



(TRANSLATION FOR REFERENCE ONLY)

May 9, 2024

For Immediate Release

Company name	Digital Garage, Inc.
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## Notice of Losses Related to U.S. Subsidiary

Digital Garage Inc. (“the Company”) hereby announces that for the fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024), it has recorded a loss related to its U.S. subsidiary.

### 1. Details

Regarding DG717, an incubation center in San Francisco operated by the Company's group, the valuation of the property decreased due to the slump in the real estate market during the expansion of COVID-19. As a result, the Company recorded losses for the fiscal year ended March 31, 2024.

On the other hand, San Francisco is currently transforming into a new cluster for next-generation tech companies in the web3 and generative AI fields. DG 717 and other global networks will serve as hubs for developing partnerships between foreign startups and the Company's group, building communities with various stakeholders, and supporting entrepreneurs.

### 2. Financial Impact

For the fiscal year ended March 31, 2024, the Company recognized 2,287 million yen as "other expenses" in the consolidated financial statements (IFRS), and 2,429 million yen as "loss on valuation of shares of subsidiaries and associates" and other extraordinary losses in the non-consolidated financial statements (JGAAP).

These losses are reflected in the "Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on IFRS)" released today.