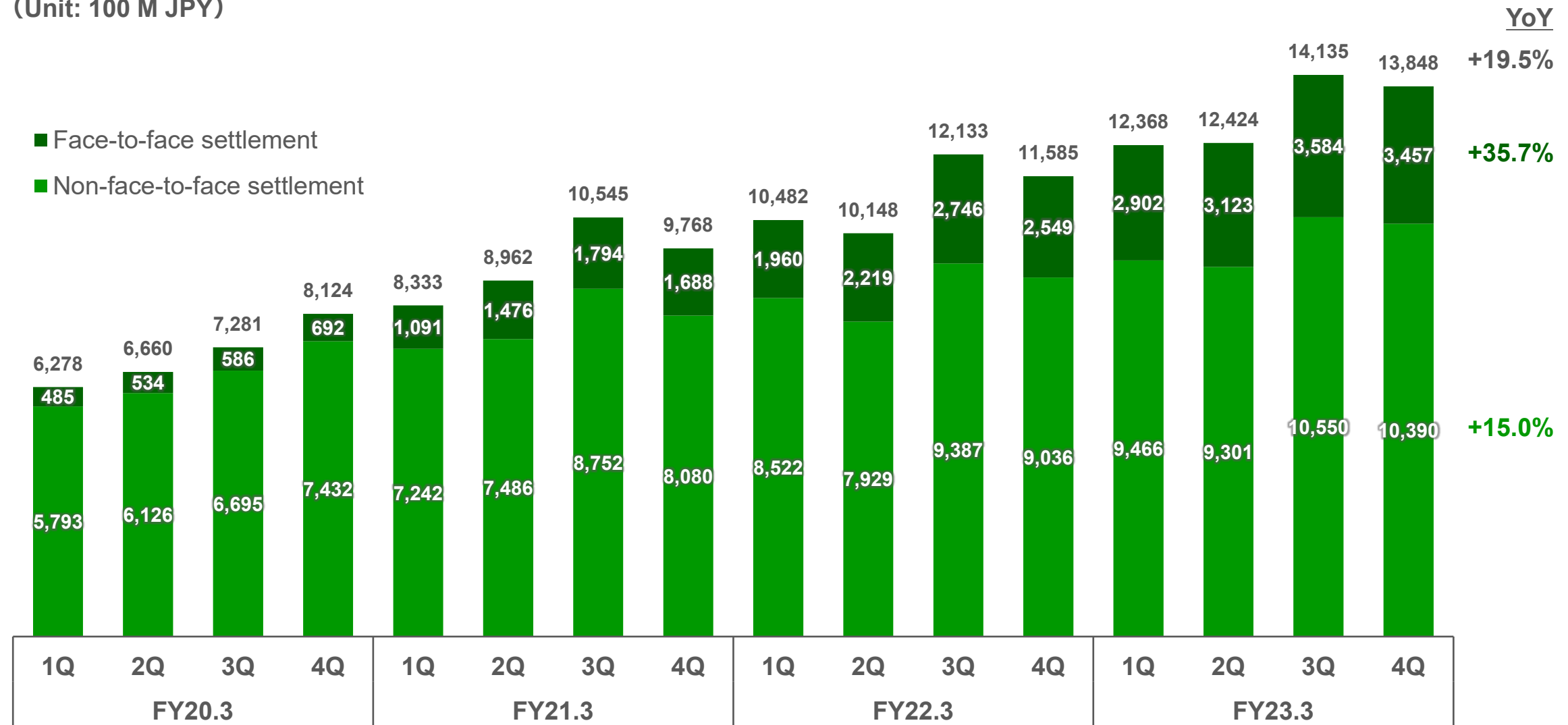


Excluding loss on system disposal
+24.7%



- Face-to-face settlement continues to grow at a high rate, and market penetration continues to expand steadily.
- Non-face-to-face settlement remains strong despite a rebound in COVID demand.

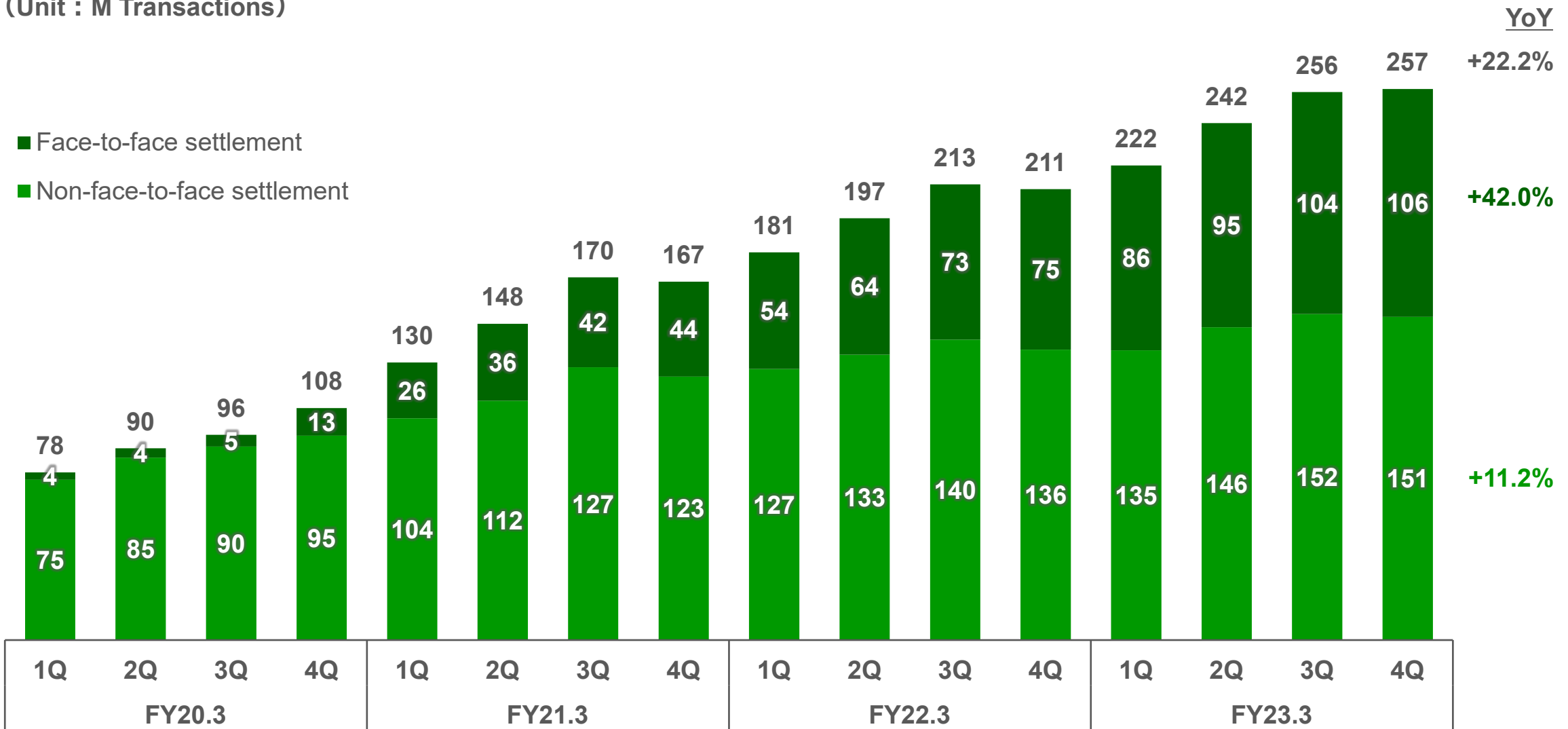
(Unit: 100 M JPY)





- The number of settlement transactions especially in face-to-face settlement continued to grow by 22.2% YoY.
- Data volume of settlement transactions continued to grow, expanding Fintech Financial business base.

(Unit : M Transactions)

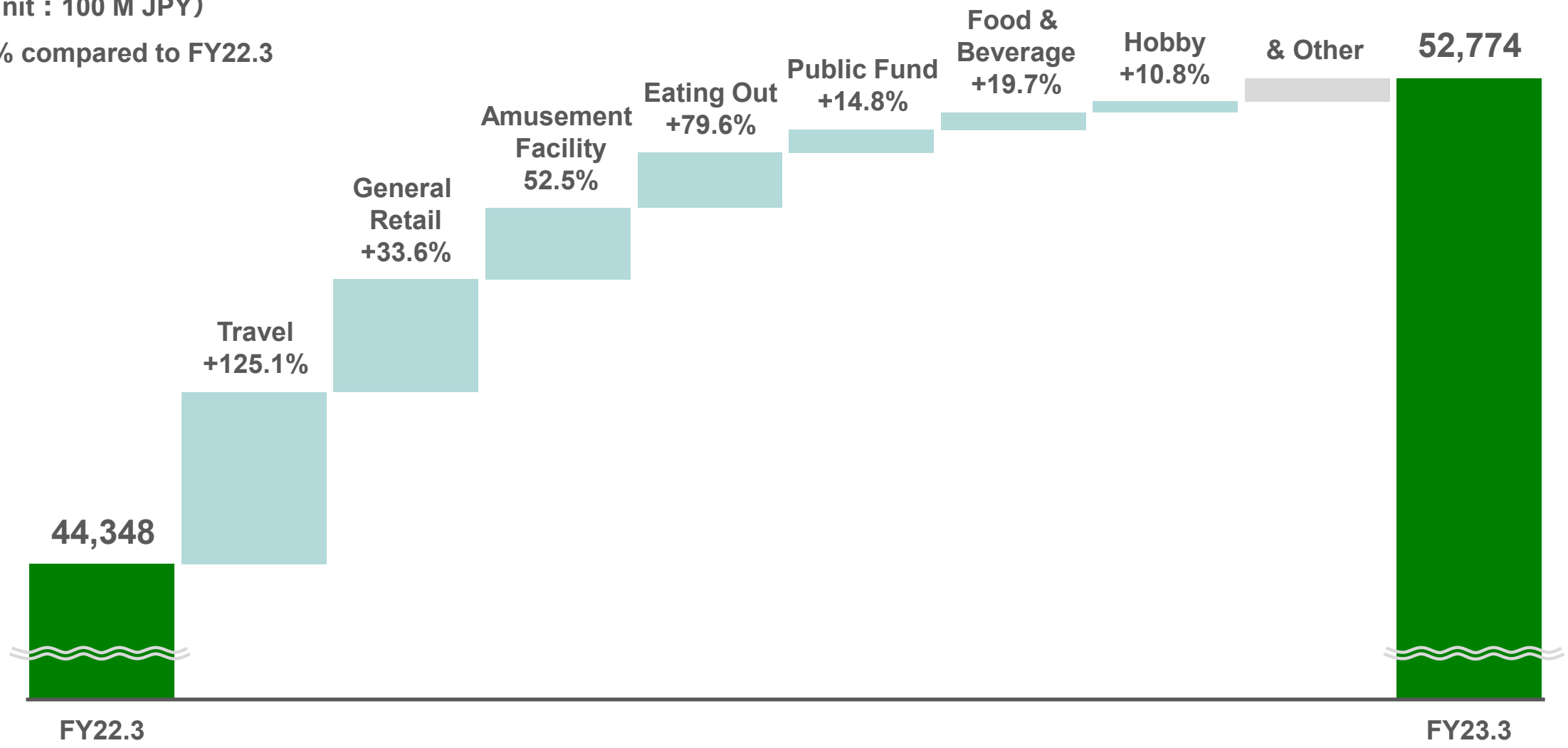




- Travel, amusement, and food service-related transactions recovered as corona restrictions were relaxed.
- Due to successful alliance strategy in face-to-face settlement, transaction volume in general retailers such as supermarkets and drugstores increased.

(Unit : 100 M JPY)

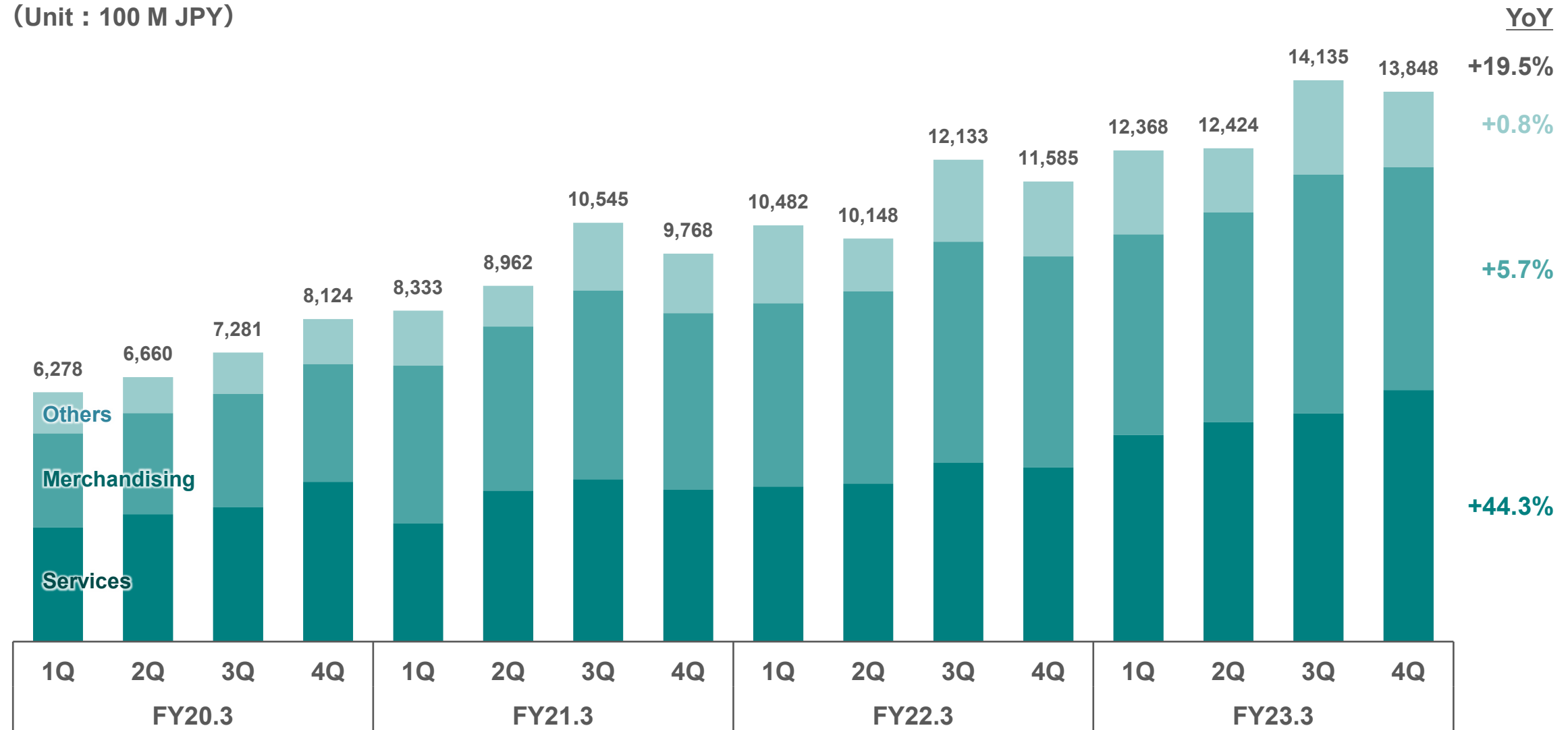
※ % compared to FY22.3





- Travel and entertainment facilities in the service sector recovered, driving settlement transaction volume.
- Partner sales through alliance strategies were successful in the merchandising sector, and transactions expanded mainly in retail.

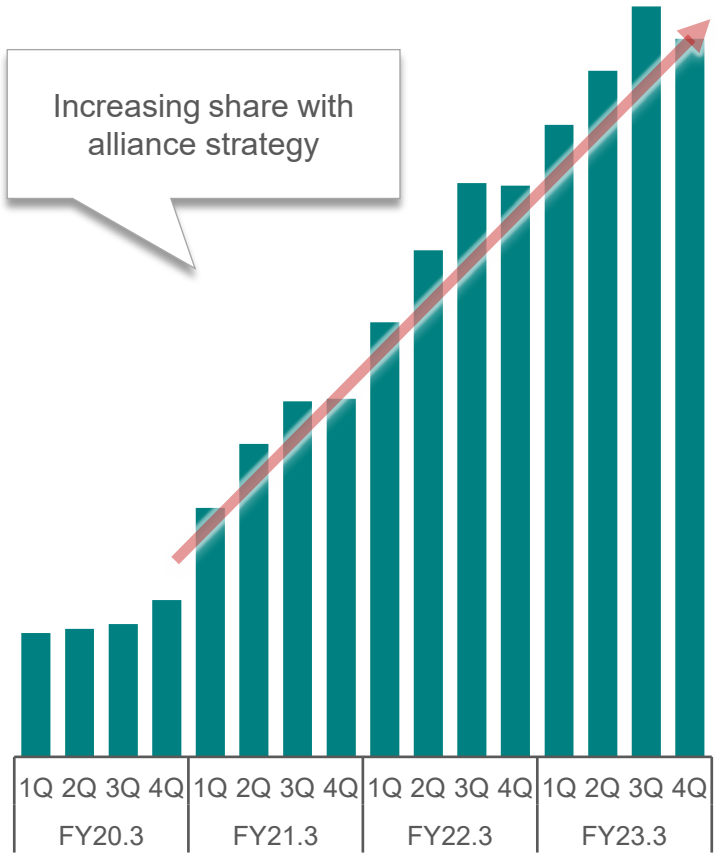
(Unit : 100 M JPY)



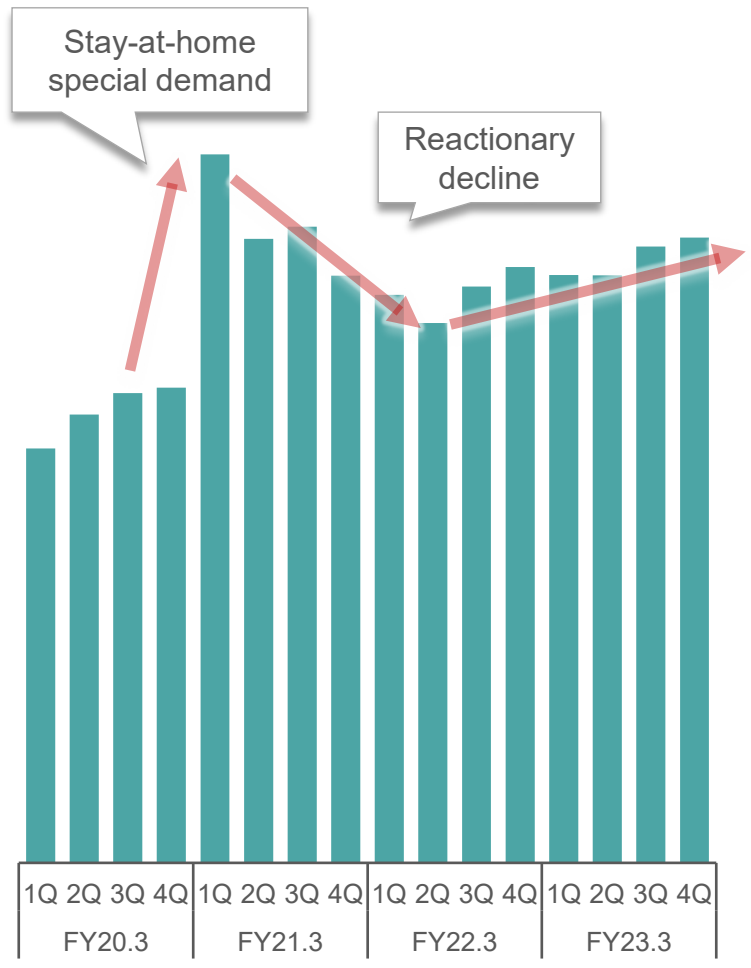


- The alliance strategy worked successfully in the merchandising sector, and the transaction volume of general retailers increased.
- Home appliances and furniture increased from the reactionary decline from the special demand for stay-at-home consumption, and the share of fashion products handled continued to expand.

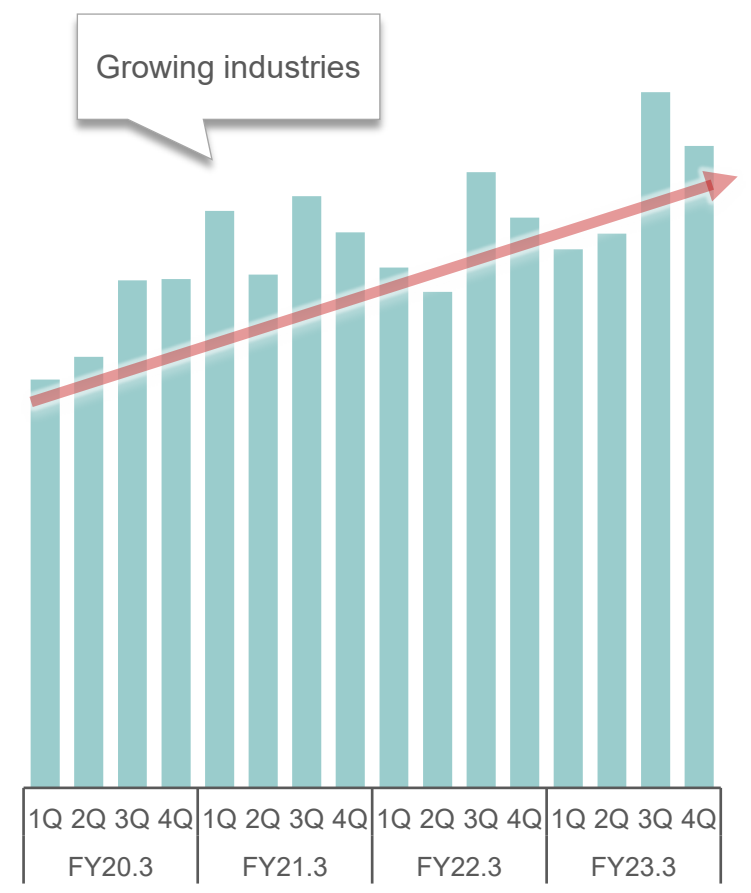
General retail



Home Appliances and Furniture Interiors



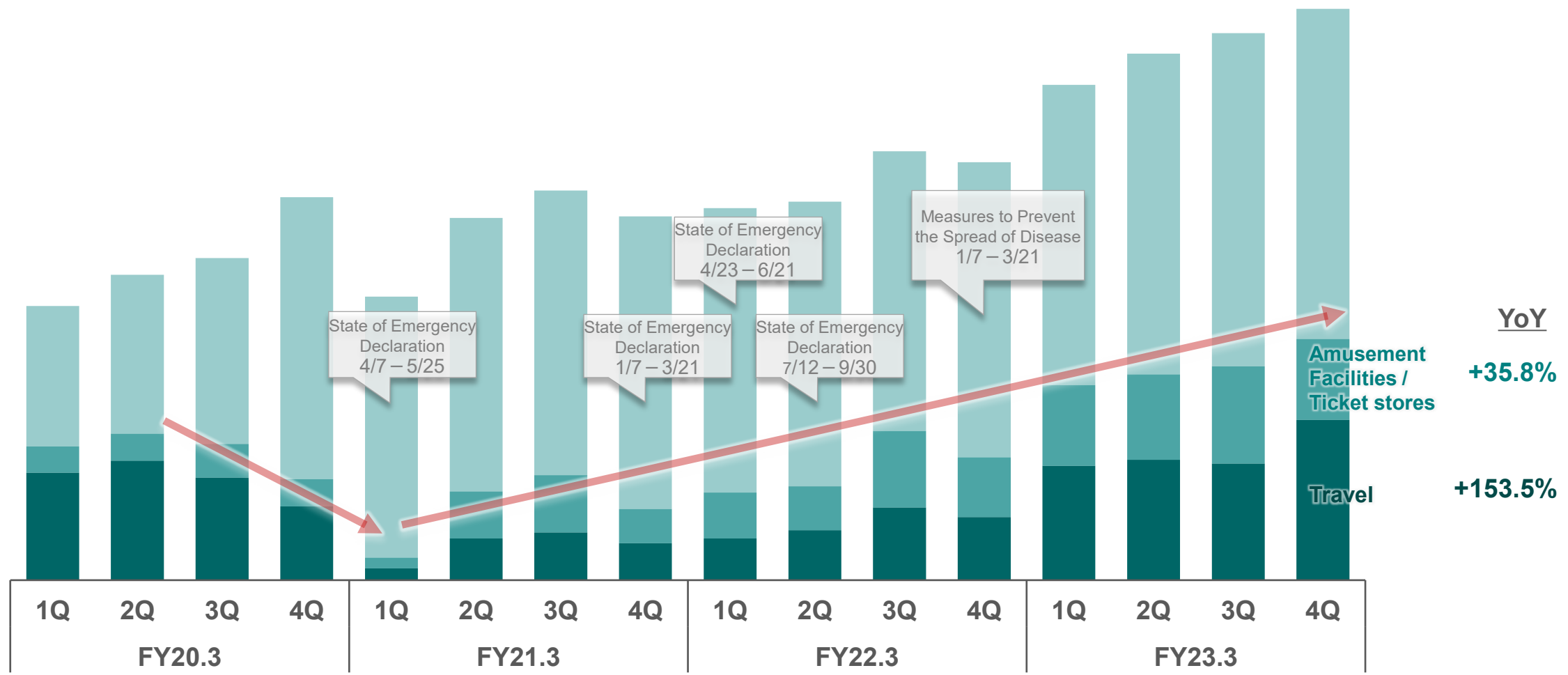
Fashion





- Service-related settlement transaction volume grew recently due to the recovery from COVID in travel and entertainment facilities.
- Travel-related business is expected to see further recovery in existing clients due to the easing of travel restrictions.

Settlement Transaction Volume in Services





- Inbound-related settlements, which had highly contributed to business performance, remained low compared to pre-COVID level.
- Large potential for future recovery and expansion following the re-increase of the number of visitor arrivals to Japan.

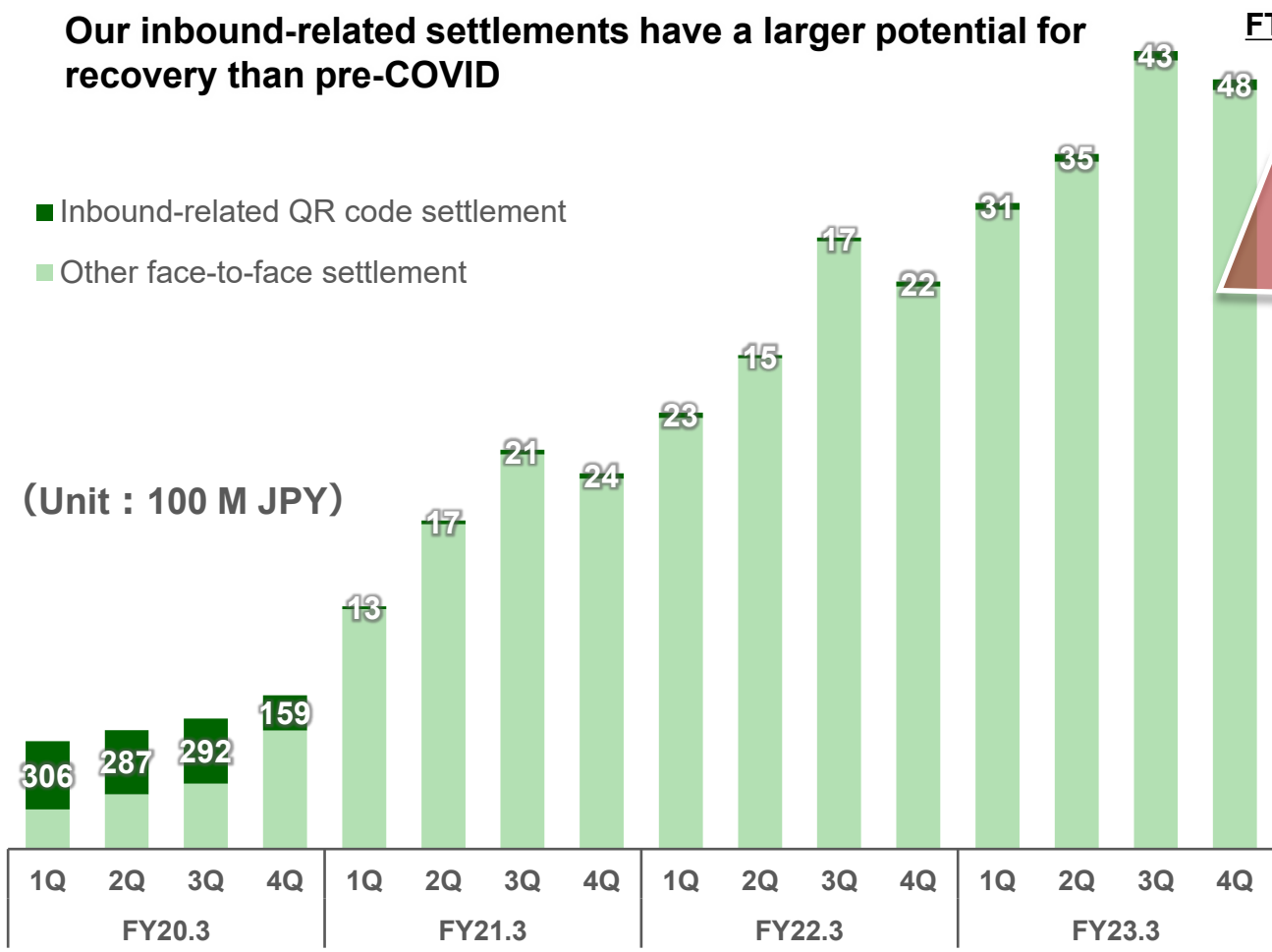
Face-to-Face Settlement Transaction Volume

Number of Visitor Arrivals to Japan

Our inbound-related settlements have a larger potential for recovery than pre-COVID

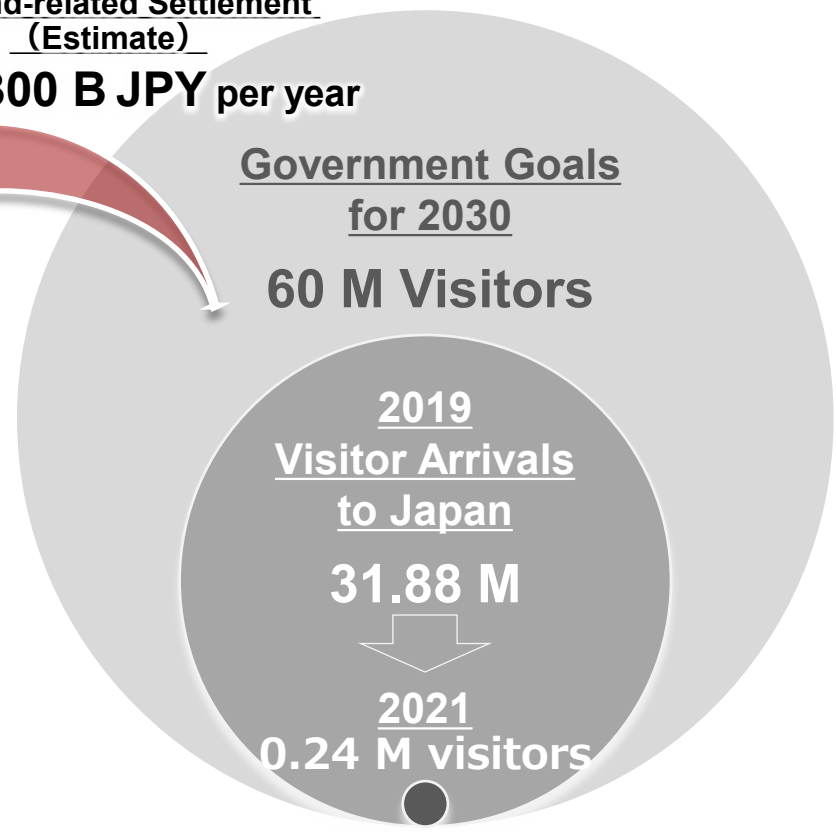
- Inbound-related QR code settlement
- Other face-to-face settlement

(Unit : 100 M JPY)



FT's Potential Transaction Volume of Inbound-related Settlement (Estimate)

Over 300 B JPY per year



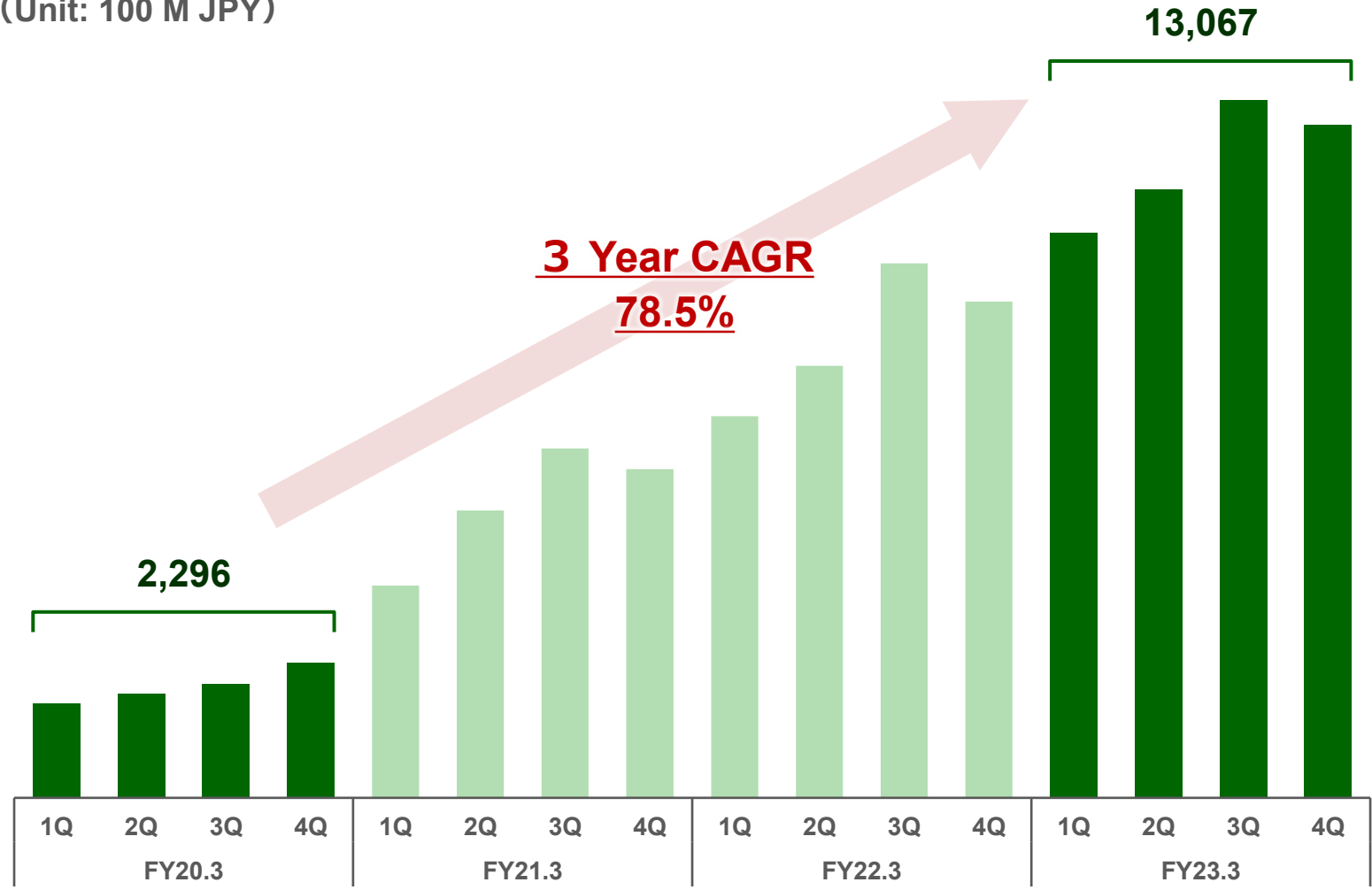
Source : "Visitor Arrivals to Japan", Japan National Tourism Organization (JNTO)



Alliance strategy in the face-to-face settlement worked successfully, continuing high growth in the settlement transaction volume in each area.

Face-to-Face Settlement Transaction Volume

(Unit: 100 M JPY)



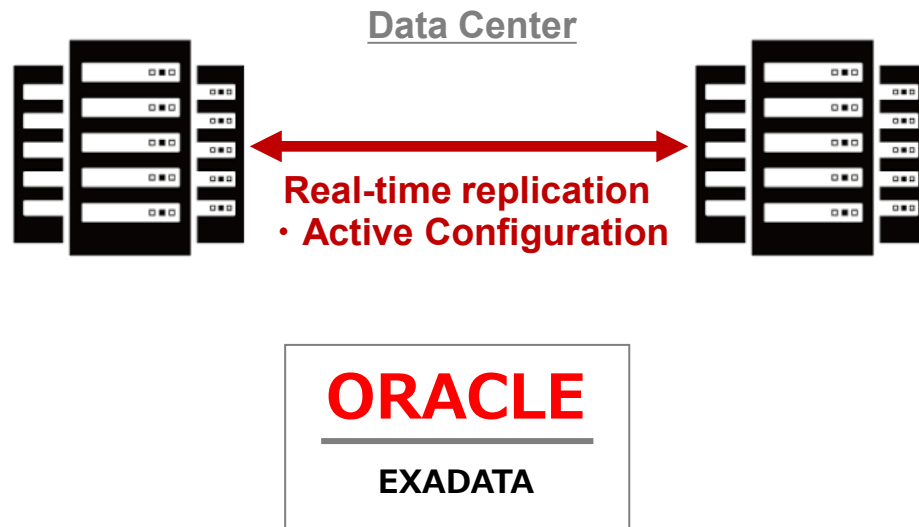
Size of Merchants	YoY (Compared to FY22.3)
Large	+35.0%
Small to Mid	+52.7%
Small	+11.5%



- As a government-designated critical infrastructure operator, thoroughly investing in stable operation and security 24 hours a day, 365 days a year.
- Strengthen system to minimize downtime risk due to unforeseen failures, etc.

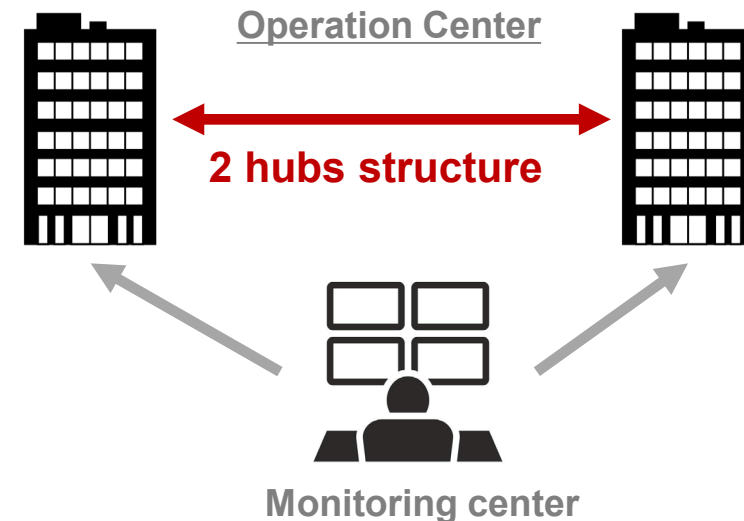
Strengthen systems

- Japan's first introduction of state-of-the-art technology used in highly public areas such as finance and transportation as a regular payment system
- Non-disruptive system operation with two-way real-time replication/redundant database in active configuration



Expanding operation center

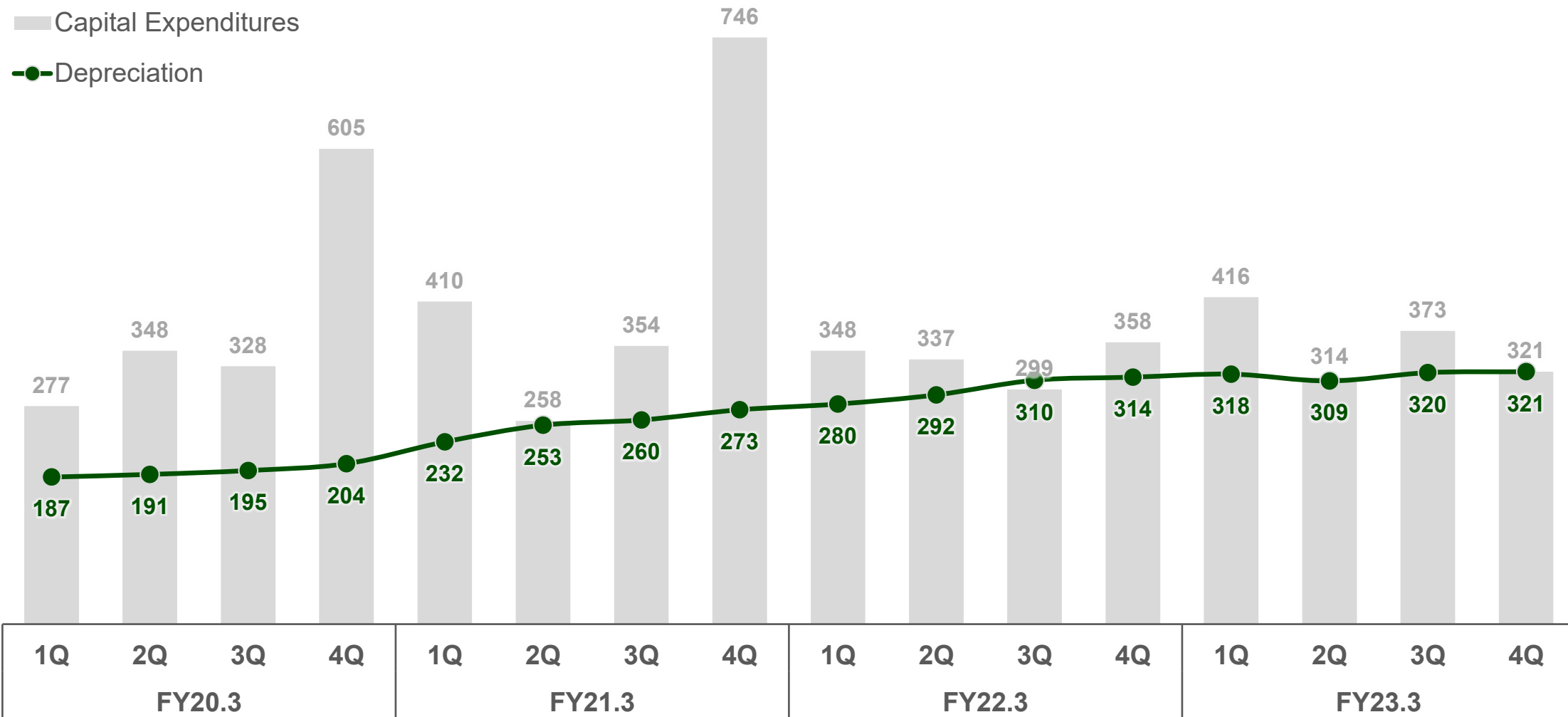
- Expanding hubs to respond to the increase and complexity of operations in anticipation of future growth in payment transaction volume
- Thoroughly improve the reliability of the disaster recovery system
- Minimize manned response 24 hours a day, 365 days a year by introducing technologies such as RPA (Robotic Process Automation)





- Continues to invest in systems to ensure stable 24/365 operation and improve robustness of security.
- Depreciation is expected to normalize around year 2025 with efficiency gains from system integration.

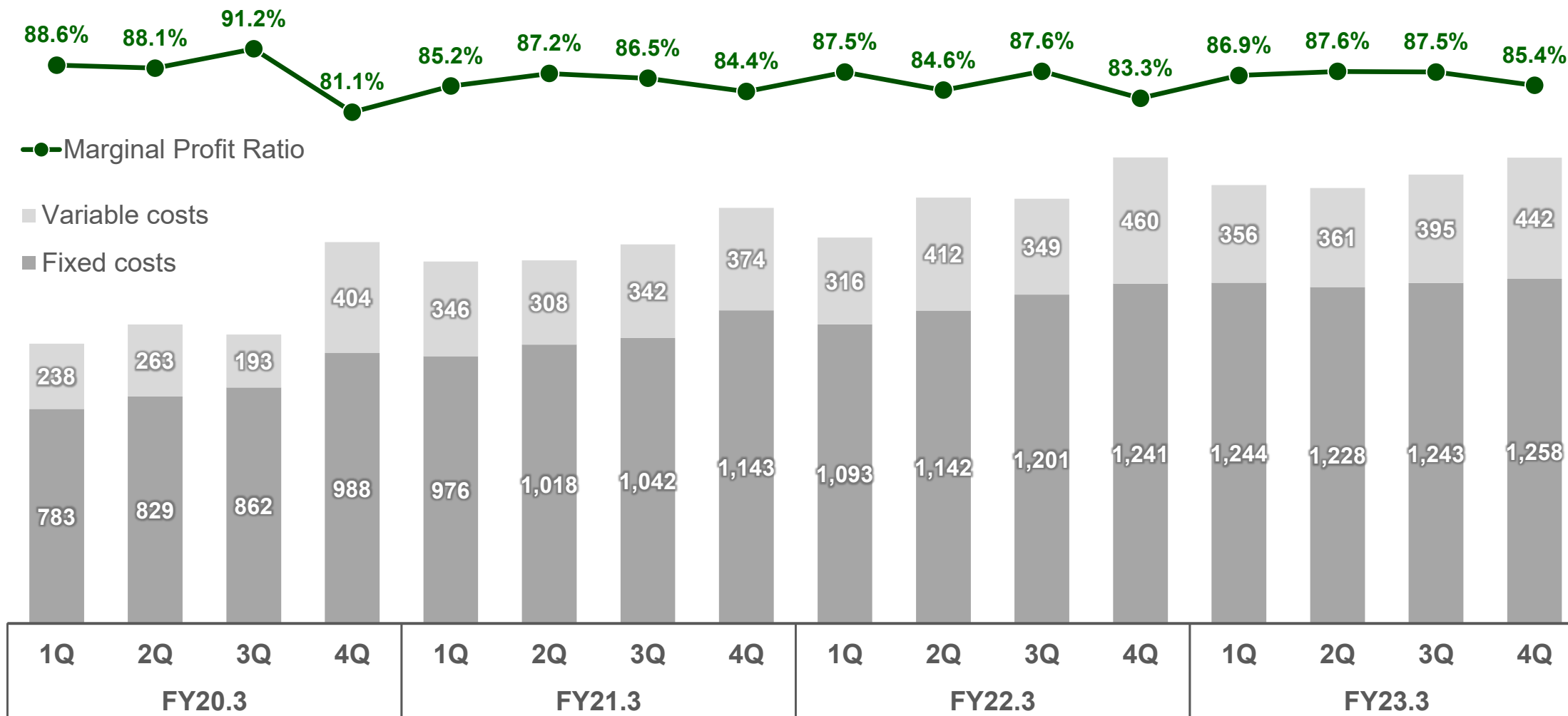
(Unit : M JPY)





- Fixed costs are on an increase trend due to system-related depreciation and operational redundancy.
- Marginal profit is expected to remain at a current level.

(Unit : M JPY)





Performance

	FY22.3	FY23.3	YoY Inc./Dec.	YoY % Chg.
Segment Revenue	13,019 M JPY	12,027 M JPY	-992 M JPY	-7.6 %
Segment Profit before tax	1,023 M JPY	1,151 M JPY	+128 M JPY	+12.5 %

Note) Revenue is external revenue. Profit before tax is before intersegment eliminations.

Major Group Companies/
Businesses

▶ **Marketing Technology Company**

Supports client's business through performance-based ads, web marketing, CRM marketing, and DX businesses



▶ **DG Communications Co., Ltd.**

Develops real estate advertising business



▶ **BI.Garage, Inc.**

Contextual ads business and media consortium business



▶ **CyberBuzz, Inc.** (20% stake / equity method) Ticker:7069

Provides the social media marketing platform structured with influencers as its center part



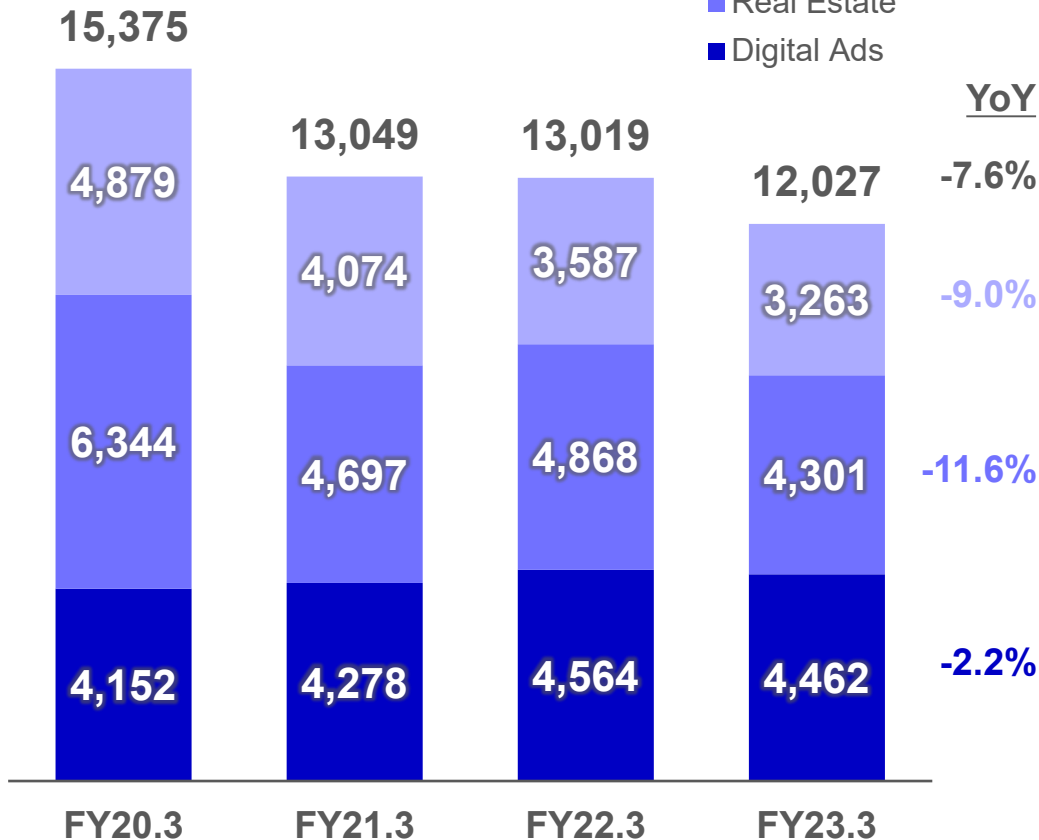


- Profit before tax increased by 12.5% for FY23.3 due to enhanced profitability despite decrease of revenue caused by reduction of less profitable projects.
- The digital advertising business grows steadily in the financial sector, where we have high market share, due to stable increase in the transaction volume.

Segment Revenue

(Unit : M JPY)

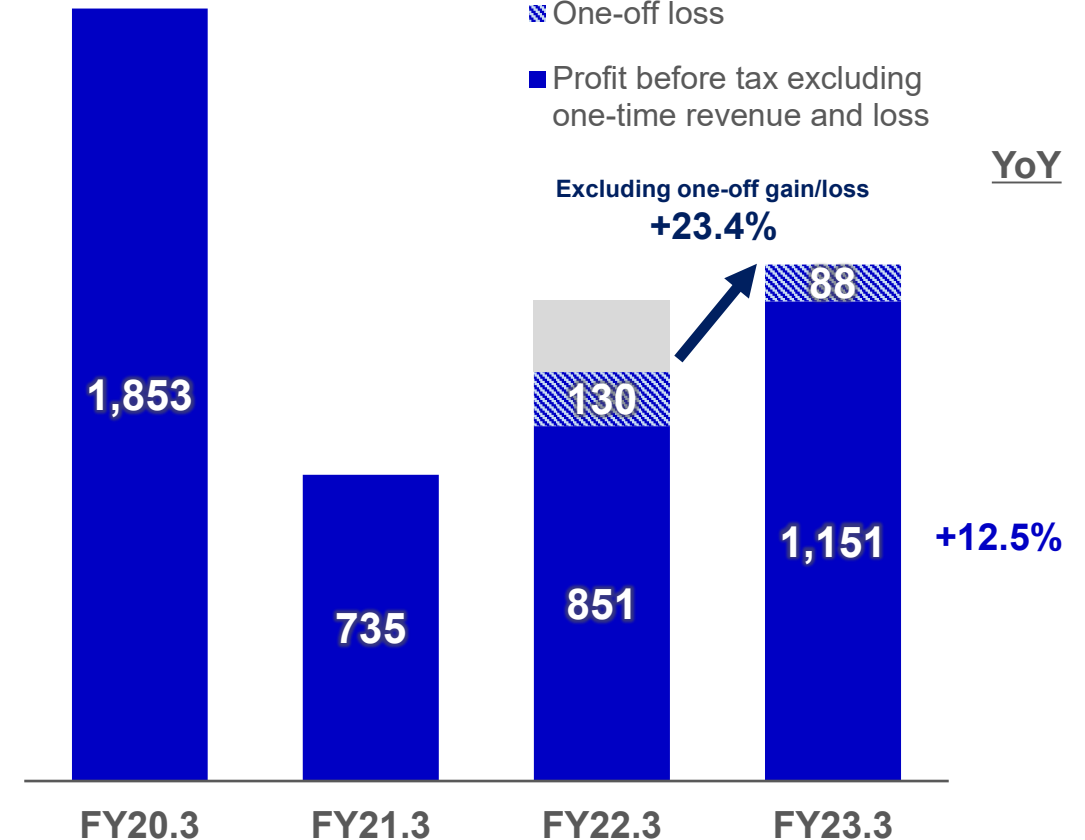
- CRM, etc.
- Real Estate
- Digital Ads



Segment Profit before tax

(Unit : M JPY)

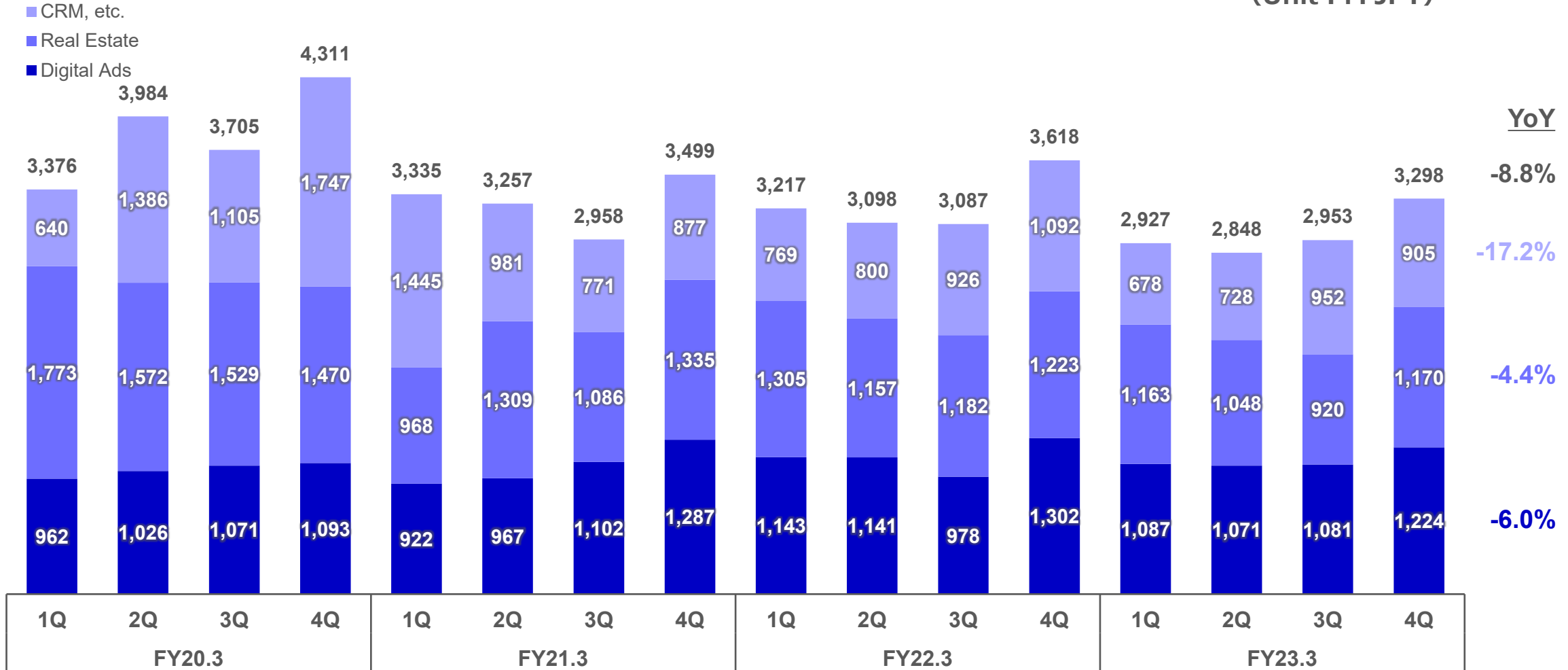
- One-off gain
- One-off loss
- Profit before tax excluding one-time revenue and loss





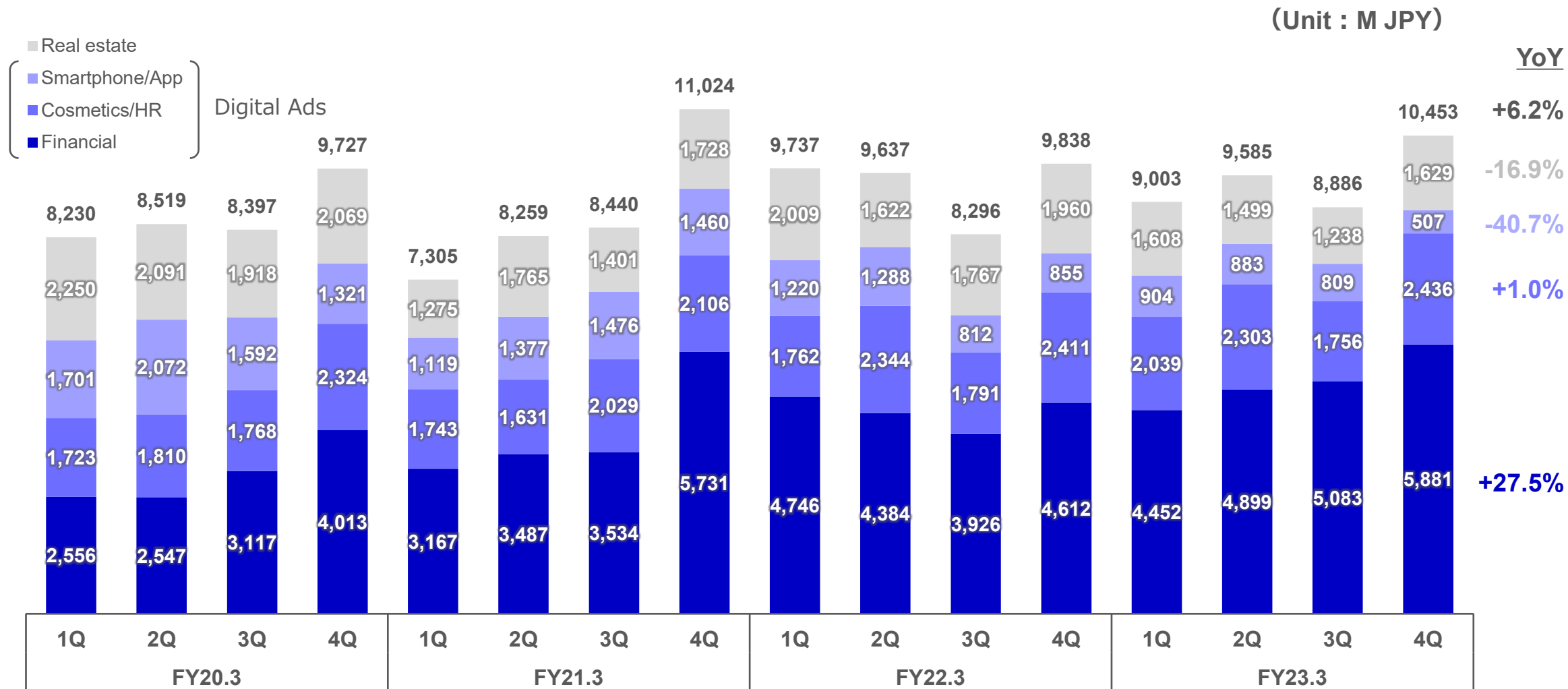
- Digital advertising, the mainstay of the company's business, grows steadily focused on marketing in the financial domain.
- Real estate advertising business remained stagnating, affected by market conditions due to COVID.

(Unit : M JPY)





- Digital advertising business is recovering from the budgetary austerity of companies placing ads in COVID disaster.
- Expanding business in the financial sector, where MT has a high market share.





Performance

	FY22.3	FY23.3	YoY Inc./Dec.	YoY % Chg.
Operational Investment Securities	77,950 M JPY	67,676 M JPY	-10,273 M JPY	-
Amounts sold	3,741 M JPY	5,051 M JPY	+1,310 M JPY	-
Amount invested	6,682 M JPY	2,817 M JPY	-3,865 M JPY	-

Major Group Companies /
Businesses

▶ **DG Ventures, Inc.**

Invests in and incubates cutting-edge internet startups



▶ **Open Network Lab** (Program)

Seed Accelerator Program



▶ **DG Incubation, Inc.**

Supports startups that challenge the world through incubation and fund management



▶ **DG Daiwa Ventures, Inc.** (50% stake / equity method)

Manages DG Lab Fund to invest in startups with next-generation technologies



▶ **Digital Garage US, Inc.**

The US-based global strategy headquarters

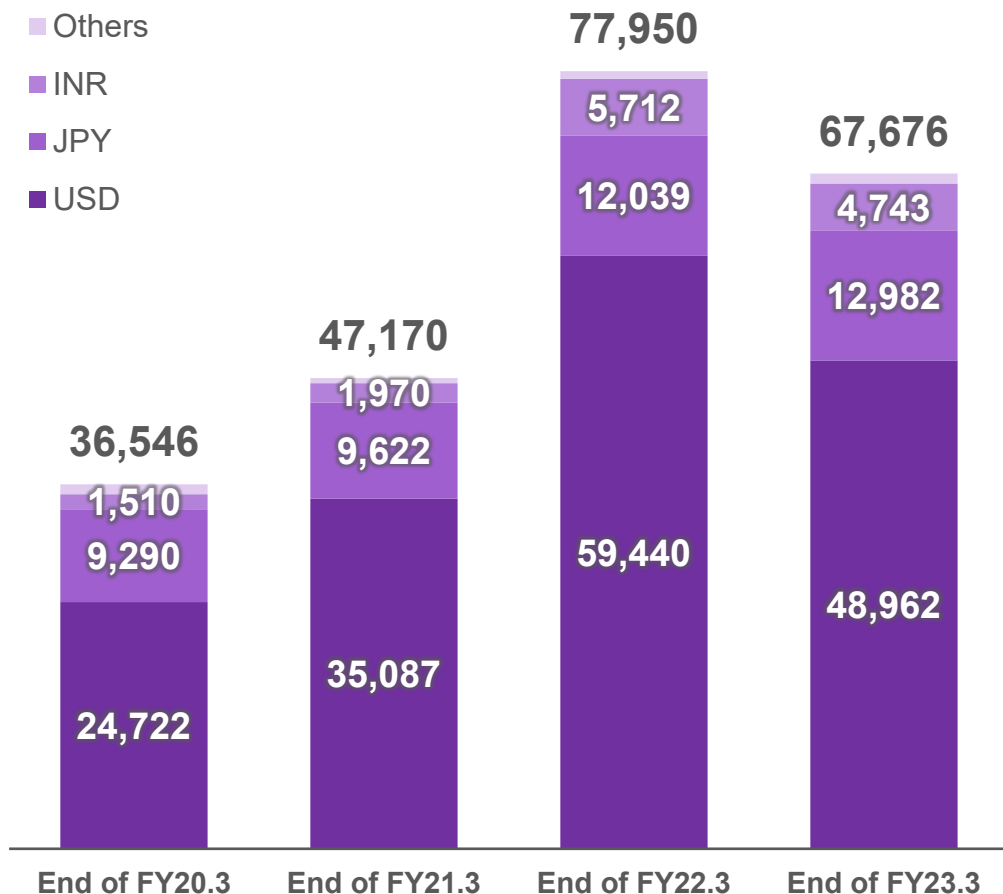




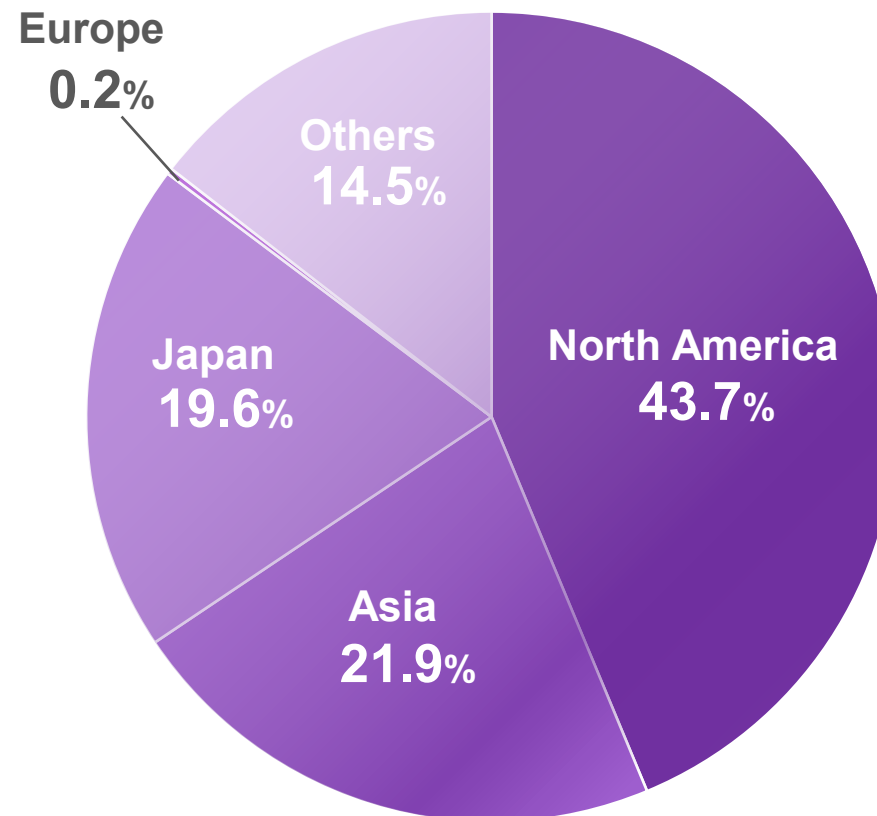
- Despite the write-down of Blockstream’s fair value in 2Q, portfolio was stable.
- The fair value at the end of Mar. 2023 was 677 M JPY (-103 M vs the end of FY22.3)

Balance of Operational investment securities by Currency

(Unit : M JPY)



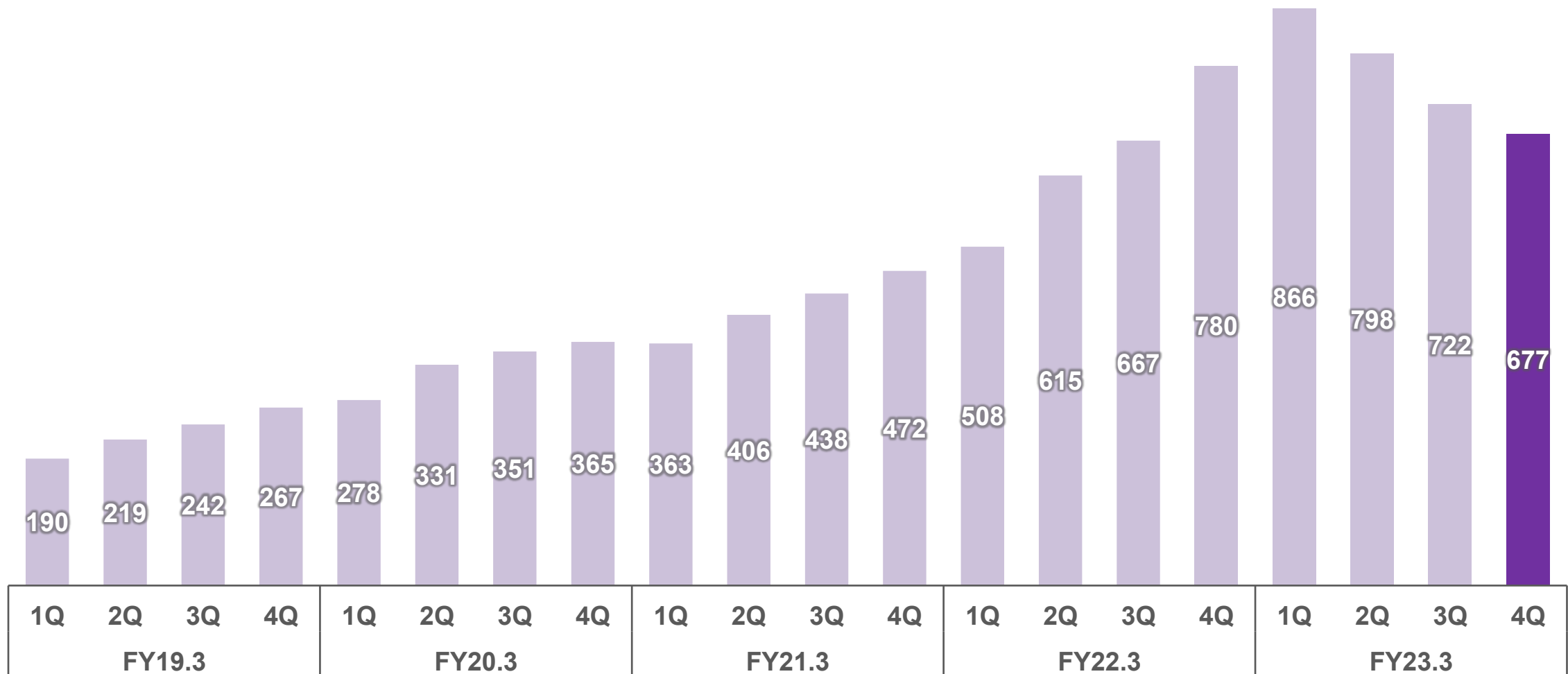
Portfolio by Region





- The fair value continued to grow through building a portfolio that diversifies investment areas and growth stages.
- The balance of operational investment securities in FY23.3 was decreased due to the valuation loss of Blockstream and favorable progress in the sales of shares despite strong yen in H1 (the first half) of FY23.3.

(Unit : 100 M JPY)





Performance

	FY22.3	FY23.3	YoY Inc./Dec.	YoY % Chg.
Segment Revenue	4,580 M JPY	7,603 M JPY	+3,023 M JPY	+66.0 %
Segment Profit before tax	1,252 M JPY	4,635 M JPY	+3,384 M JPY	+270.3 %

Note) Revenue is external revenue. Profit before tax is before intersegment eliminations.

Major Group Companies /
Businesses

▶ **Kakaku.com, Inc.** (20% stake / equity method) Ticker: 2371

Operates purchase support service Kakaku.com, restaurant review and restaurant service Tabelog, and New Media and Solutions



▶ **Crypto Garage, Inc.**

Promotes development of advanced financial services utilizing blockchain technology and cryptography technology with Tokyo Tanshi Co., Ltd. and Nomura Holdings, Inc.



▶ **Brainscan Technologies, Inc.**

MRI business for drivers



▶ **Musubell business**

Develops and provides “Musubell”, a system to promote DX of contracting and other operations in the real estate industry



▶ **Academie Du Vin Co., Ltd.**

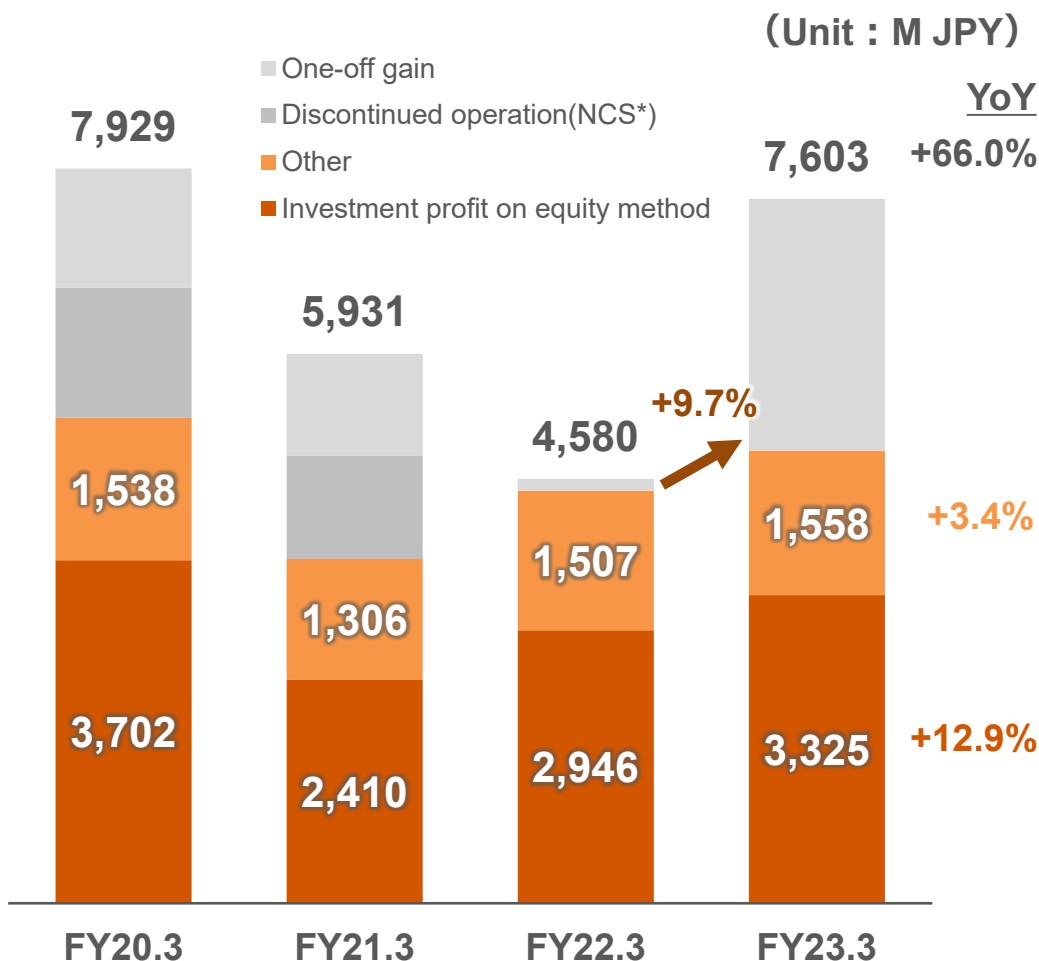
Runs wine school and wine sales business and develops EC business



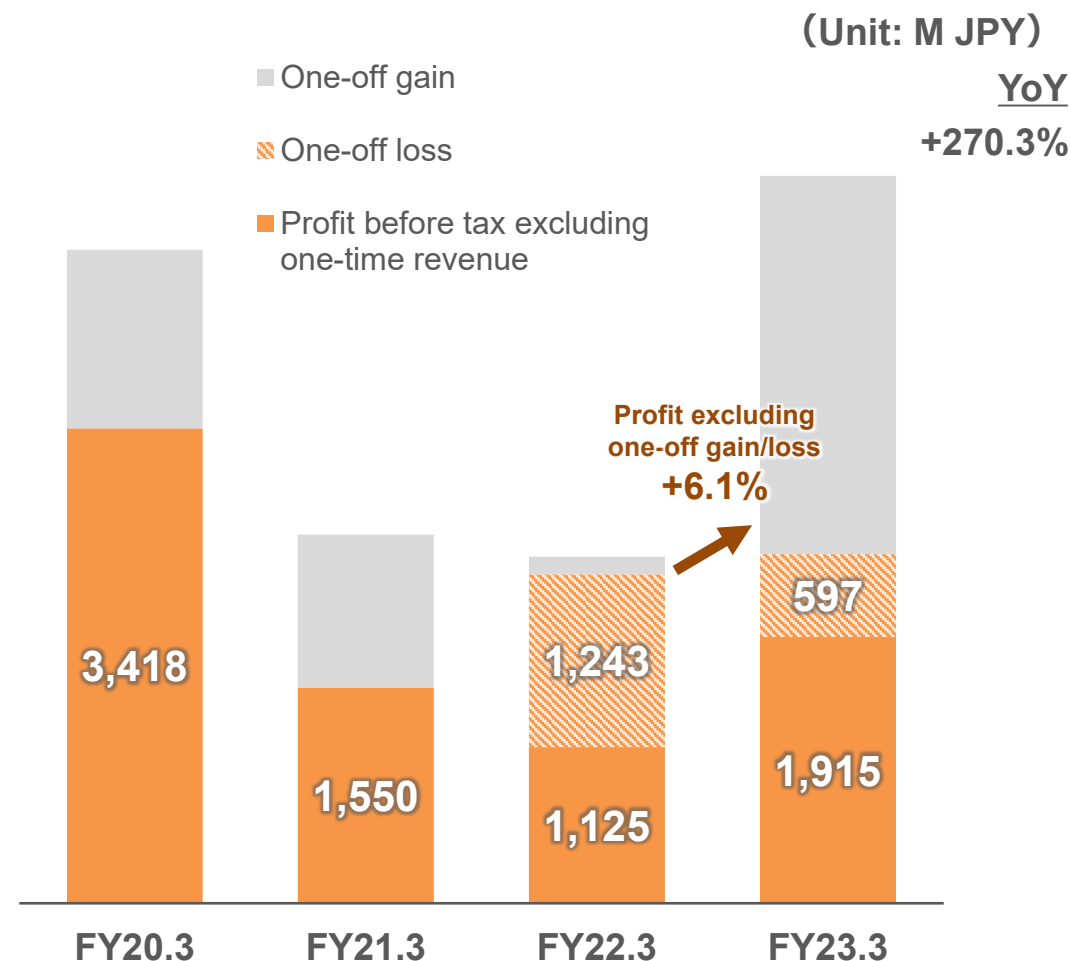


- Due to recovery of restaurant industry caused by normalization of economic and social activities, performance mainly in Kakaku.com's Tabelog business grew steadily.
- Profit before tax grew significantly due to profit on sales of investment in affiliates recorded, and profit excluding one-off gain/loss also grew by 6.1%.

Segment Revenue



Segment Profit before tax

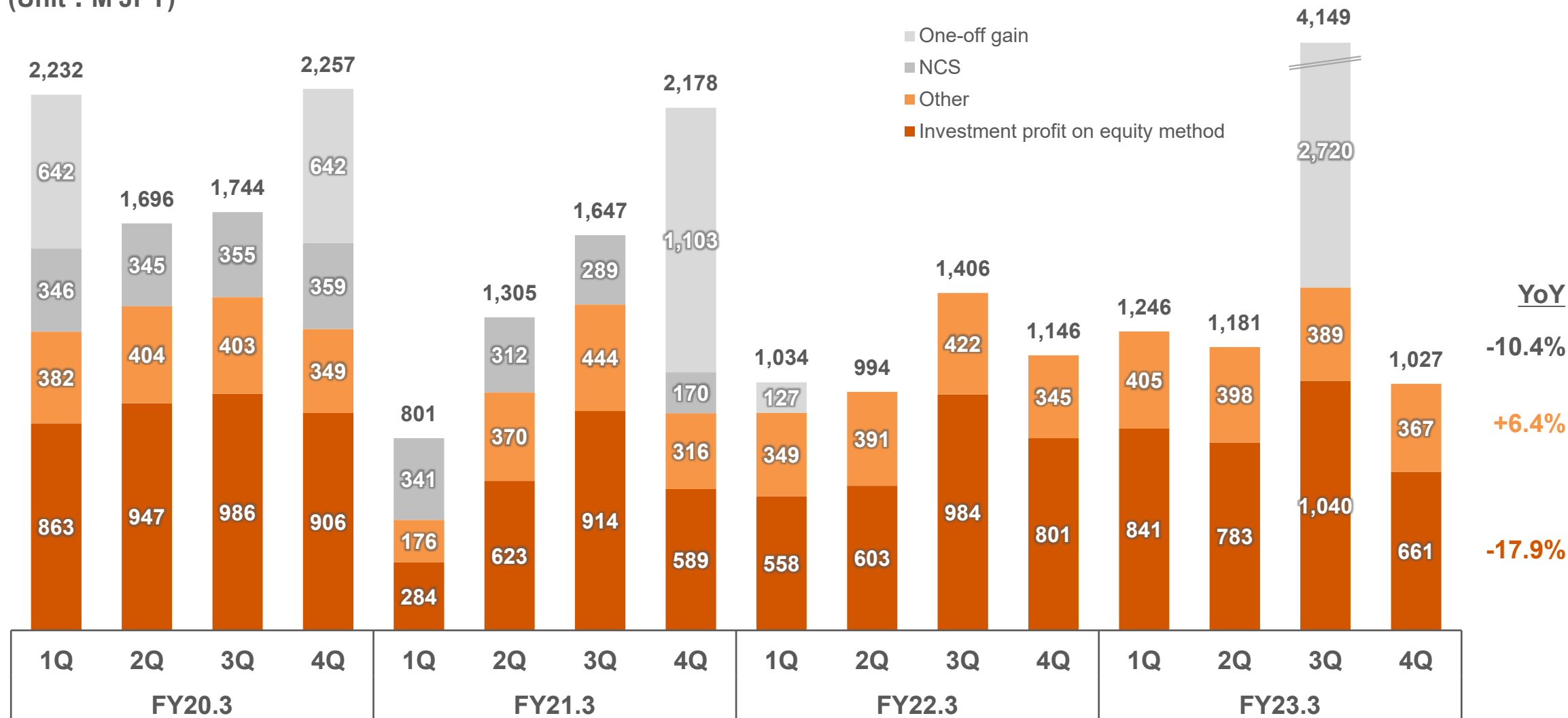


※Transferred all operations of New Context Services, Inc. in FY21.3.



• Although the activity restrictions of the Corona disaster mainly affected equity method income from Kakaku.com, core revenue, excluding one-off factors and discontinued operations, has stabilized under the current circumstances.

(Unit : M JPY)



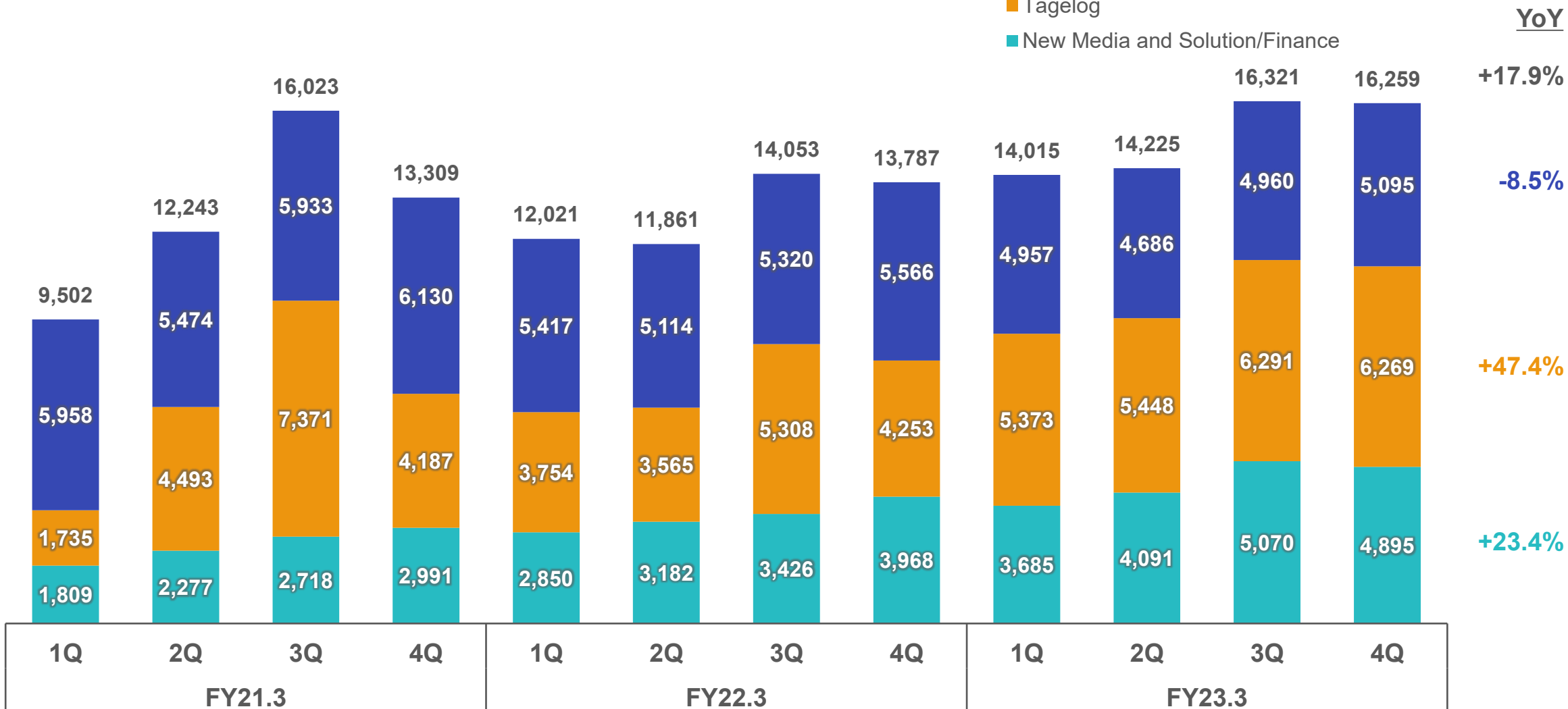


Source: “Result Briefing for the Fiscal Year ended March 31, 2023”, Kakaku.com, Inc.

Kakaku.com, Inc. Quarterly Revenue by Business

(Unit : M JPY)

- Kakaku.com
- Tagelog
- New Media and Solution/Finance





Financial Information



JPY in Millions	FY21.3				FY22.3				FY23.3				YoY (4Q)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Incras/ Decrease	% Change
Revenue	6,944	12,320	9,447	11,767	10,843	29,266	12,779	20,067	17,734	-3,170	7,769	7,738	-12,329	-61.4%
Revenue in recurring business	6,148	6,301	6,138	6,357	6,004	6,068	6,226	6,532	6,002	6,144	6,362	6,620	+88	+1.4%
Revenue in operational investment securities	302	4,968	2,226	3,535	3,893	9,834	4,378	10,163	7,534	-7,301	-233	0	-10,163	-100.0%
Other income	193	207	214	1,335	326	223	202	202	159	176	2,955	227	+25	+12.2%
Finance income	1	0	17	40	18	11,382	513	1,247	2,131	-1,090	-650	109	-1,138	-91.3%
Share of profit of investments accounted for using equity method	300	843	853	499	600	1,758	1,461	1,923	1,907	-1,099	-665	782	-1,141	-59.3%
Expenses	6,539	6,689	6,123	6,811	5,969	6,715	6,526	8,352	6,530	14,676	12,986	9,760	+1,408	+16.9%
Cost of sales	2,764	2,829	2,459	2,645	2,531	2,617	2,662	2,703	2,622	2,495	2,421	2,555	-147	-5.4%
Loss in operational investment securities	0	0	0	0	0	0	0	0	0	0	6,009	1,917	+1,917	-
Selling, general and administrative expenses	3,453	3,588	3,400	4,095	3,304	3,831	3,696	3,988	3,758	4,112	3,992	4,314	+326	+8.2%
Other expenses	69	109	69	370	72	117	99	1,594	80	87	96	927	-667	-41.8%
Finance costs	252	163	195	-299	62	151	69	68	70	7,982	468	47	-21	-31.0%
Profit before tax	405	5,632	3,324	4,956	4,874	22,551	6,253	11,715	11,204	-17,846	-5,216	-2,023	-13,737	-117.3%
Profit attributable to owners of parent	224	3,779	2,290	3,493	3,343	15,152	4,305	7,529	7,467	-11,818	-3,611	-1,096	-8,626	-114.6%



JPY in Millions	FY21.3				FY22.3				FY23.3				YoY (4Q)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	Incras/ Decrease	% Change
Revenue	6,944	12,320	9,447	11,767	10,843	29,266	12,779	20,067	17,734	-3,170	7,769	7,738	-12,329	-61.4%
Financial Technology	2,340	2,409	2,525	2,392	2,516	2,675	2,814	2,757	2,721	2,898	3,155	3,017	+260	+9.4%
Marketing Technology	3,335	3,257	2,958	3,499	3,217	3,098	3,087	3,618	2,927	2,848	2,953	3,298	-320	-8.8%
Incubation Technology	389	5,269	2,225	3,599	4,015	12,214	5,008	11,549	8,937	-8,949	-2,226	289	-11,260	-97.5%
Long-term Incubation	801	1,305	1,646	2,179	1,034	994	1,406	1,146	1,246	1,181	4,149	1,027	-119	-10.4%
Others/Adjustments and Eliminations	79	81	94	97	61	10,286	465	996	1,903	-1,147	-263	105	-891	-89.5%
Profit before tax	405	5,632	3,324	4,956	4,874	22,551	6,253	11,715	11,204	-17,846	-5,216	-2,023	-13,737	-117.3%
Financial Technology	1,018	1,083	1,141	875	1,108	1,120	1,264	1,057	1,121	1,309	1,517	1,175	+119	+11.2%
Marketing Technology	178	78	202	276	248	183	158	435	101	272	355	423	-11	-2.6%
Incubation Technology	72	4,916	1,861	3,415	3,636	11,886	4,593	11,100	8,480	-9,443	-8,780	-2,279	-13,379	-120.5%
Long-term Incubation	120	485	843	1,205	574	504	813	-639	684	609	3,545	-202	+438	-
Others/Adjustments and Eliminations	-983	-931	-724	-815	-692	8,858	-575	-237	818	-10,593	-1,854	-1,140	-903	-



JPY in Millions	End of FY22.3	End of FY23.3	Increase/Decrease	Reason for change / Remarks
Current assets	147,642	144,776	-2,866	
Cash and cash equivalents	43,415	53,335	+9,920	
Trade and other receivables	24,462	20,765	-3,697	FT business-related items
Operational investment securities	77,950	67,676	-10,273	Exit and change in fair value of investee companies
Non-current assets	83,965	71,493	-12,472	
Property, plant and equipment	18,423	16,613	-1,810	
Intangible assets	4,194	4,548	+355	
Investments accounted for using equity method	27,808	25,916	-1,892	
Other financial assets	23,317	14,245	-9,072	Decrease in fair value of investee companies
Total assets	231,607	216,270	-15,338	
Current liabilities	59,242	94,780	+35,539	
Bonds and borrowings	9,223	38,745	+29,523	Transfer CB to short-term borrowings
Trade and other payables	43,900	48,877	+4,976	
Non-current liabilities	75,149	39,404	-35,744	
Bonds and borrowings	40,710	13,957	-26,753	Transfer CB from long-term to short-term borrowings
Other financial liabilities	10,683	9,127	-1,555	
Deferred tax liabilities	22,001	14,599	-7,402	
Total liabilities	134,390	134,185	-206	
Total equity attributable to owners of parent	95,738	80,142	-15,595	
Share capital	7,692	7,830	+138	
Capital surplus	6,147	6,229	+83	
Treasury shares	-1,409	-6,293	-4,884	
Other components of equity	2,273	1,650	-623	
Retained earnings	81,035	70,726	-10,309	
Non-controlling interests	1,479	1,942	+463	
Total equity	97,217	82,085	-15,132	



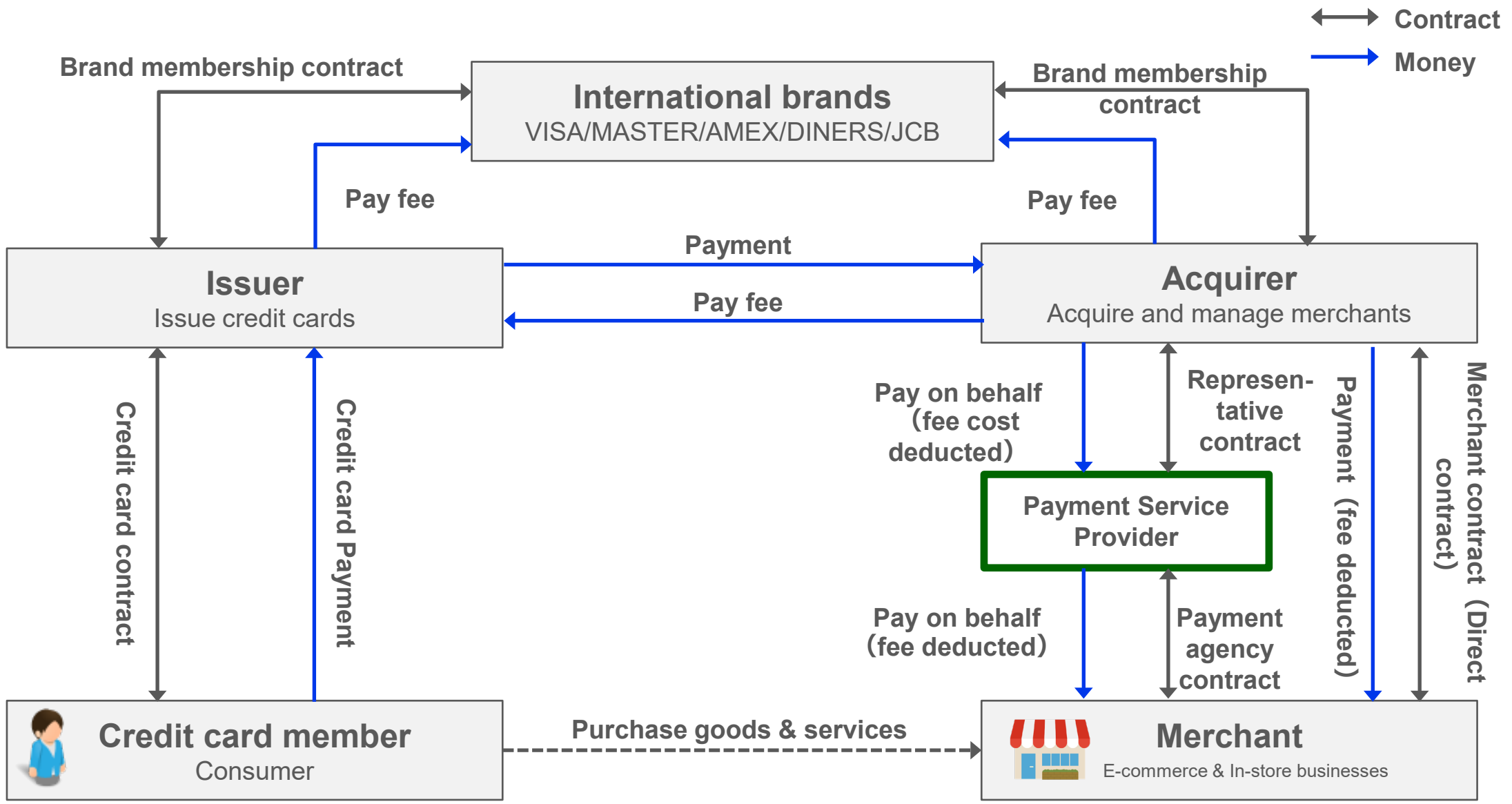
Starting this fiscal year, the information previously disclosed in the “Supplementary Explanatory Material” section will be posted as a datasheet at the Company’s website.

URL: <https://www.garage.co.jp/en/ir/library/>

We continue to enhance information disclosure to provide information that contributes to investment decisions by our shareholders and investors.

Supplementary Materials

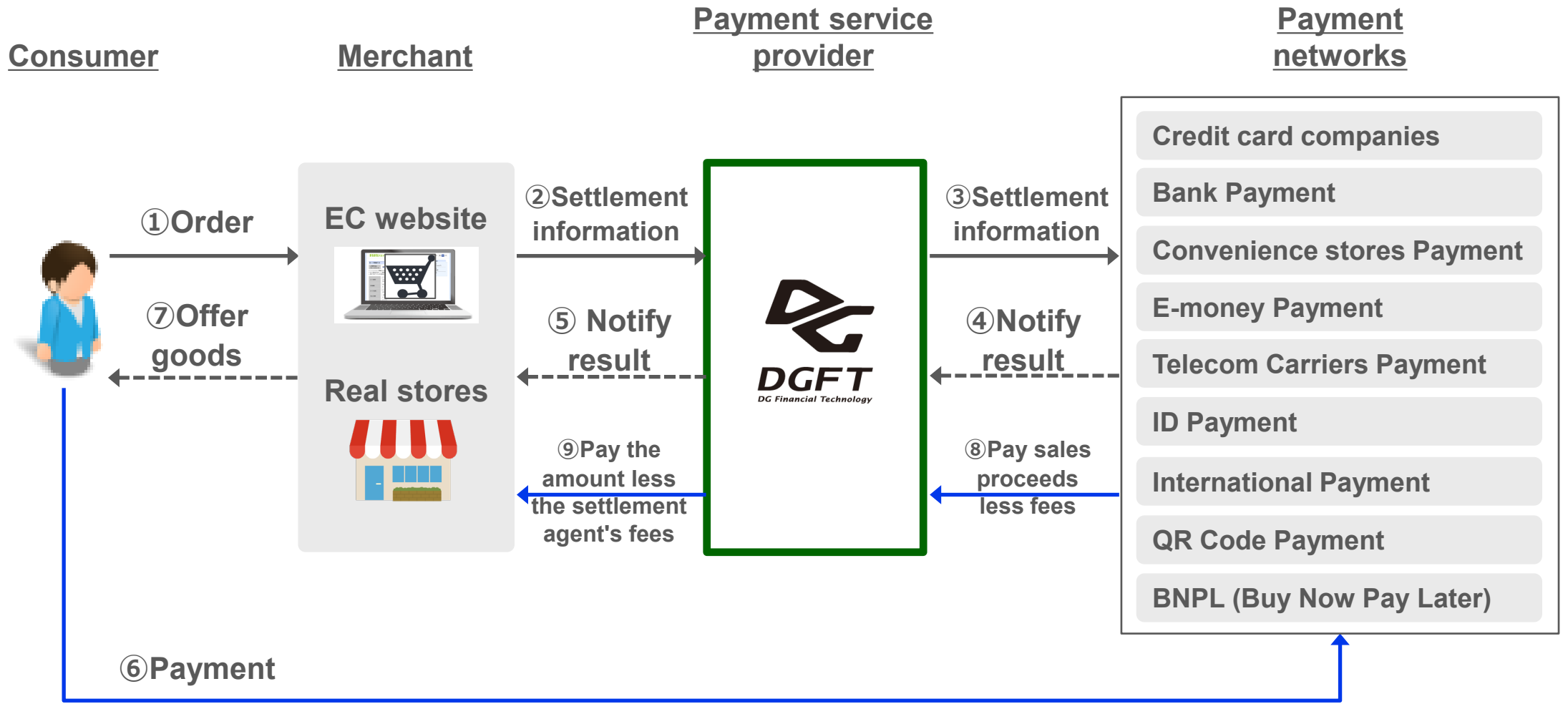






A service that acts as an intermediary between e-commerce site operators and face-to-face merchants and payment service providers such as credit card companies and convenience stores, enabling the introduction of a number of payment methods, including credit card payments, through a single contract and system.

→ Electronic message
→ Money

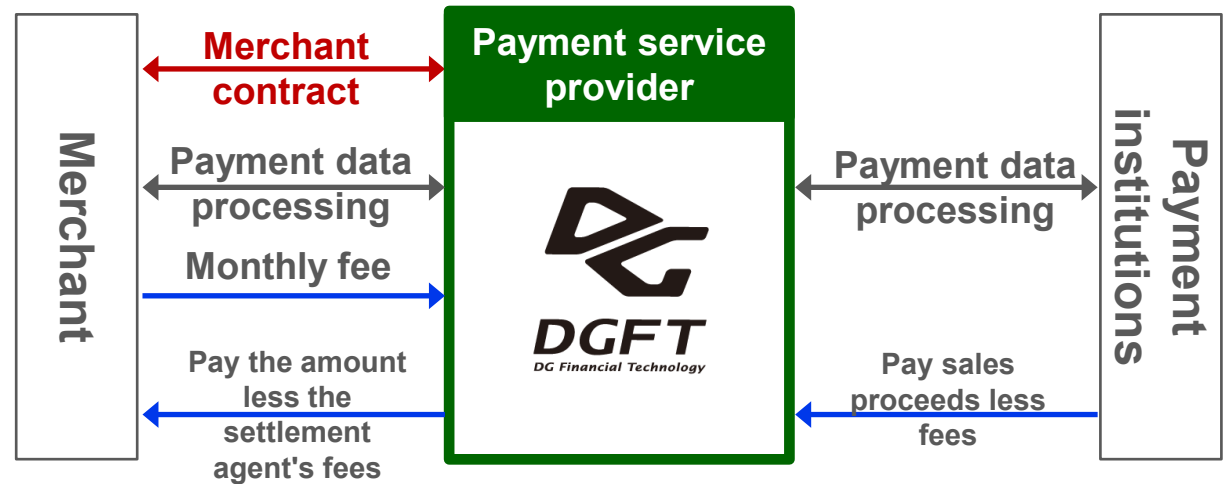




Storage agency type (Representative contract)

Acting as an all-in-one agent for contracting procedures with various settlement 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 to the merchant in a lump-sum payment from our company
- Single point of contact for payment
- Streamline operations such as payment management and confirmation

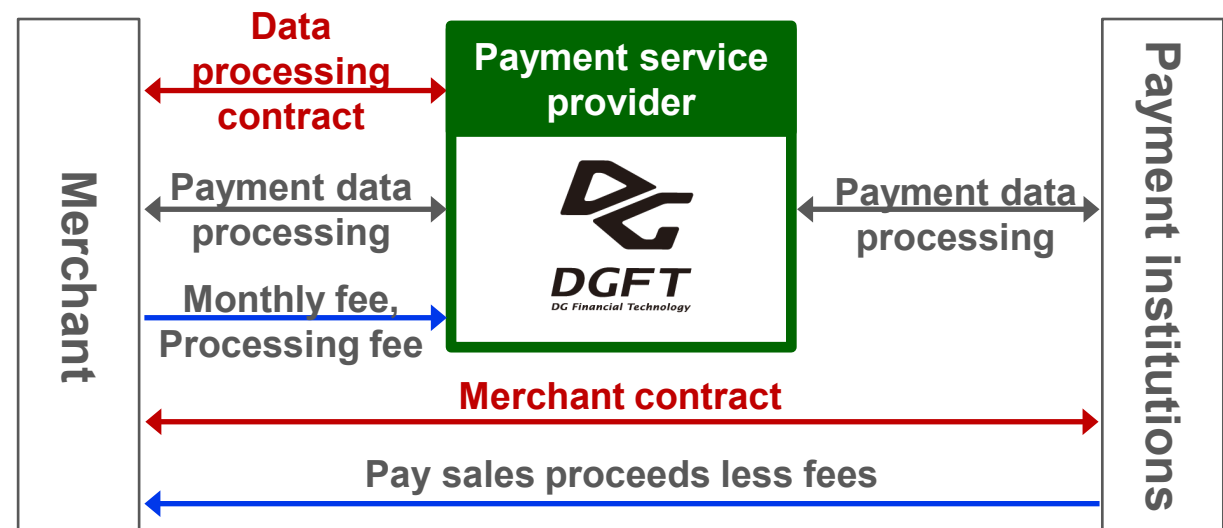


Payment data processing type (Direct contract)

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

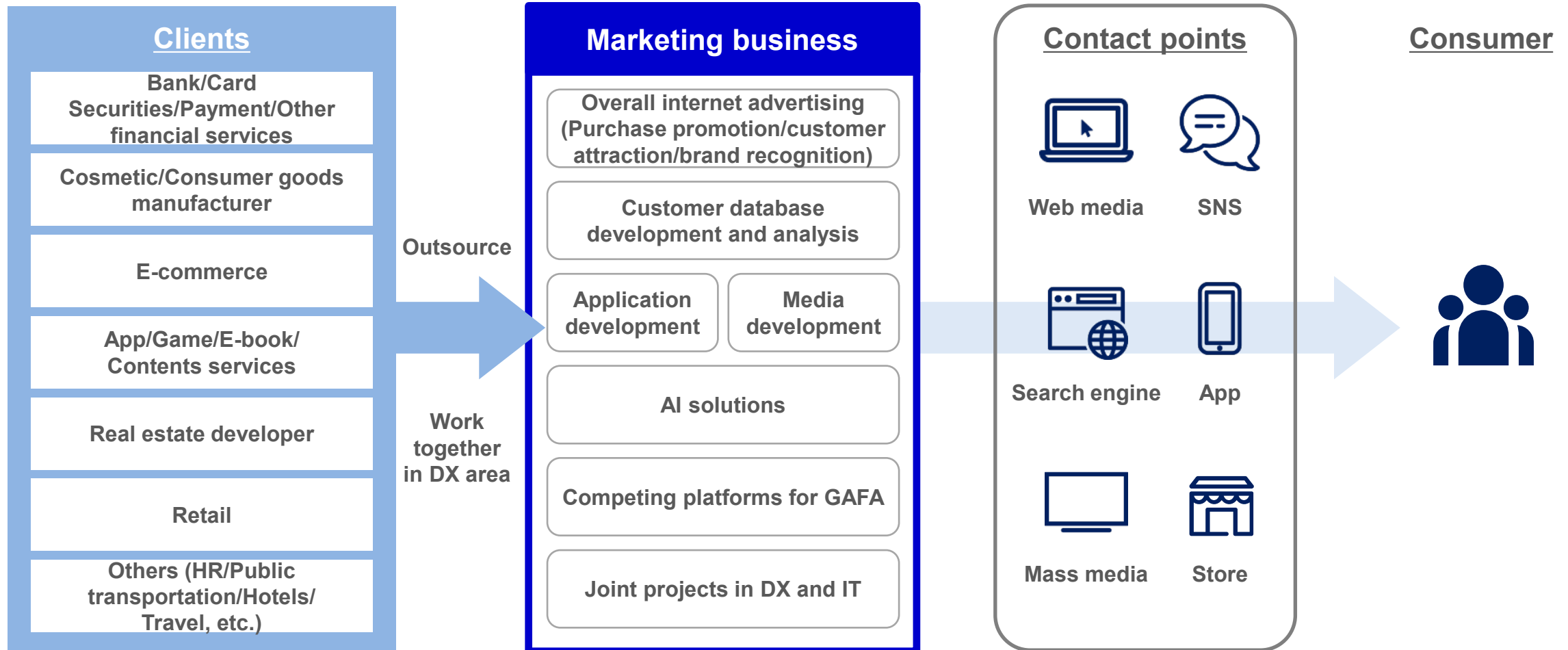
→ Electronic message
→ Money





- Supporting client business growth through a comprehensive digital marketing service
- Providing solutions utilizing CRM and data, and Fintech solutions which connect with the payment business

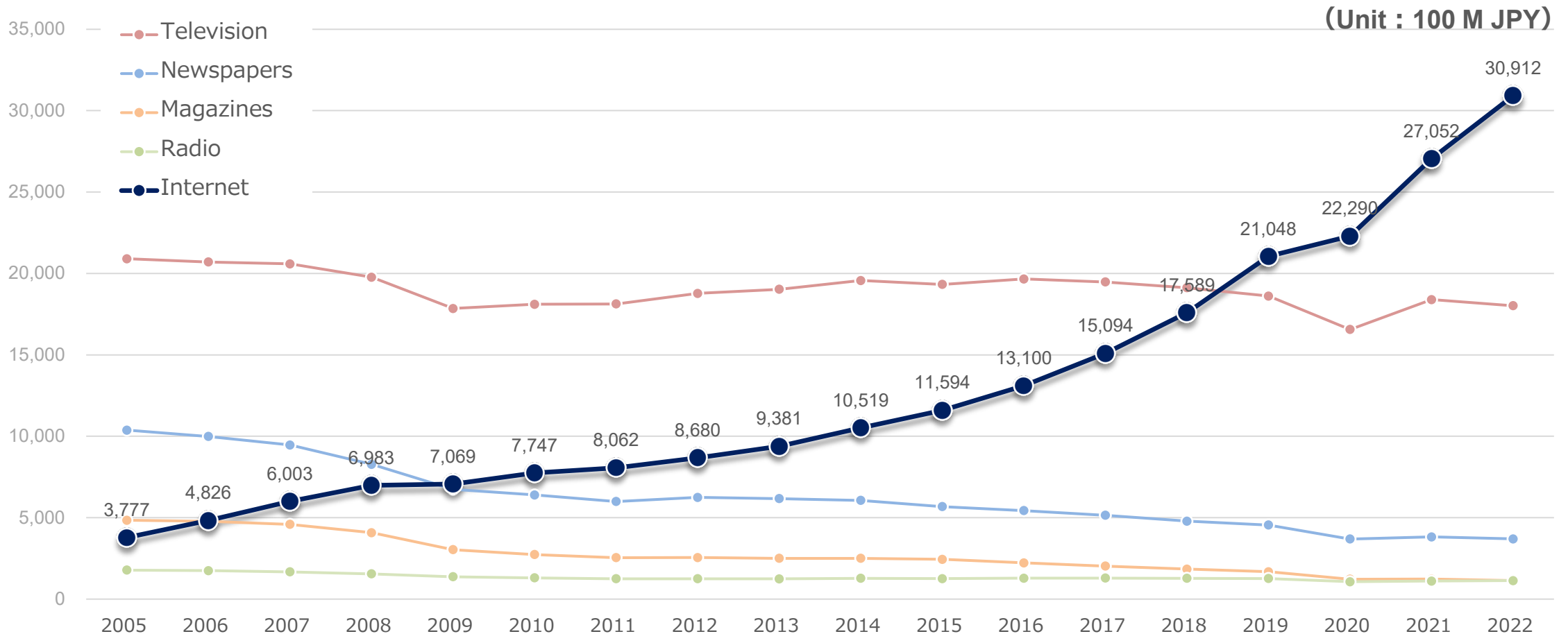
Promoting interest and purchase intent in all touchpoints with consumers





- Internet advertising expenditures surpassed four Traditional media advertising expenditures for the first time, driving the recovery of Japan's overall advertising market.
- The Internet advertising market is expected to continue to expand in the future.

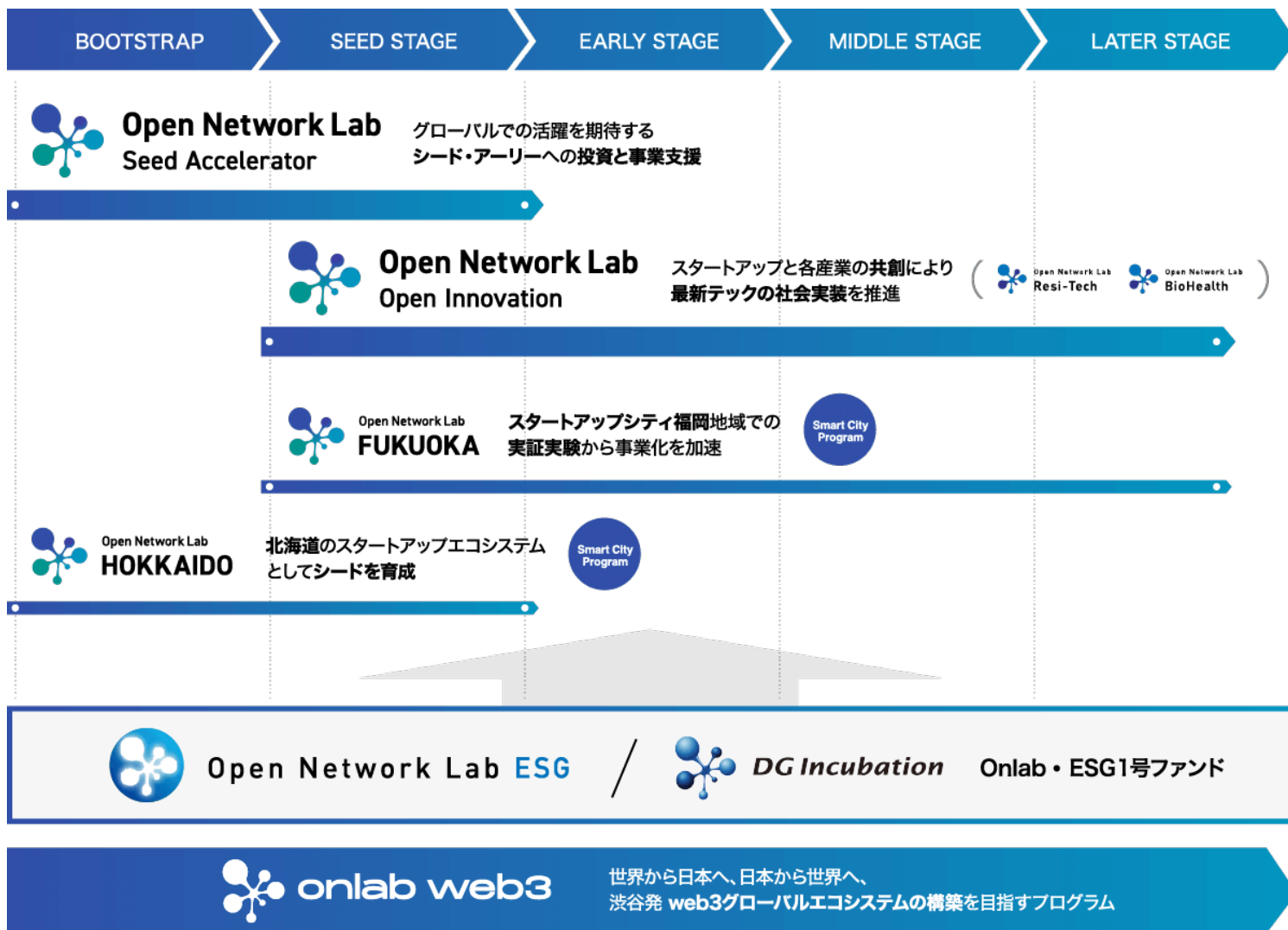
Trends in Four Traditional media and Internet advertising expenditures



Source : "Advertising Expenditures in Japan in 2022", Dentsu Inc.



- Developing support programs with different characteristics in line with each stage and area to further strengthen support for startups and realize social implementation.



Total Startups

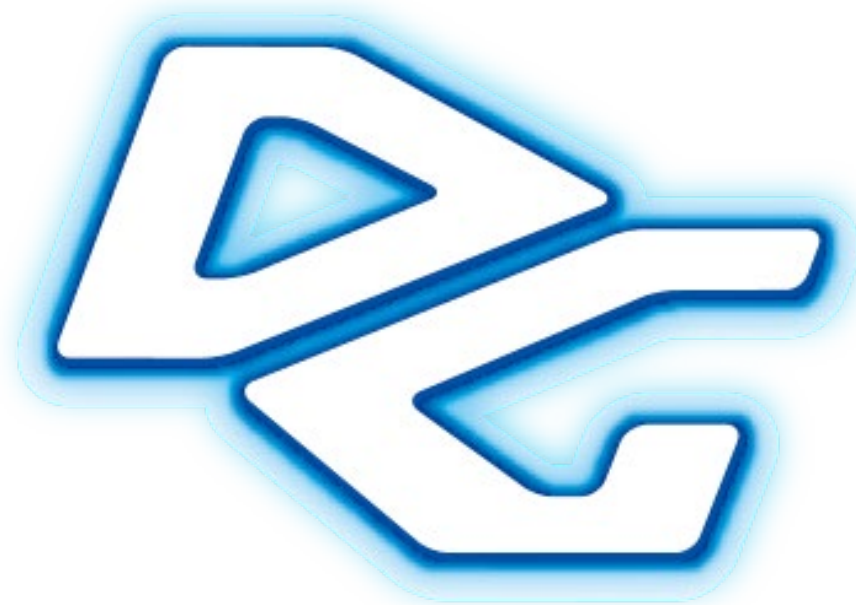
145 startups

Funding Success Rate

58.1 %

Exited Companies

13.2 %



Digital Garage

Please note that the business forecasts and strategies covered in today's presentation are based on our current evaluation and future results may vary significantly depending on unforeseeable events or circumstances. This announcement is solely for the purpose of the investors relationship and is not for making any solicitation for investment in any securities. This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any securities of our consolidated subsidiaries have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements.