

Financial Report

1Q of FYE March 2025



2024.8.8

I. Purpose / Business Model





PURPOSE

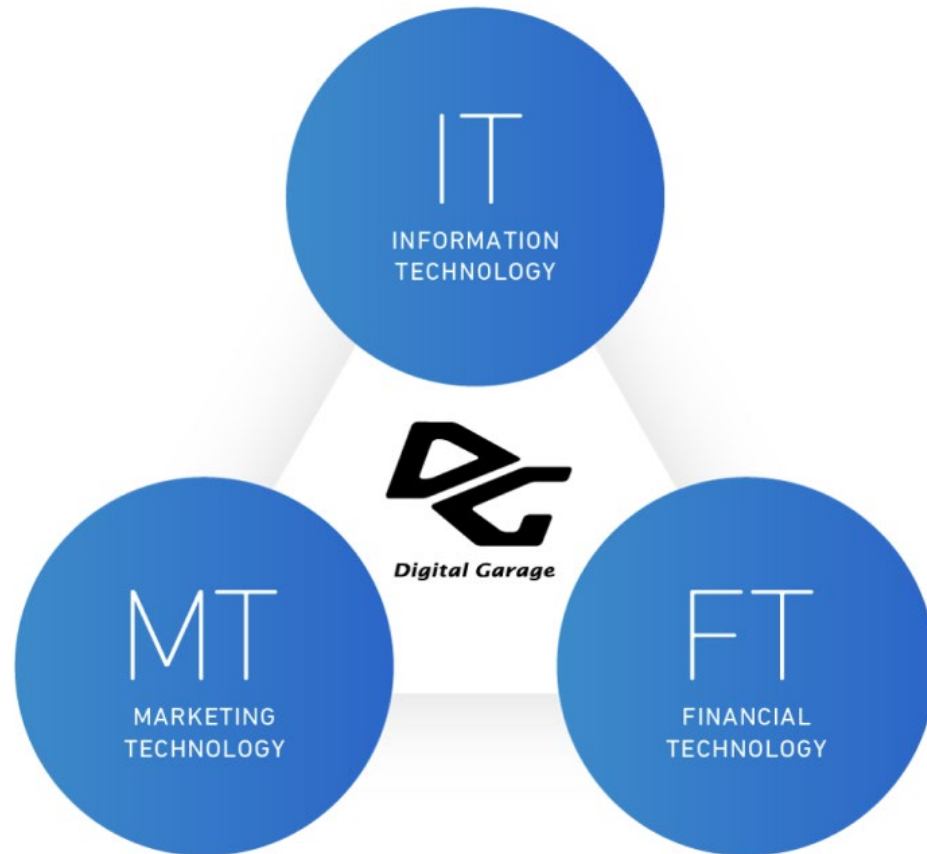
Designing 'New Context' for a sustainable society
with technology

<VALUES>

First Penguin Spirit

<CORPORATE SLOGAN>

New Context Designer DG



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

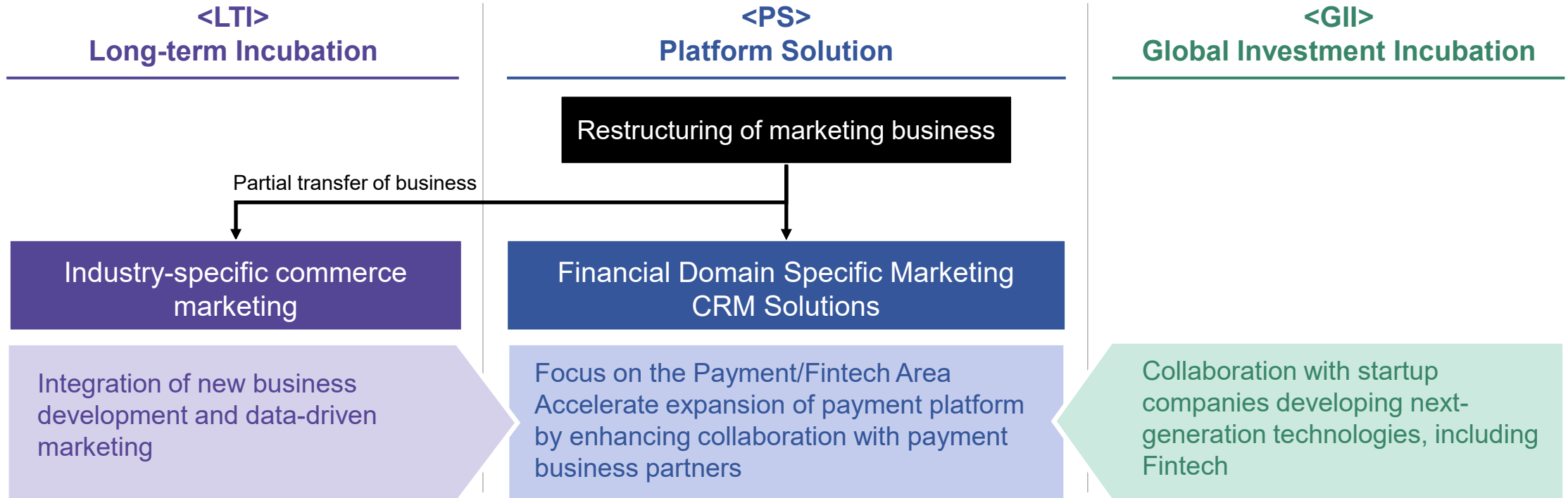
II. Optimization of Business Portfolio



Restructured marketing business to drive growth in PS segment

Background

- ✓ PS specializes in the payment/Fintech business and accelerates the expansion of payment platforms and other business foundations
- ✓ Commerce marketing is shifting from contract advertising to data-driven marketing as the trend toward eliminating third-party cookies continues



See the excel data sheet for reclassified segment results prior to FY2024.3

- PS Segment forecast is +20-25% reflecting factors such as the rebound from a one-time loss and strong business trends
- No change to full-year payment business growth forecast of +20%, with stable business expansion and ongoing projects expected to contribute in the second half of the year

Unit: M JPY	FY 24.3		FY 25.3	
	Before change	After Change	Full-year forecast	Growth Rate*
PS segment profit	6,787	7,168	8,600~9,000	+20~25%
Payment	5,662	5,662	6,800	+20%
Marketing	1,137	1,518	—	—

* Compared to the numbers after change

III. Consolidated Financial Highlights



Quarterly Results

- **Consolidated pre-tax profit decreased 23% mainly due to foreign exchange effects, but basic business profit* increased +17%**



On track for +20% full-year growth

| Exceptional items limited profit growth to +2.4%, but the impact will normalize in 2H

Payment transaction volume increased +21%

| Strong performance in general retail, travel, and restaurant areas, as well as new merchant acquisitions



Profit from equity method investments increased +37%

| Growth of Kakaku.com's Tabelog, Kyujin Box and recovery of Kakaku.com media



¥2.5 bn investment business income

| Made progress on the portfolio transfer to joint fund with Resona

Topics

- **Restructured the marketing business to optimize the business portfolio**
 - Marketing business has been reorganized into two functions: one dedicated to business collaboration in payment and financial domains, and one dedicated to data marketing to support new business development. **New business structure to accelerate growth.**
- **Promoted collaboration with Kakaku.com, jointly launching new services**
 - Identified strategic sectors (restaurant / travel / real estate / retail / HR) to accelerate group collaboration
 - Jointly started full-scale inbound online reservation service on "Tabelog" as the first initiative
 - Promoted co-creation collaboration among DG, Kakaku.com, and KDDI
- **¥4 bn share buyback disclosed on 6/20; repurchasing up to 4.6% of shares outstanding**

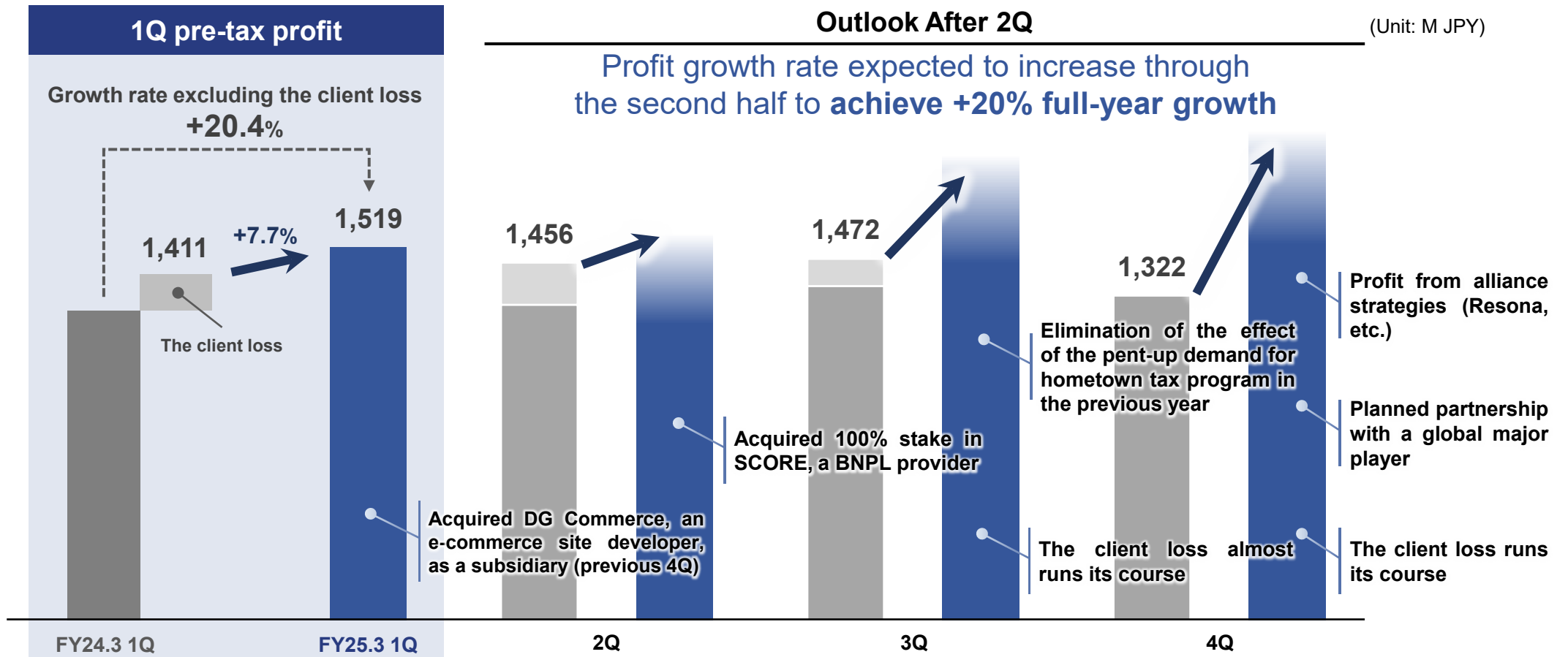
*Basic business revenue and profit: recurring business revenue and profit excluding investment-related and one-time gains/losses

Consolidated Financial Highlights – Segment Profit

Unit: M JPY	FY24.3 1Q	FY25.3 1Q	Difference	% change	Summary
Consolidated profit before tax	6,179	4,744	-1,435	-23.2%	<ul style="list-style-type: none"> Year-on-year decline since the positive impact of yen depreciation on startup investments and HQ adjustments was lower than the previous year Each business segment on track to meet full-year forecasts
PS	1,695	1,736	+41	+2.4%	<ul style="list-style-type: none"> Strong growth expected in the second half, reaffirming full-year +20% growth
Payment	1,411	1,519	+108	+7.7%	<ul style="list-style-type: none"> Payment transaction volume increased +21%, driven by growth in general retail, travel, restaurants and financial accounts, as well as progress in acquiring new merchants On track for strong growth starting in 2H, as the impact of client loss runs its course
Marketing	285	255	-30	-10.4%	<ul style="list-style-type: none"> Organizational restructuring to further strengthen collaboration with the payment business
LTI	188	506	+318	+168.9%	<ul style="list-style-type: none"> Strong profit growth of Kakaku.com boosted profit from equity-method investments by +37% Accelerating and building a stronger collaboration structure with Kakaku.com
GII	4,649	3,542	-1,107	-23.8%	<ul style="list-style-type: none"> Made progress in transferring securities to the joint fund with Resona Group Year-on-year profit decrease due to lower valuation gains affected by foreign exchange rates
Headquarters/ adjustments	-353	-1,040	-687	-	<ul style="list-style-type: none"> Foreign exchange gains on loans to overseas subsidiaries were recorded in the previous year (From this fiscal year, minimizing foreign exchange impact by transferring loans to equity)

- On track for +20% full-year growth as the impact of the major cross-border e-commerce client loss runs its course in 3Q
- Initiatives underway to ensure continued high growth in the next fiscal year and beyond, including alliances with Resona Group, KDDI and other global companies

■ Payment business profit



Basic business profit

Basic business profit showed stable +17% growth, excluding investment business and one-time gains/losses

Payment transaction volume

'Offline' growth driven by general retailers strength, bolstered by increasing inbound consumption, while 'Online' continued double-digit growth

Investment business income

¥2.5 bn cash-in due to progress in portfolio transfer to a joint fund with the Resona Group

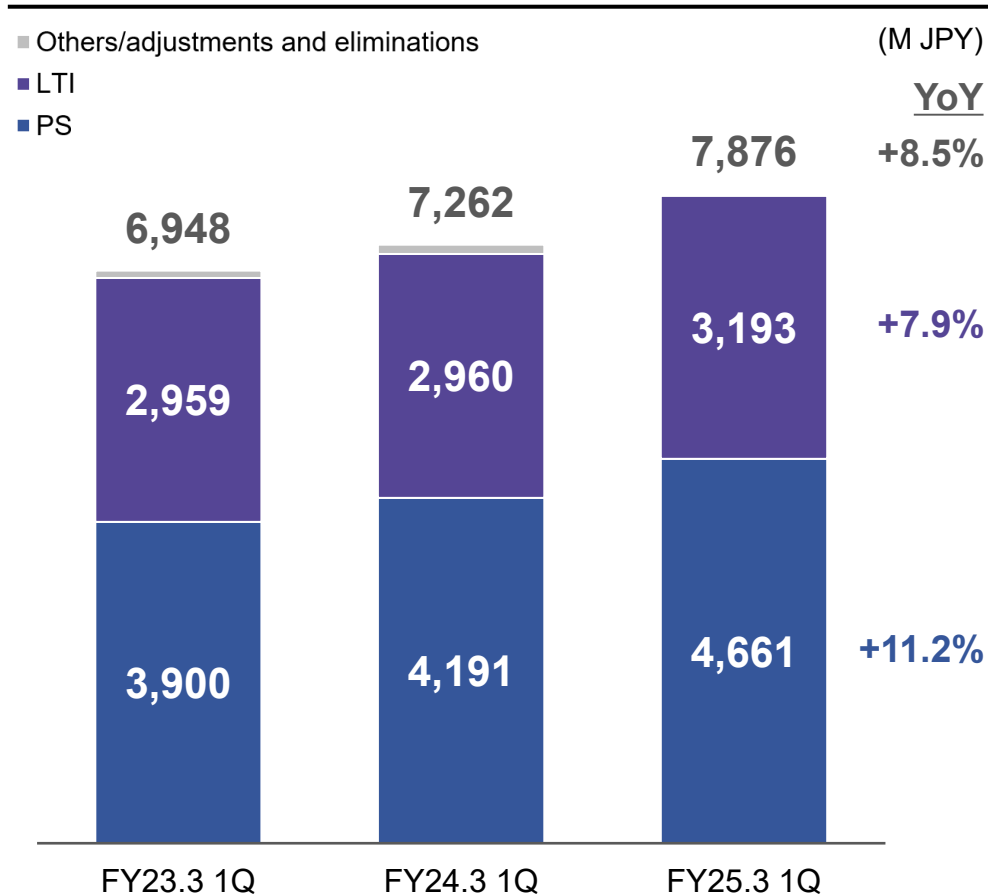
	Unit	FY24.3 1Q	FY25.3 1Q	Difference	% Change
Basic Business Profit	M JPY	765	897	+132	+17.3%
Transaction Volume	100M JPY	14,648	17,747	+3,098	+21.2%
Online Payment	100M JPY	10,677	12,023	+1,347	+12.6%
Offline Payment	100M JPY	3,972	5,724	+1,752	+44.1%
Investment-related KPIs					
Investment Business Income *1	M JPY	2,185	2,518	+333	-
New Investment *2	M JPY	353	186	-167	-

*1 Investment Business Income: Total of profit from the sales of holding shares and profit distribution from funds

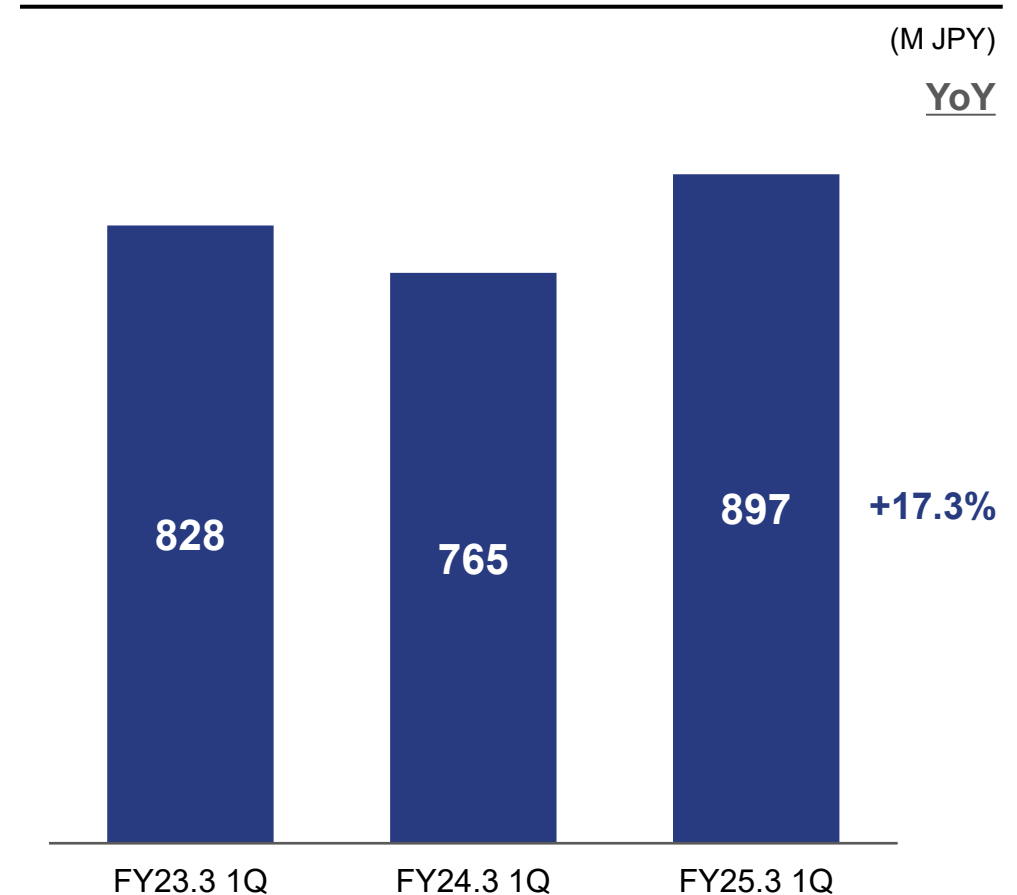
*2 New Investment: New investments in operational investment securities, excluding business related expenditures

- Stable basic business revenue/profits, offsetting upfront investments in new businesses
- Steady growth in PS segment focused on payments and accelerating growth by monetizing new businesses

Basic Business Revenue



Basic Business Profit

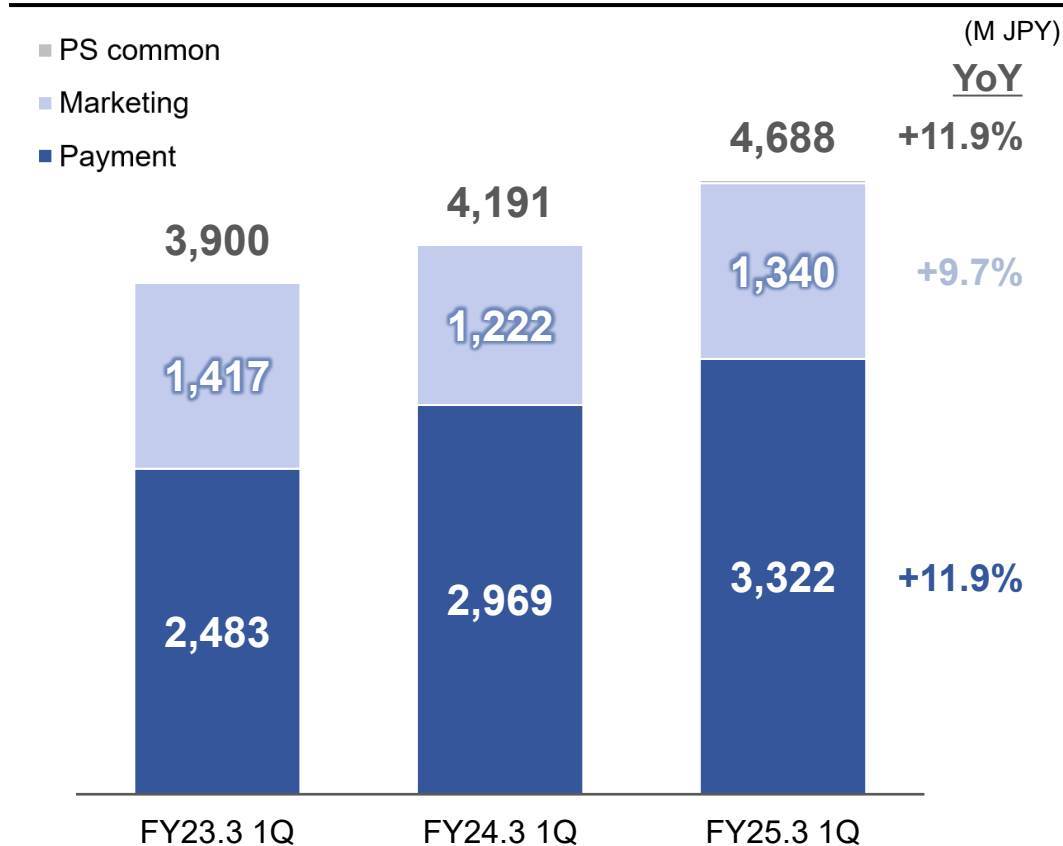


IV. Segment Performance Highlights

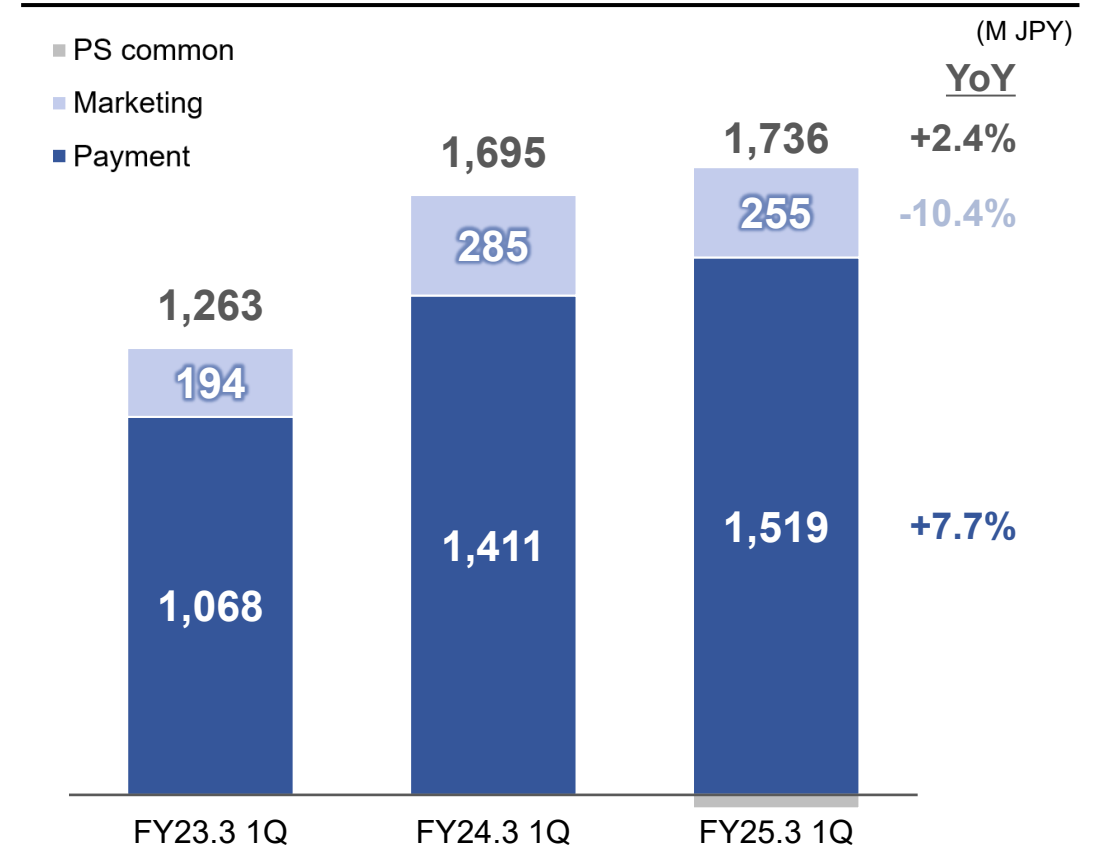


- Payment business : On track to meet full-year guidance, with strong growth expected in the second half, and as the impact of the major client loss runs its course
- Marketing business : Restructuring to improve collaboration with payment business and accelerate growth

Segment Revenue

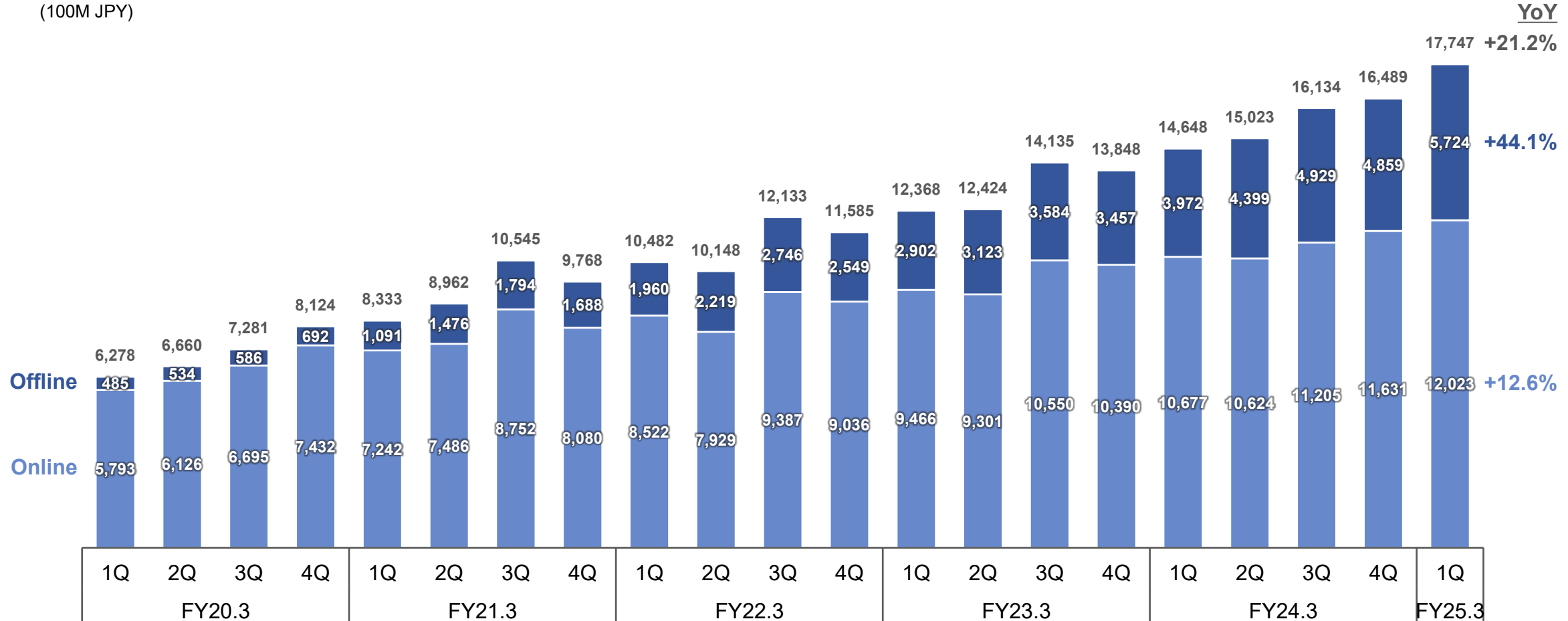


Segment Profit



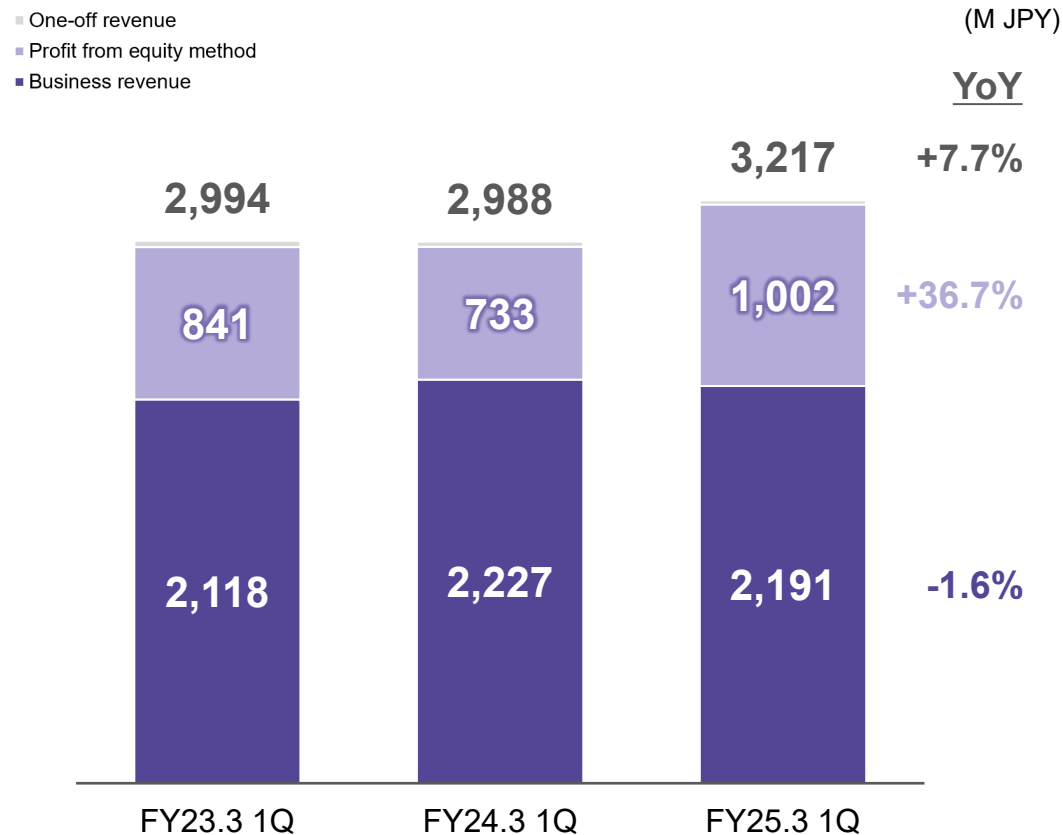
- Online: Transaction growth in broader industries such as financial accounts and travel; focus on initiatives to accelerate growth in the EC domain
- Offline: +44% YoY growth driven by strong transactions in the general retail, restaurants, hobby and sports domain

(100M JPY)

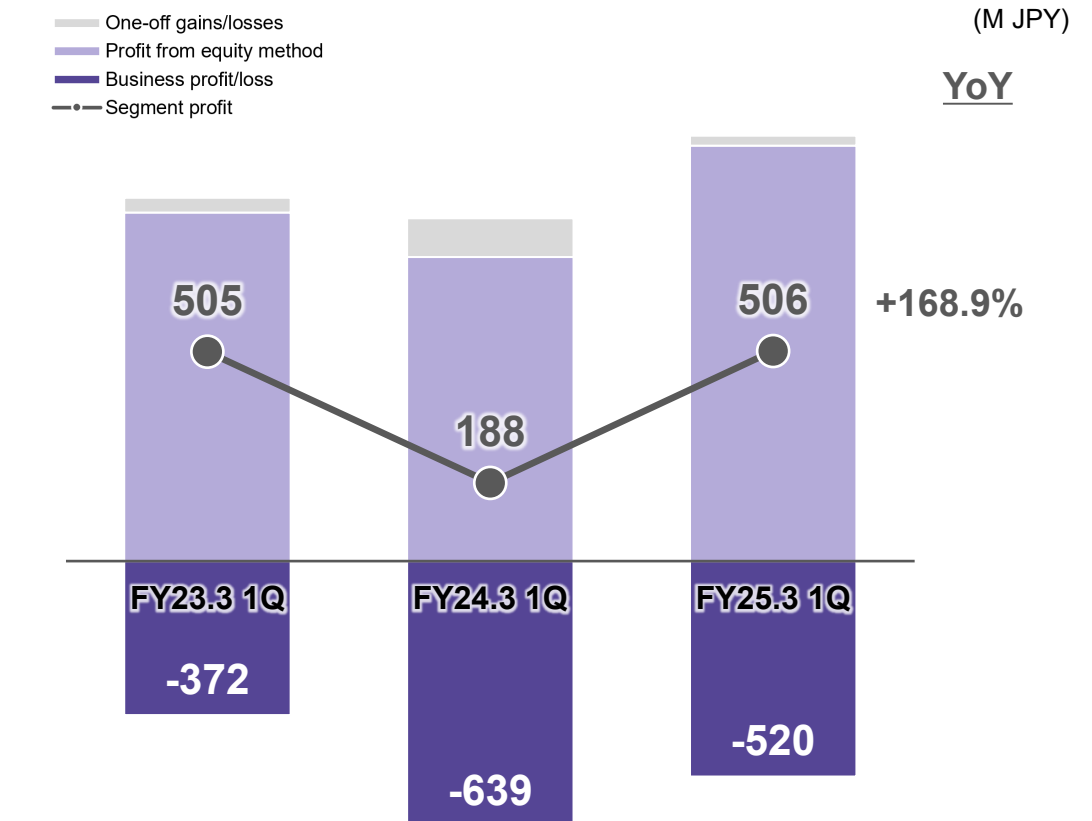


- Profit from the equity method investments increased +37% driven by Kakaku.com, while strengthening collaboration initiatives will accelerate joint business development
- Continued upfront investments in new businesses linked to payments for the medium and long-term growth

Segment Revenue

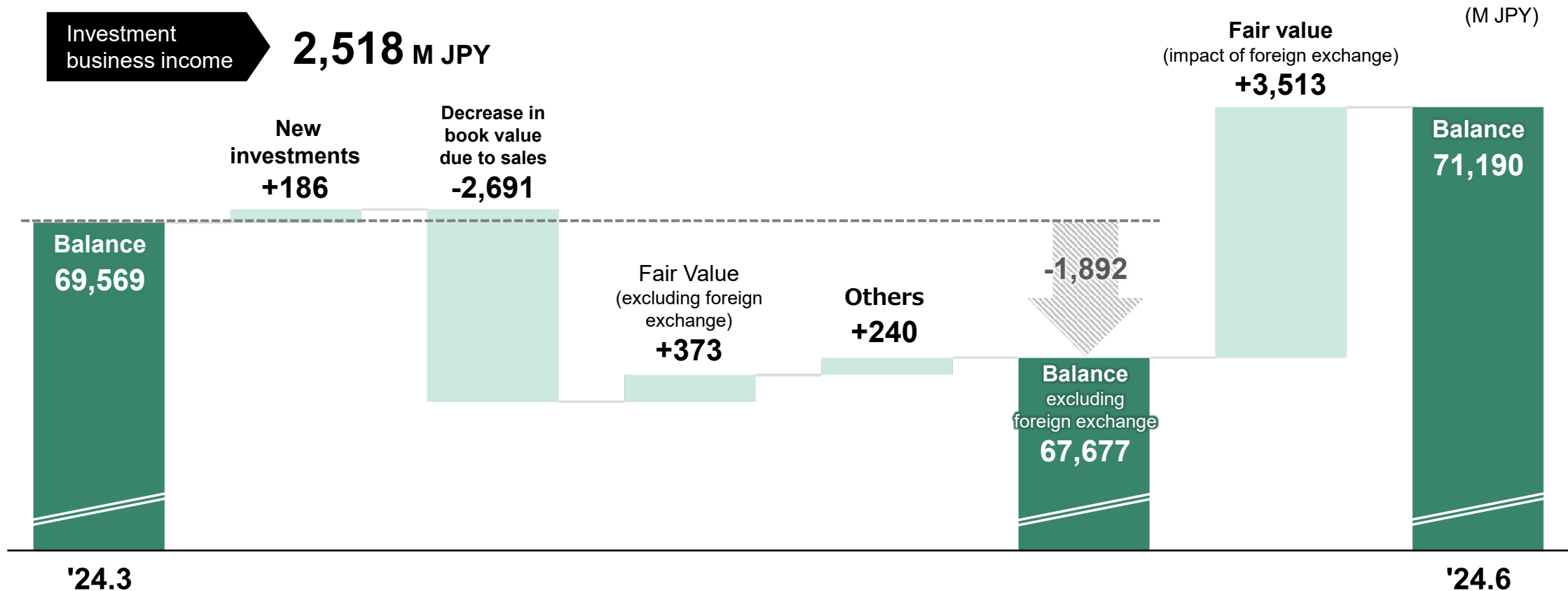


Segment Profit



- ¥2.5 bn investment business income, progressing in the investment portfolio transfer to the joint fund with Resona Group
- Excluding the foreign exchange impact, the balance decreased by ¥1.9 bn YoY to ¥67.7 bn, showing steady progress in the policy to reduce the balance

Operational Investment Securities Increase/Decrease



V. Business Progress



Business Strategy to Underpin **Stable +20% Growth*** in Payment Business

5 Actions & Further Optimization of PS segment (Structural Transformation of Marketing Business)

Financial

1. Strengthening the Capital and Business Alliance with Resona Group

Telecom

2. Business Alliance with au Financial Service of KDDI Group
(Provision of high-quality payment services for the au economic zone)

Group Media

3. Promotion of Group Business in Strategic Sectors with Kakaku.com
(EC/Restaurant/Travel/Real Estate/HR)

Value-chain Enhancement

4. Acquiring 100% share of SCORE. Co., Ltd. that provides BNPL services

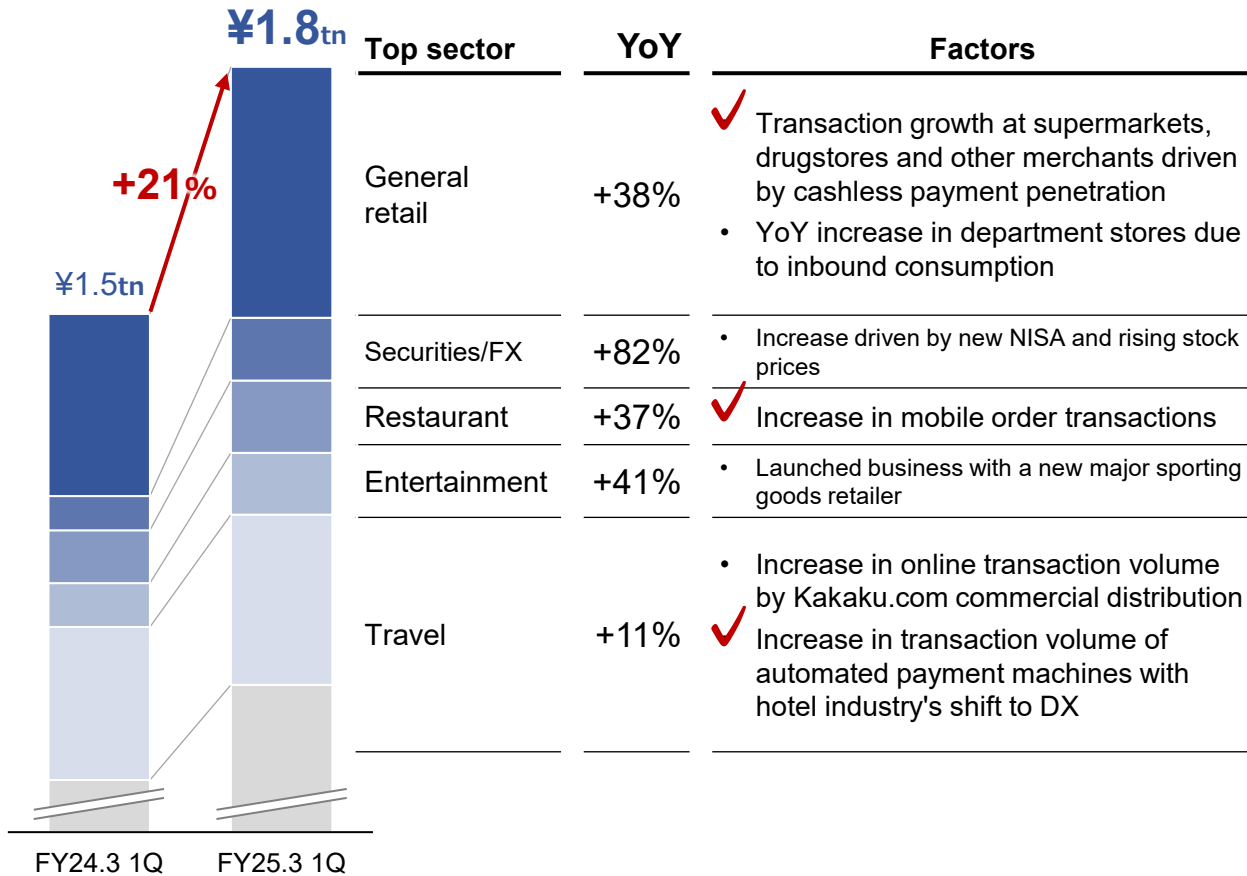
Development Enhancement

5. M&A of competent system company to expand development resources

*Pre-tax profit growth / Overall PS segment growth rate target is +20-25%

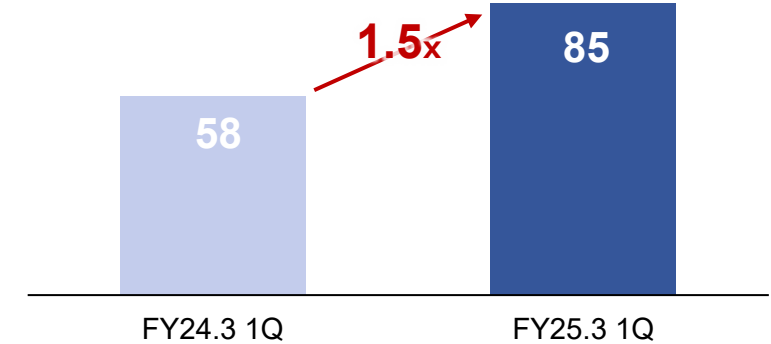
Payment transaction volume increased in retail, securities trading, restaurants, etc.

Payment transaction volume (by sector)

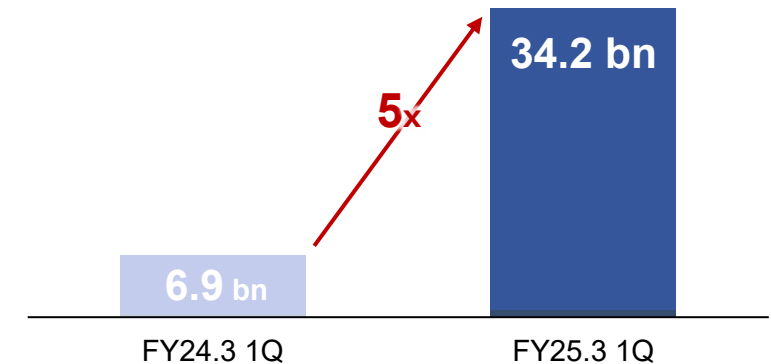


Group restructuring and reinforced sales operations

Sales personnel



Transaction volume of new projects in operation



"Multi-layered revenue opportunities" from the merchant business and "expansion of payment transaction volume" of DGFT

"Commerce modular unit" that meets merchants' digital business needs, and "data-driven value chain" that uses data and AI for optimization

Enabling Business Group and Business Strategies

1 Commerce modular unit:

Service and technology foundation for the enabling business group

Value chain

Strategic planning

Customer attraction/CRM Marketing

Customer Experience

Development and operation of EC infrastructure

Fraud detection system monitoring

DG enabling business



Point mall

NaviPlus

DG Commerce

Scudetto

DG FutureTech

Insights

← Expediting PDCA and accelerated growth by data utilization →

Data

2 Data-driven value chain:

Integrated data collection/AI analysis platform for merchant digital business

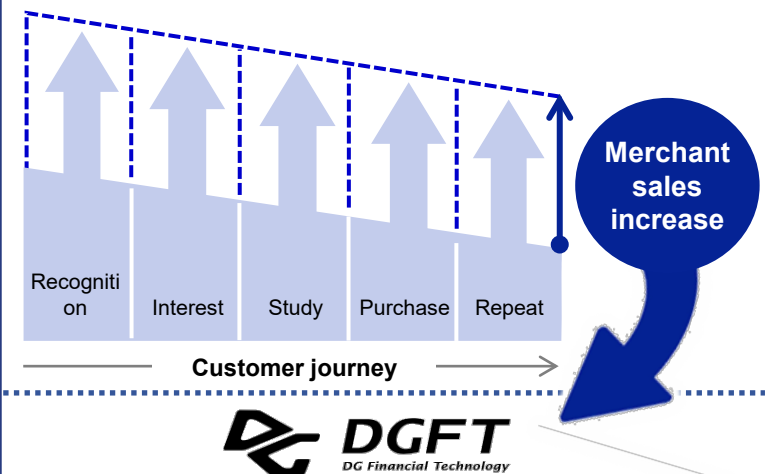
Identification of business issues and improvement measures

Visualization of business KPIs

Integrated data/AI analysis platform

3 Expansion of payment transaction volume through merchant growth

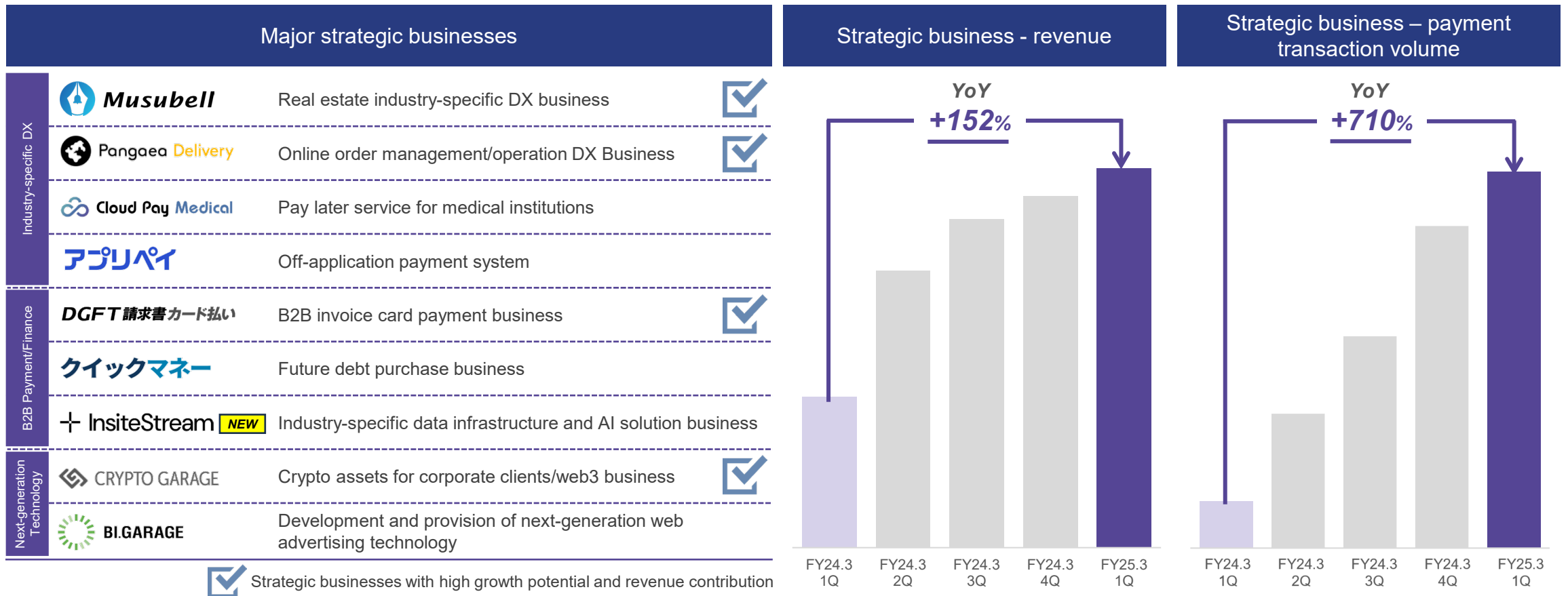
[Image of purchasing funnel optimization]



Payment volume growth through enabling business

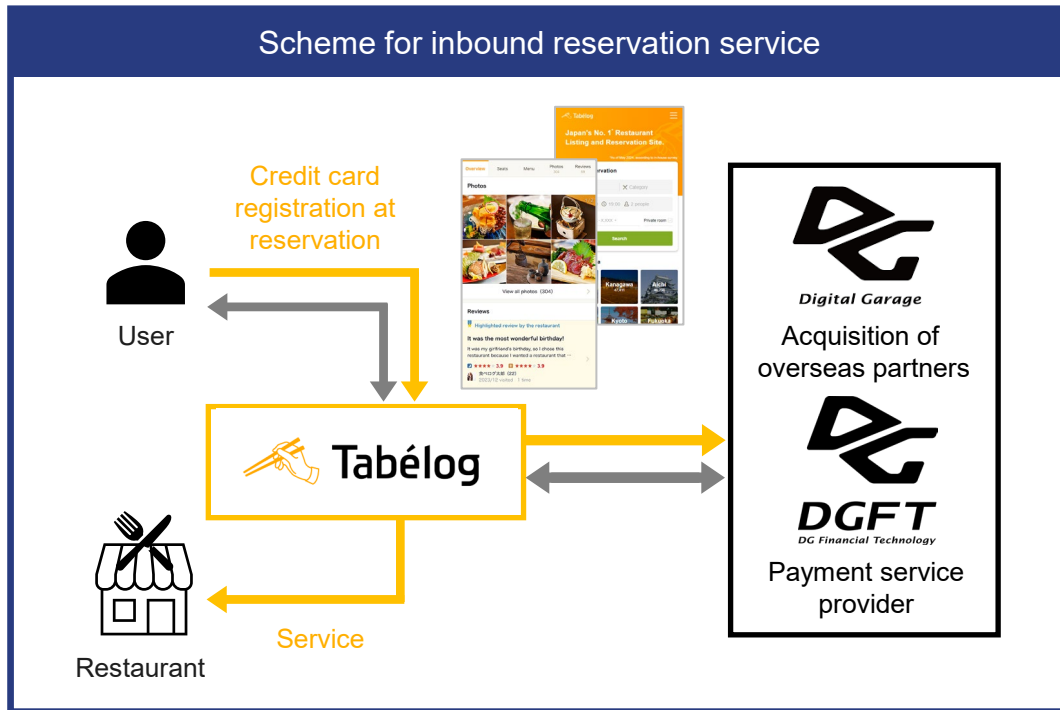
Plan, develop and nurture strategic businesses, focusing on three areas highly related to payments: "Industry DX Businesses", "B2B Payment/Finance Businesses" and "Next-generation Technology".

Strategic Business Group **revenues increased significantly by +152% YoY** as several projects entered full commercialization. The payment transaction volume generated by the strategic businesses **grew rapidly by +710% YoY**, contributing to the growth of DGFT's

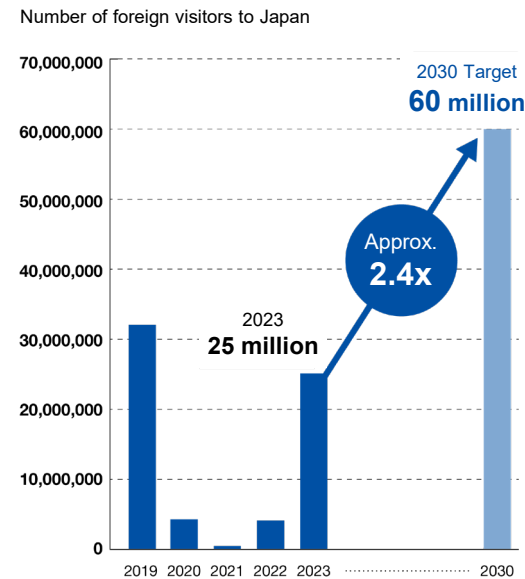


Identified sectors for strategic collaboration between Kakaku.com's leading media and payment business (restaurants, travel, real estate, retail, HR) and DGFT. First initiative: Providing payment services for the Tabelog inbound reservation services

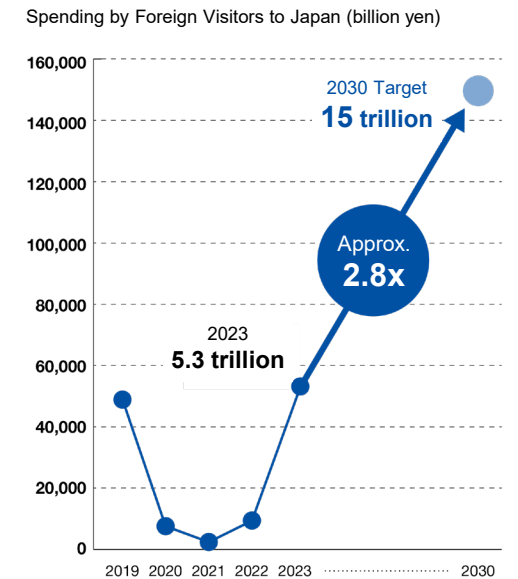
35,000* restaurants now offer online reservations in English, Chinese (traditional and simplified), and Korean, the largest number ever for foreign visitors to Japan
 DGFT's payment solutions can solve reservation issues for foreign tourists
 Capture the foreign visitor consumption market, which is expected to continue growing, with DG Group's media and payment services



Foreign Visitors



Spending by Foreign Visitors



*According to Kakaku.com study as of June 26, 2024. Largest restaurant reservation service for visitors to Japan (instant reservations)

Source: Japan Tourism Agency, Tourism Statistics

Aim to revitalize existing businesses, expand the scope of services provided, and create new businesses, through collaboration with and utilization of assets from our services in various fields such as shopping, food-service, recruiting, and travel.

Digital Garage

Strengths

- **Data Infrastructure** (Payment Data)
- **FinTech** (Payment Platform)
- **Advanced Technology** (AI, Blockchain)

kakaku.com

Strengths

- **Wide range of consumer services**
- **User Base/Data Infrastructure**



Strengths

- **User Base/Data Infrastructure**
- **Wide Range of Consumer Services**
- **Communication technology/Advanced Technology** (AI, etc.)

Past/Current Initiatives

1. FinTech

- Introduction of payment platform and FinTech solutions to our services (Tabelog Order, online reservation for travelers to Japan, etc.)

2. Advanced Technology

- Introduction of AI technology to our services

Past/Current Initiatives

1. Data Utilization

- Create joint data infrastructure for the purpose of marketing and improving services

2. Consumer Services

- Service integration to improve value provided
- ID and Point integration on Tabelog

Japan

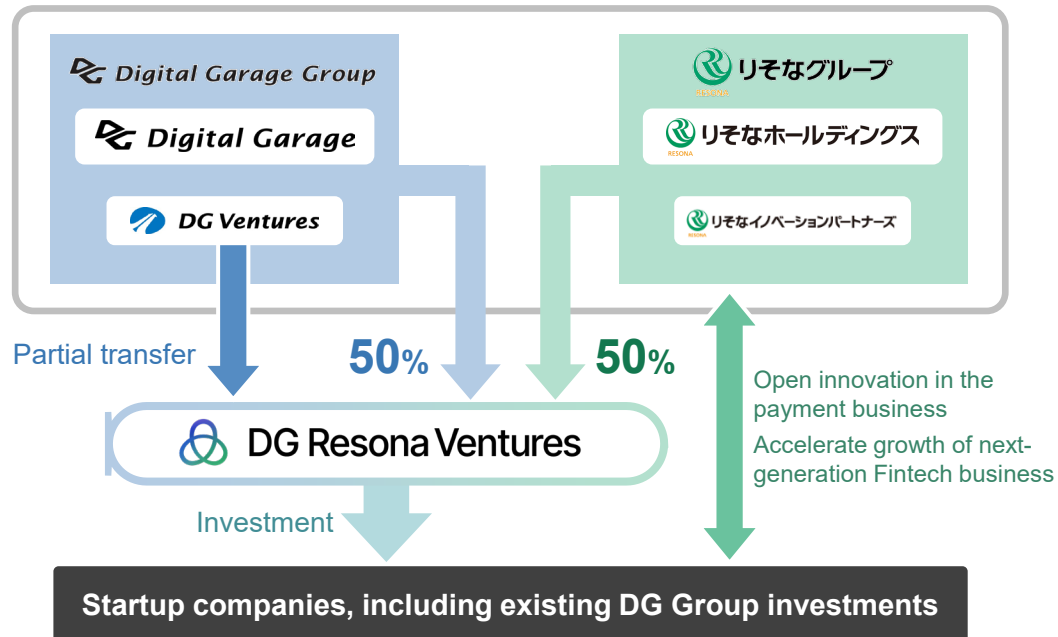
Steady progress in transferring the investment portfolio to the joint fund with Resona Group (approx. 50%)

US

New Generative AI initiatives underway in San Francisco

Domestic Highlights

- Progressed on investment alliance with Resona Group, with approx. 50% of the ¥10 bn transfer to the joint fund completed.
- New investment underway for DG x Resona Group business collaboration



Overseas Highlights

- Full-scale operation of an entrepreneur support program (Venture Studio) focusing on the rapidly expanding market for Gen AI and related technologies
- Conducted Hackathons at DG717 in San Francisco (4 times/100-120 participants each time, mainly top-class entrepreneurs and engineers). Support and nurture Gen AI startups in the U.S. by providing both financial and operational support from the startup phase

Investors (including DG)

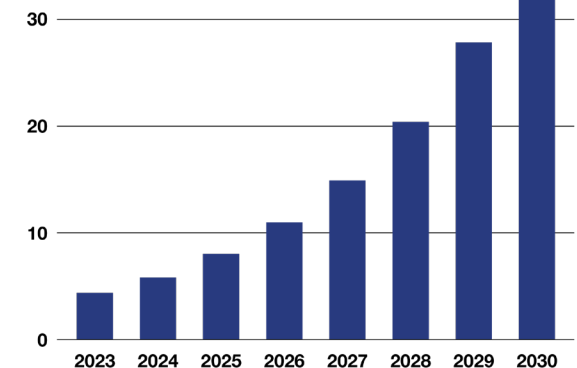
Investment

GEN LAB Startup Studio

Investment/entrepreneur support

Gen AI startup company in the U.S.

■ Gen AI market size in the US (billion USD)



Source: Company estimate based on various published data

VI. Shareholder Return



June 20

Announced ¥4 bn share buyback through share repurchase

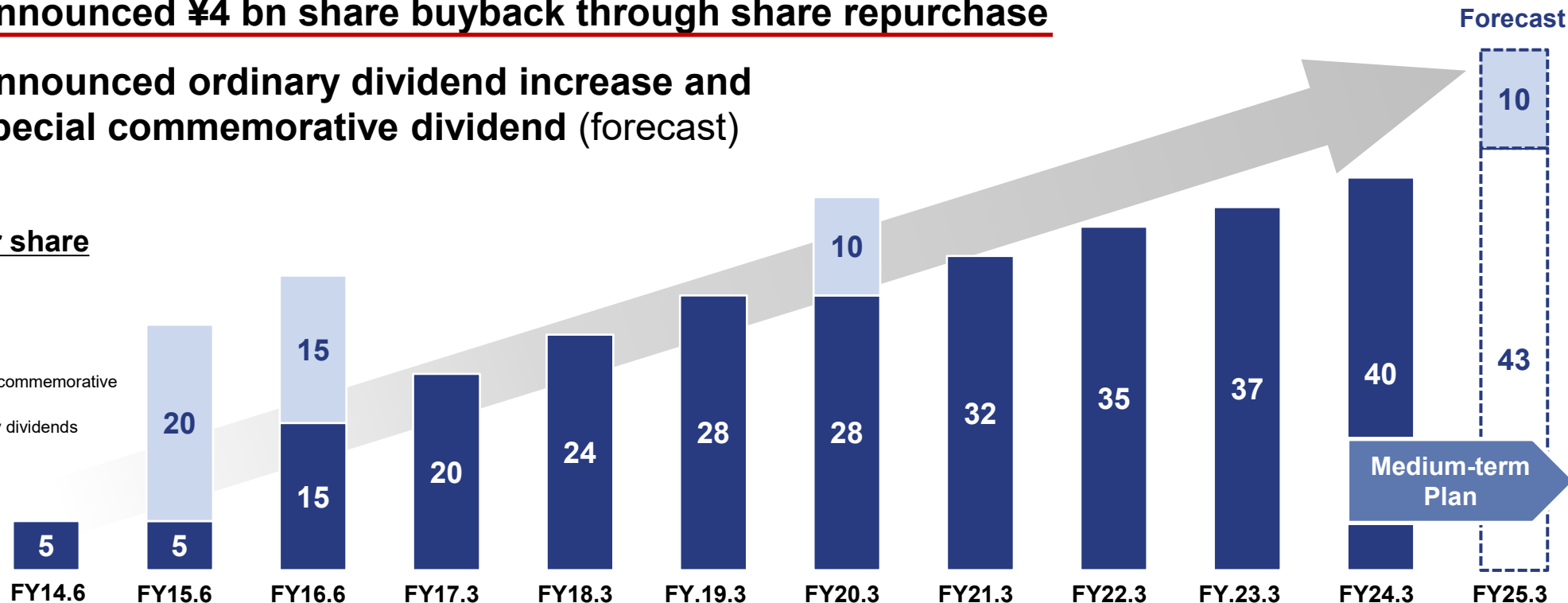
May 9

Announced ordinary dividend increase and special commemorative dividend (forecast)

Dividends per share

(Unit: JPY)

- Special/commemorative dividend
- Ordinary dividends



		FY14.6	FY15.6	FY16.6	FY17.3	FY18.3	FY19.3	FY20.3	FY21.3	FY22.3	FY23.3	FY24.3	FY25.3
Total dividends	100M JPY	11.7	14.1	9.4	11.3	12.9	17.5	14.7	16.5	17.0	19.0	25.0	
Share buybacks	100M JPY	-	-	-	-	50.0	-	-	-	50.0	50.0	40.0	
Total shareholder return	100M JPY	11.7	14.1	9.4	11.3	62.9	17.5	14.7	16.5	67.0	69.0	65.0	
Dividend payout ratio to base business CF	%	-	-	-	-	29.1%	41.1%	32.8%	32.6%	28.7%	29.8%	-	

Policy

Distributable resources

Stable
dividend

Long-term stable dividends on a progressive dividend basis

Accelerating
dividend
increase

Increasing dividend growth rate by launching new businesses

Additional
Return

Special dividends/share buybacks based on portfolio sales progress

Base Business
Cashflow ※

Income from sales/distributions in the investment business

*See cash allocation in page 60

Reference Materials

Reference Materials (1): Supplementary Data



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-oriented DX Services
- New Fintech
- Next-generation Media

kakaku.com

Musubell **DGFT** 請求書カード払い

アフリパイ **Pangaea Delivery**

CRYPTO GARAGE **BLGARAGE**

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

Scudetto **SCORE** **NaviPlus**

Commerce **DG FutureTech**

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

Global Investment Incubation Segment

Investing in and supporting startup companies focused on next-generation technologies and collaborating with DG Group

- Investment Incubation
- Supporting startup companies
- Fund management

DG Ventures

DG Incubation

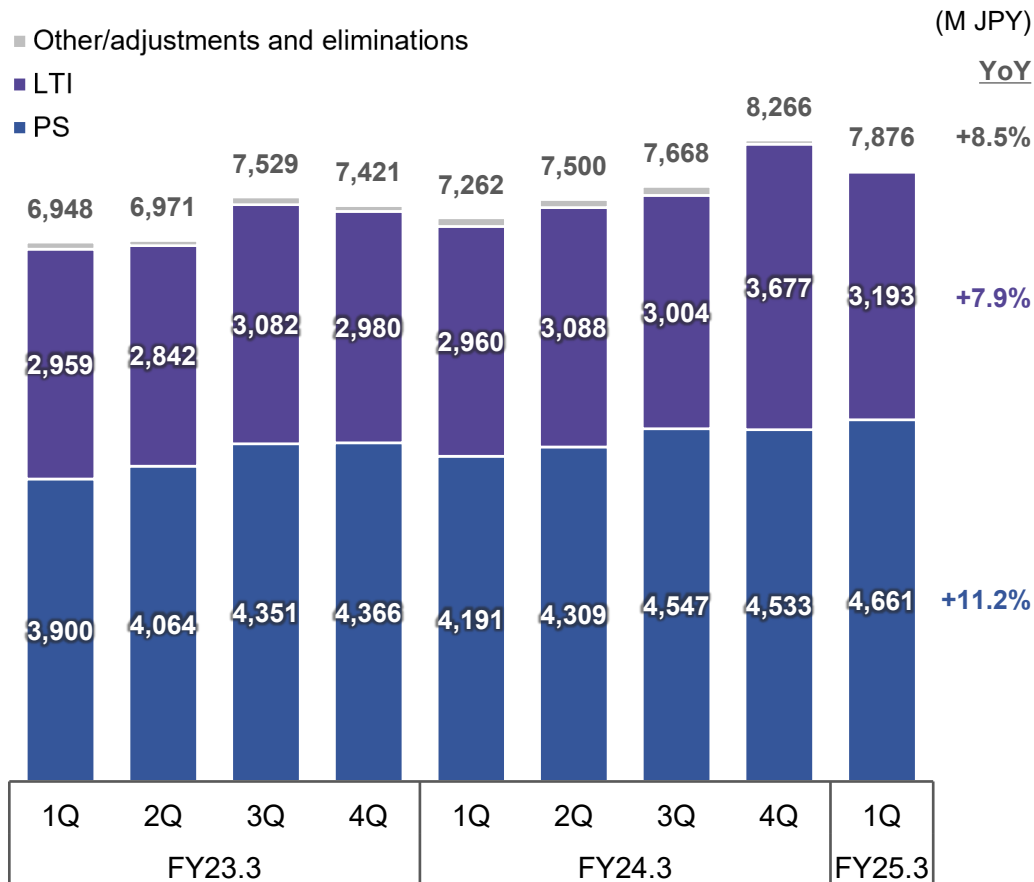
DG Daiwa Ventures

DGUS

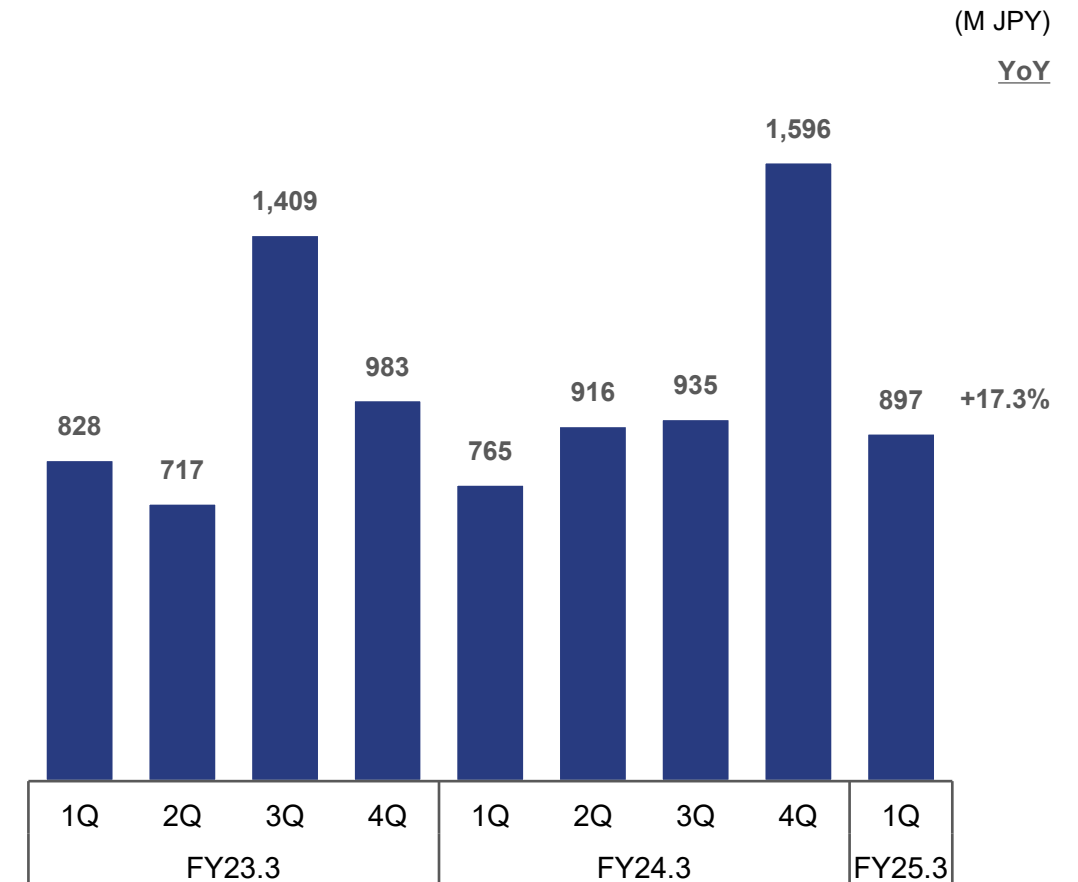
GEN LAB

- Stable basic business revenue/profit, excluding investment business and one-time gains/losses
- Accelerating growth with continued and stable growth in PS and new business development in LTI

Basic Business Revenue

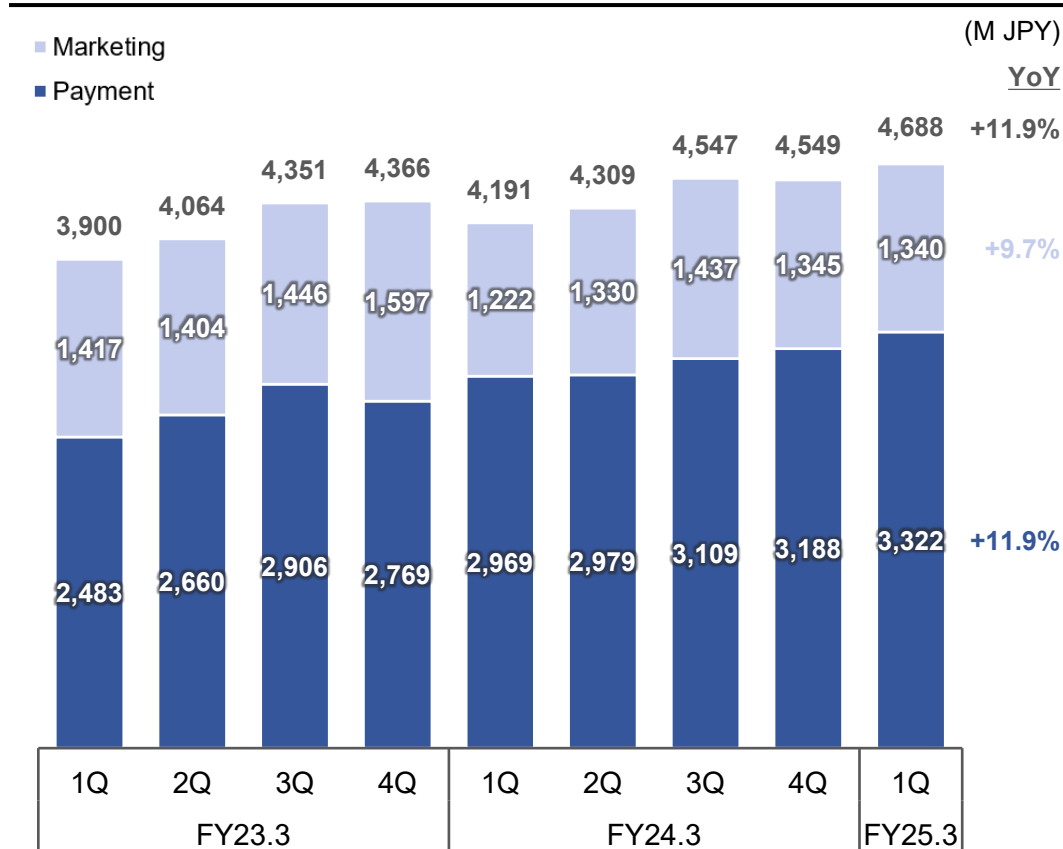


Basic Business Profit

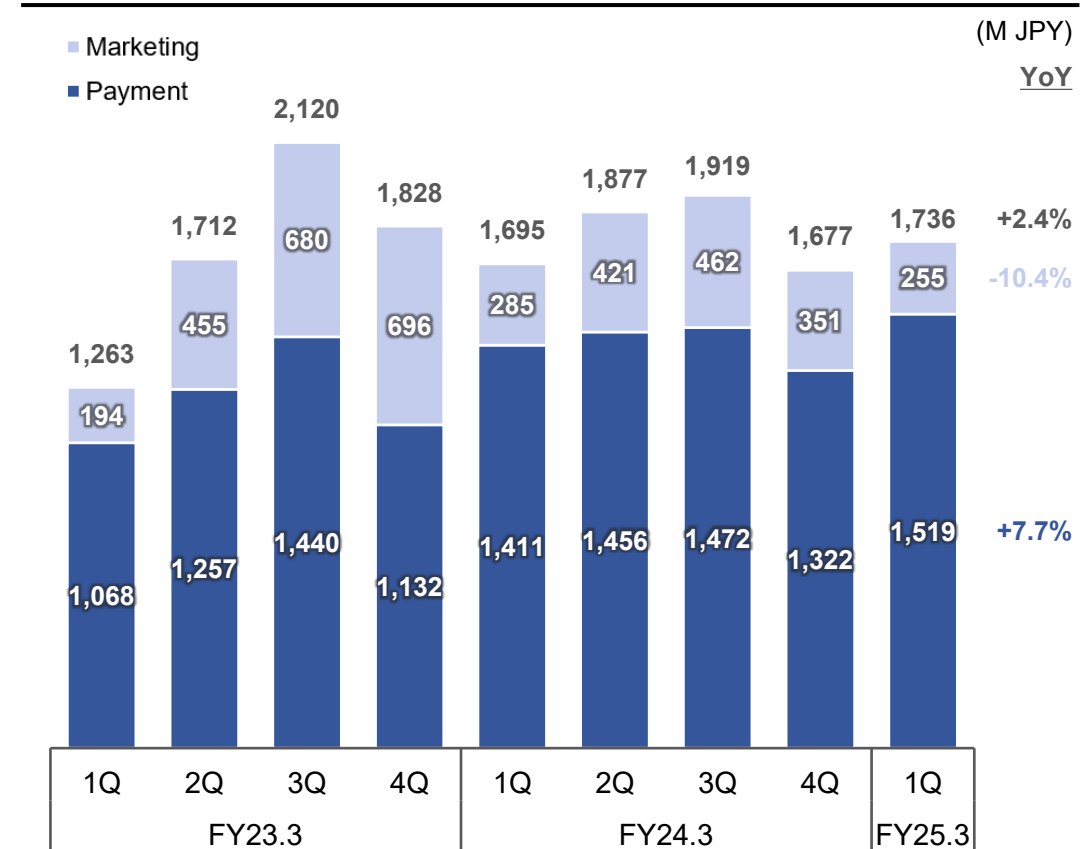


- Payment business : On track to meet full-year guidance, with strong growth expected in the second half, and as the impact of the major client loss runs its course
- Marketing business : Restructuring to improve collaboration with payment business and accelerate growth

Segment Revenue

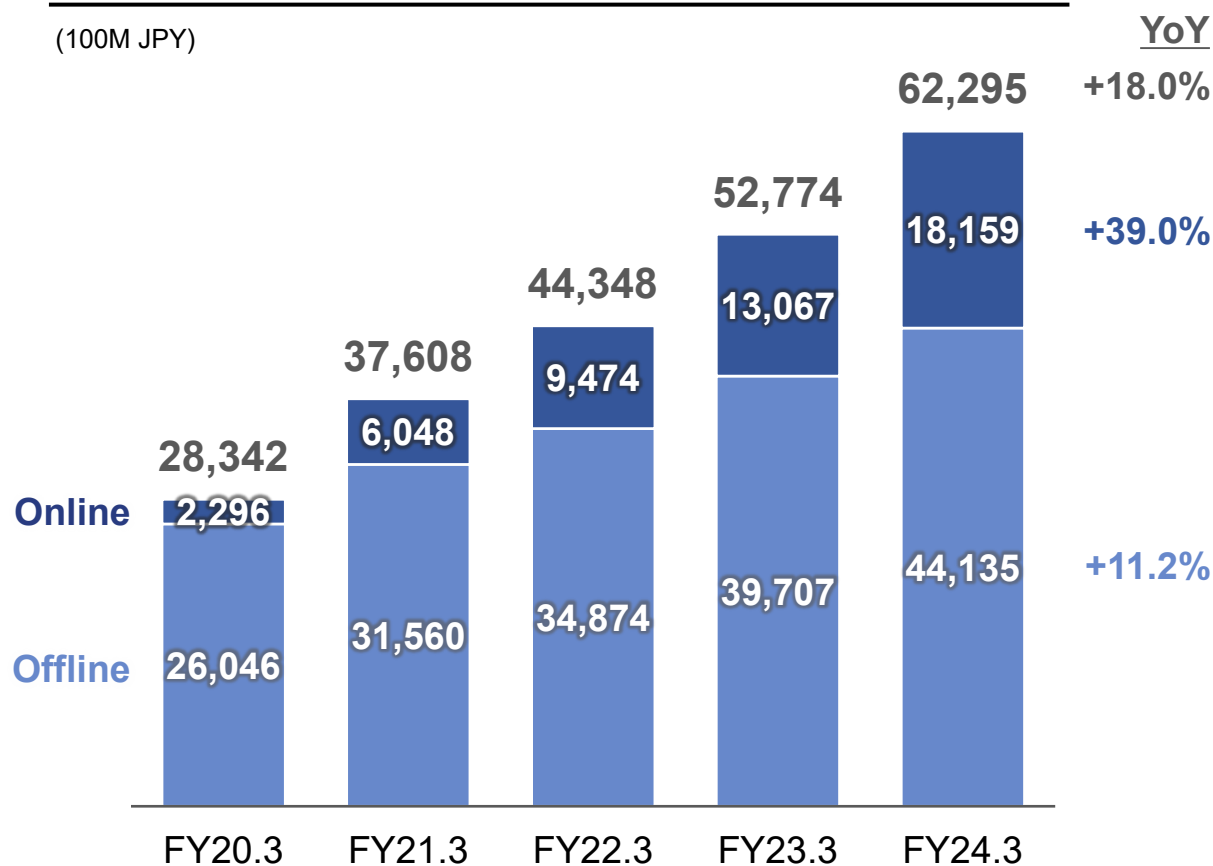


Segment Profit



• Payment transaction volume in FY24.3 increased +18% YoY to 6.2 trillion yen; sustainable growth expected in both online and offline transactions

Annual payment transaction volume



Offline Payment

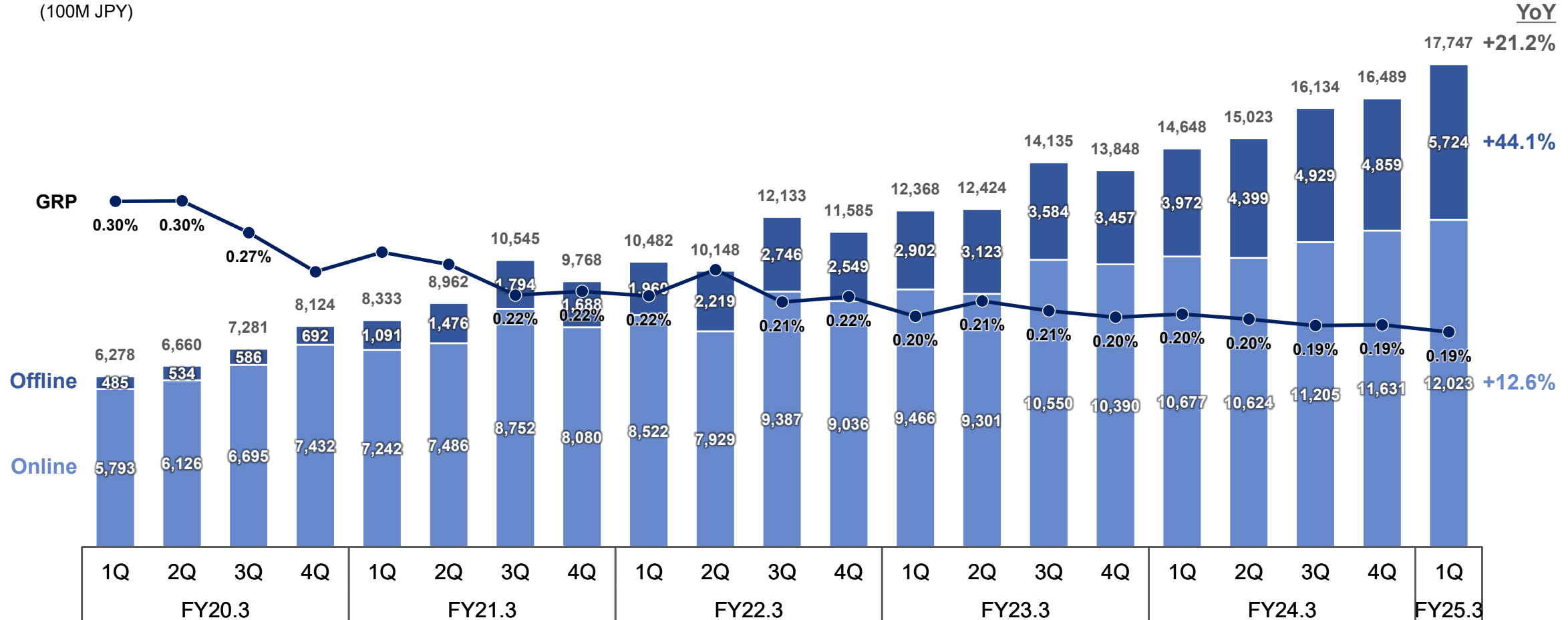
- Continued strong growth in QR and card payment transactions, especially among large retailers
- Planning to accelerate merchant acquisition in FY25.3

Online Payment

- Back on track for growth with transaction volume increase mainly in non-manufacturing and DX-related transactions, including mobile ordering at restaurants, online supermarkets, and recovery in travel after COVID-19 disruptions
- Expanded capabilities with new DG Commerce, Inc. to meet growing demand

- Online: Transaction growth in broader industries such as travel and financial accounts; growth acceleration driven by expansion of EC-related business functions
- Offline: +44% YoY growth driven by strong demand from restaurant, hobby and general retail through alliance strategies

(100M JPY)

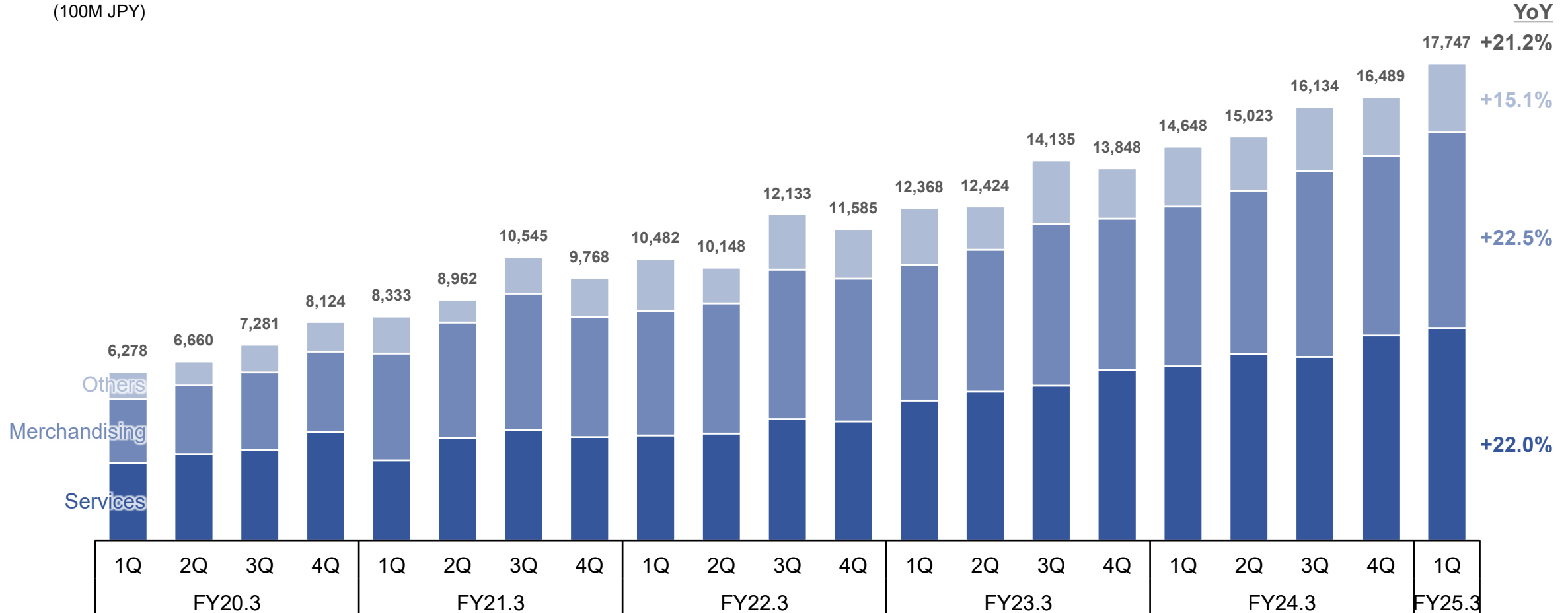


Payment Transaction Volume – Trend by Merchandising and Services

- Services: Increase in broad category, including travel, financial accounts, restaurants, telecom services and ticket bookings
- Merchandising: Continued merchant acquisitions mainly in the general retail industry (supermarkets, department stores, etc.) through alliance strategies

(100M JPY)

YoY

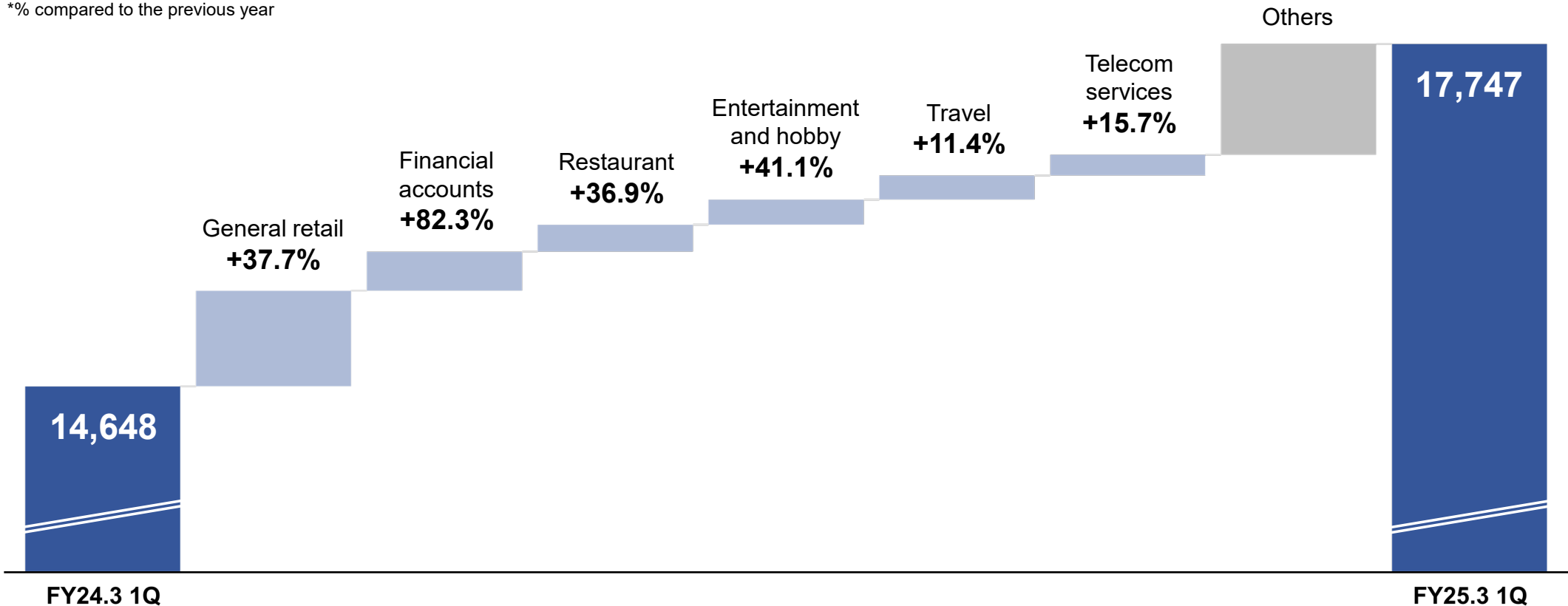


- Successful alliance strategy mainly with Toshiba Tec led to steady growth in general retail and hobby, etc.
- Financial accounts strong in 1Q due to NISA tailwinds; food delivery drove increase in restaurant transactions

Payment Transaction Volume: Increase/Decrease by Sector

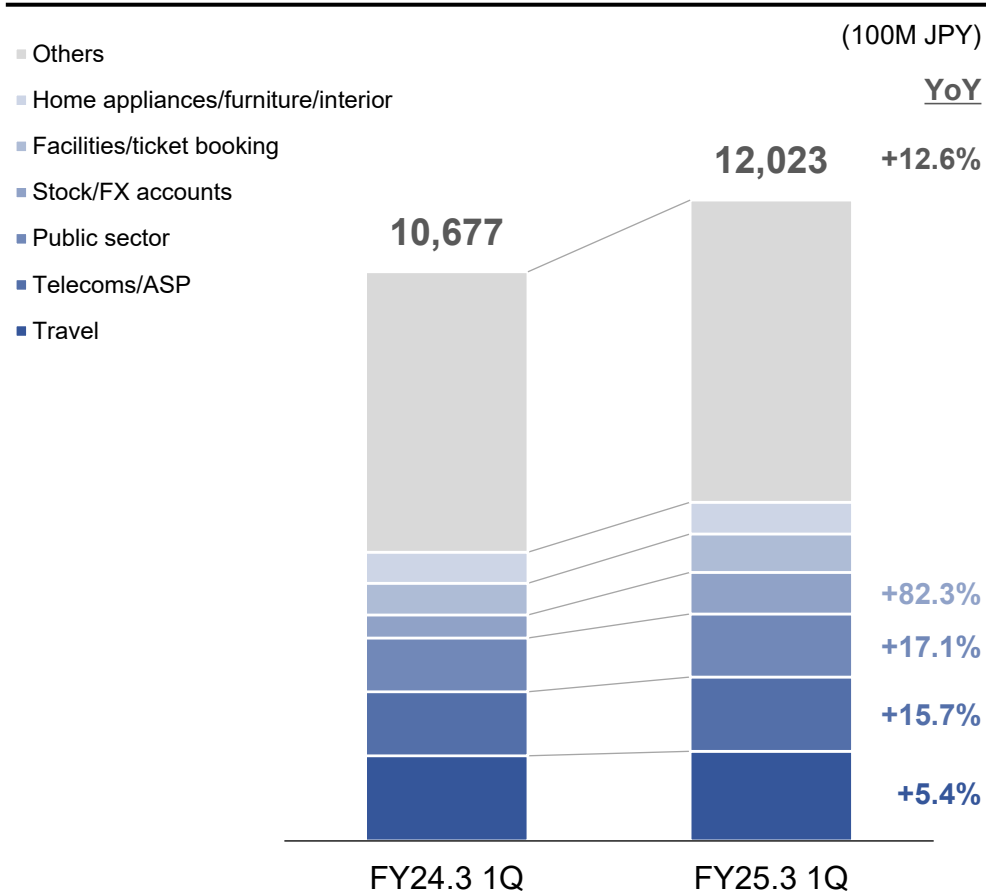
(100M JPY)

*% compared to the previous year

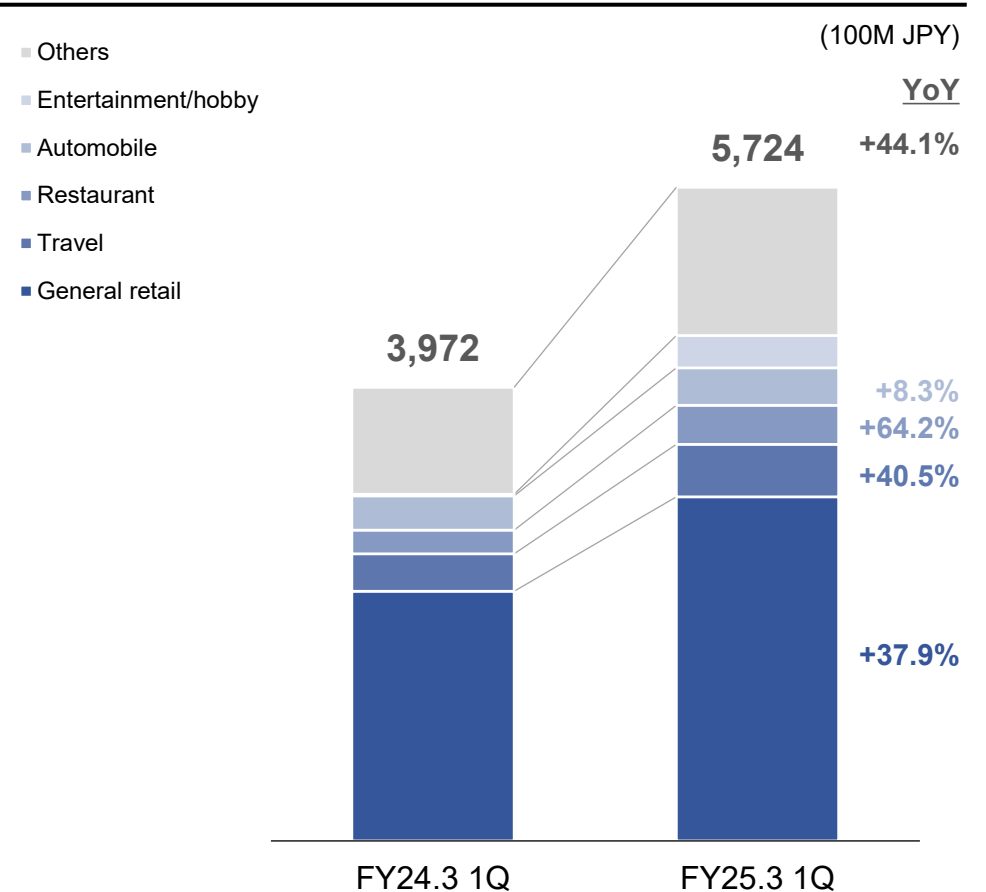


- Online: Growth in broad industries, especially services, public funds, and other non-merchant transactions
- Offline: Successful alliance strategies have enabled us to acquire more large retailers and increase payment volume

Online Payment



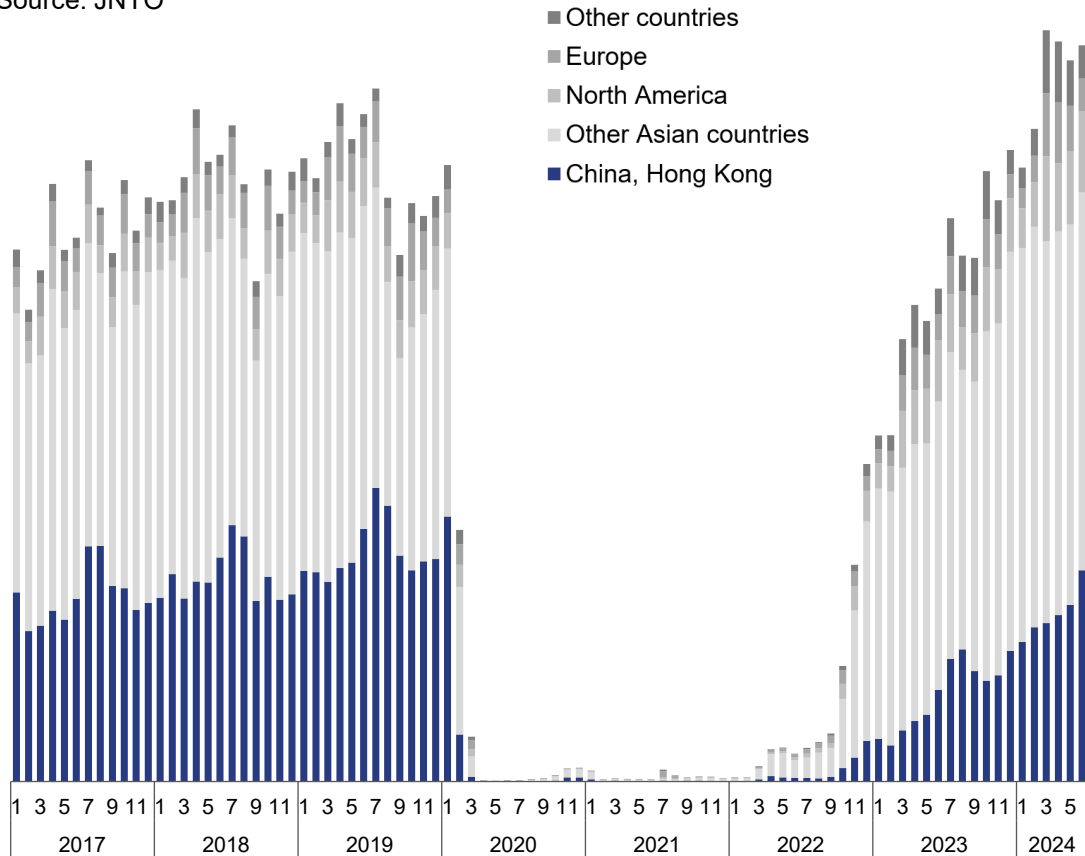
Offline Payment



- The number of foreign visitors to Japan recovered to pre-COVID levels; visitors from Greater China recovered to 2019 levels
- Alipay/WeChat Pay reached a record high in terms of payment transaction volume

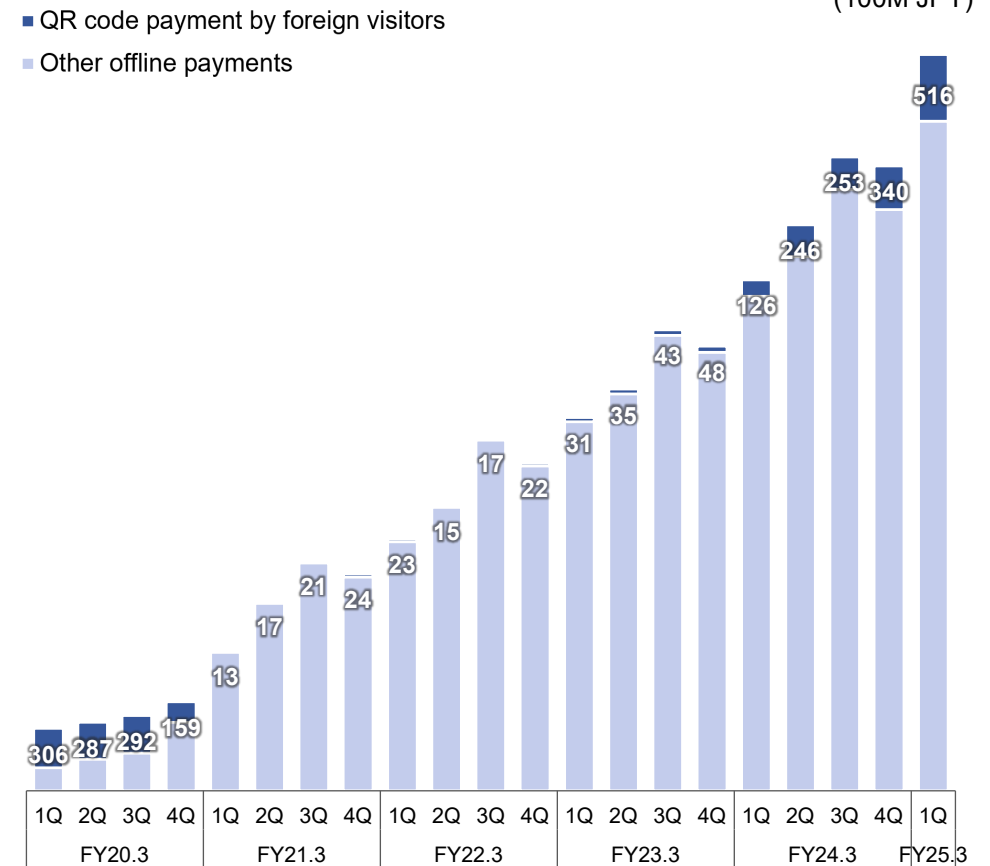
The Number of Foreign Visitors to Japan (by Area)

Source: JNTO



Offline Transaction Volume

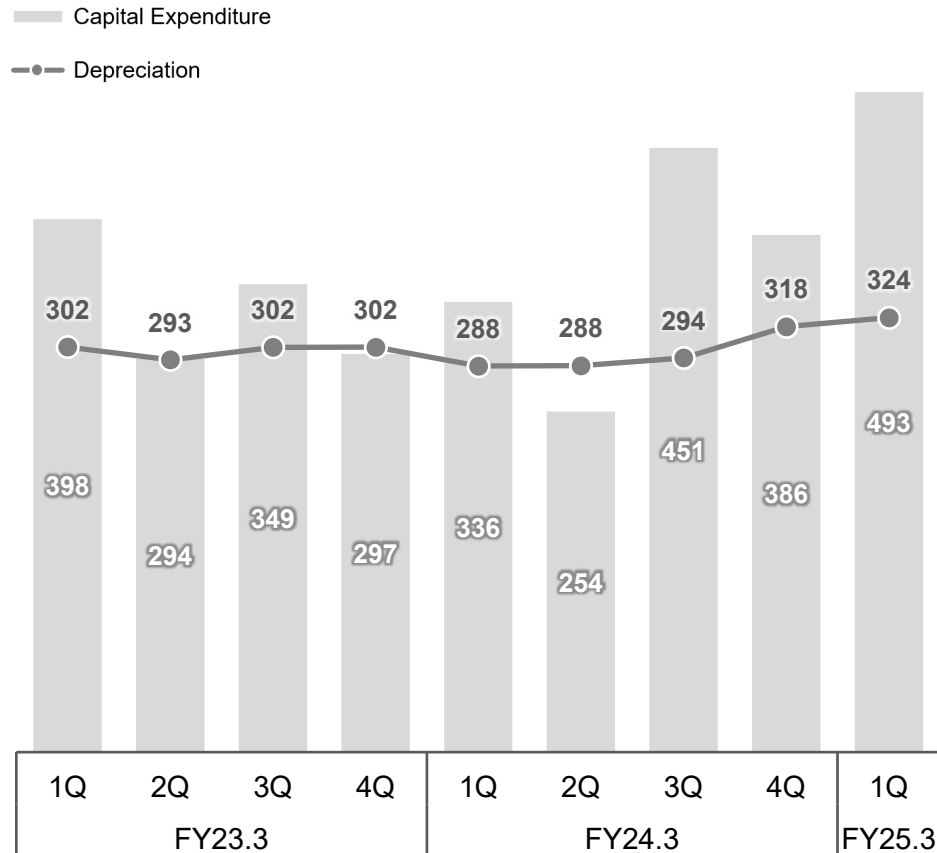
(100M JPY)



- Continuous investment in payment systems to ensure stable 24/7 & 365 days operation and robust security
- Fixed costs increasing gradually due to operational redundancies, and marginal profit margin expected to remain at current level

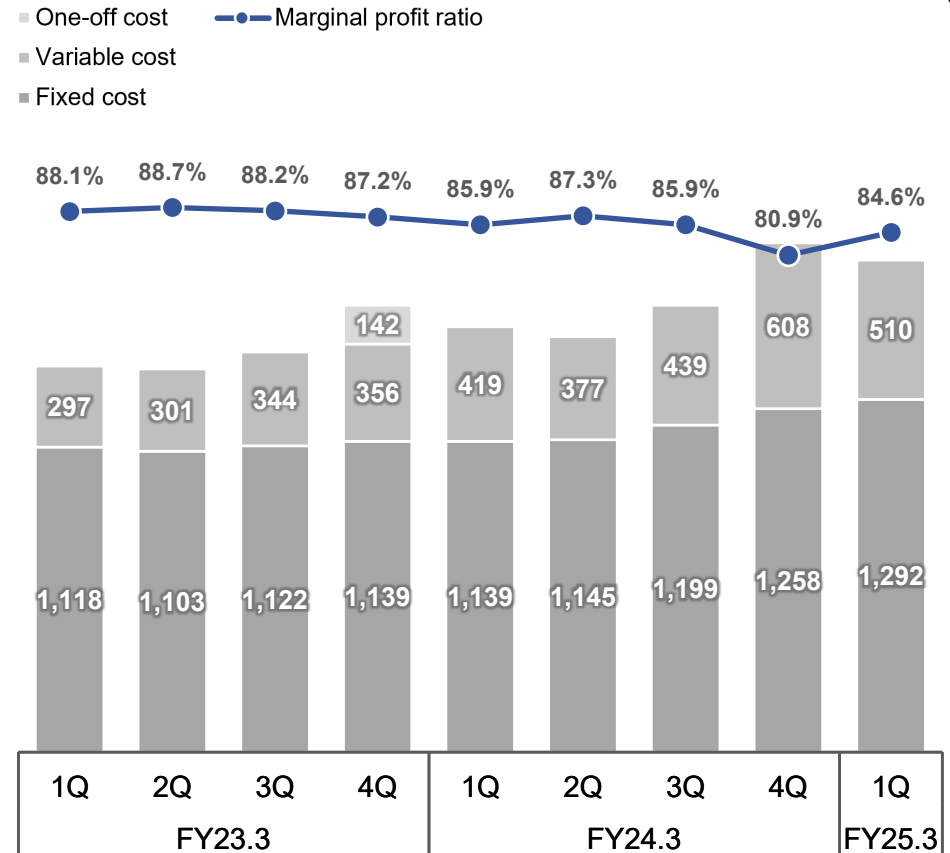
Payment-related Expenditures/Depreciation

(M JPY)



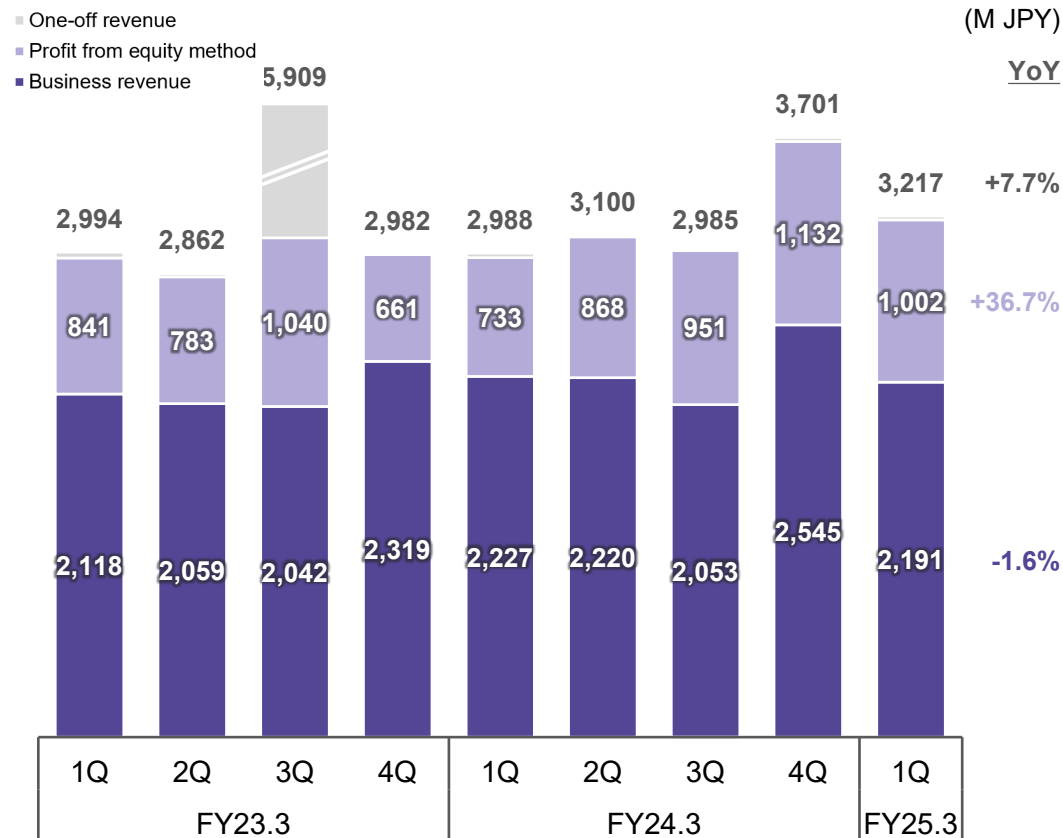
Payment-related Costs/Marginal Profit Ratio

(M JPY)

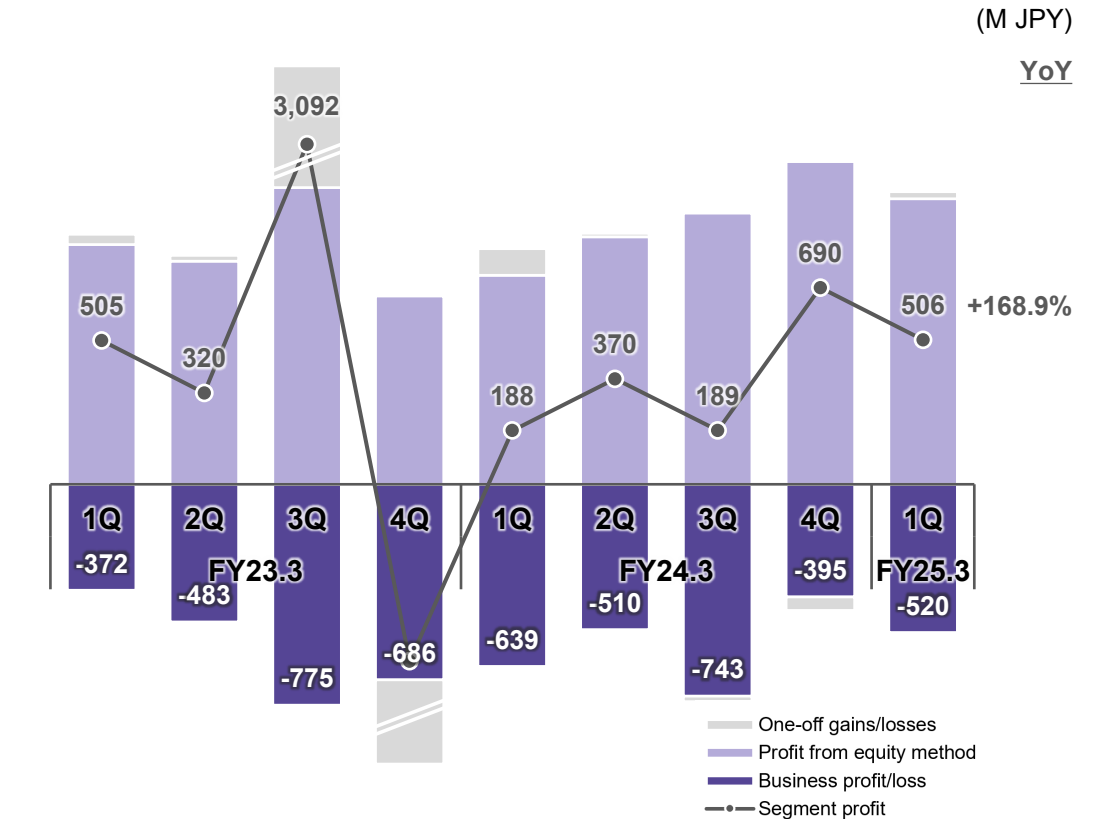


- Profit from the equity method investments increased +37% driven by Kakaku.com, while accelerating joint business development with a stronger collaboration initiative
- Continued upfront investment in new businesses linked to the payment business for the medium and long-term growth

Segment Revenue



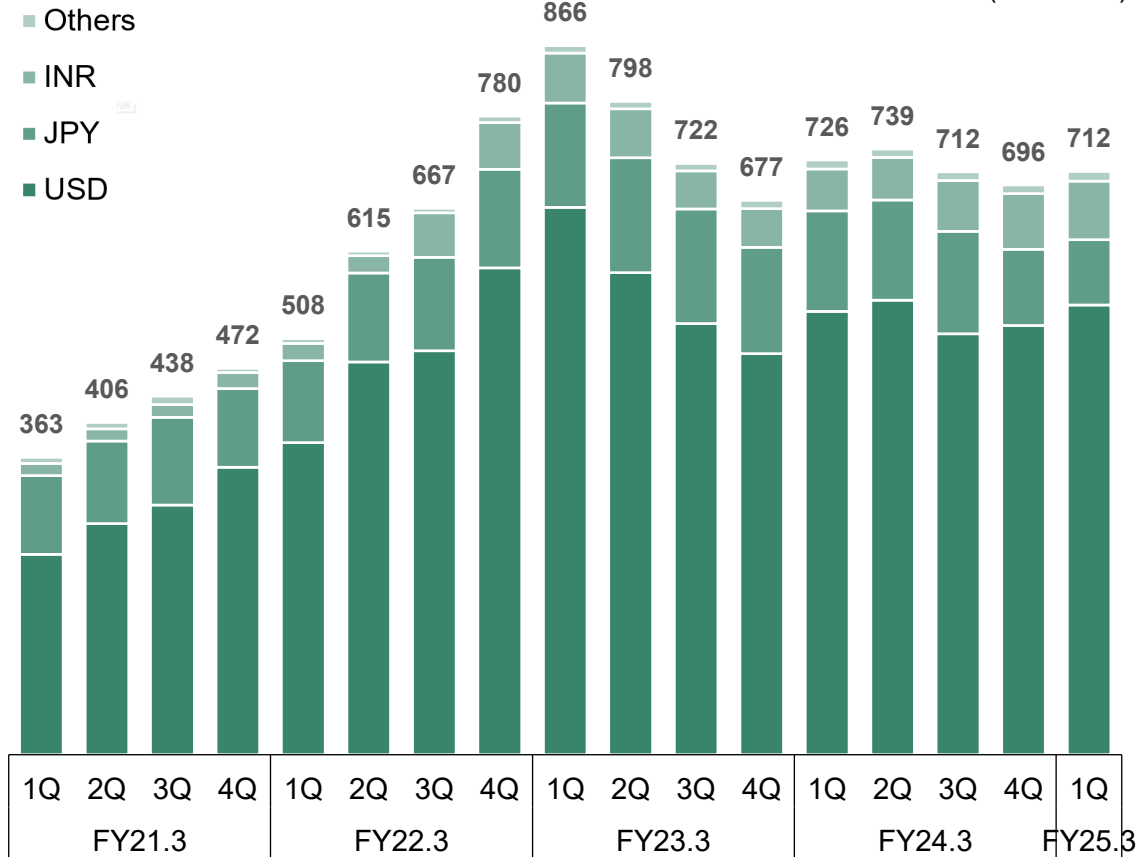
Segment Profit



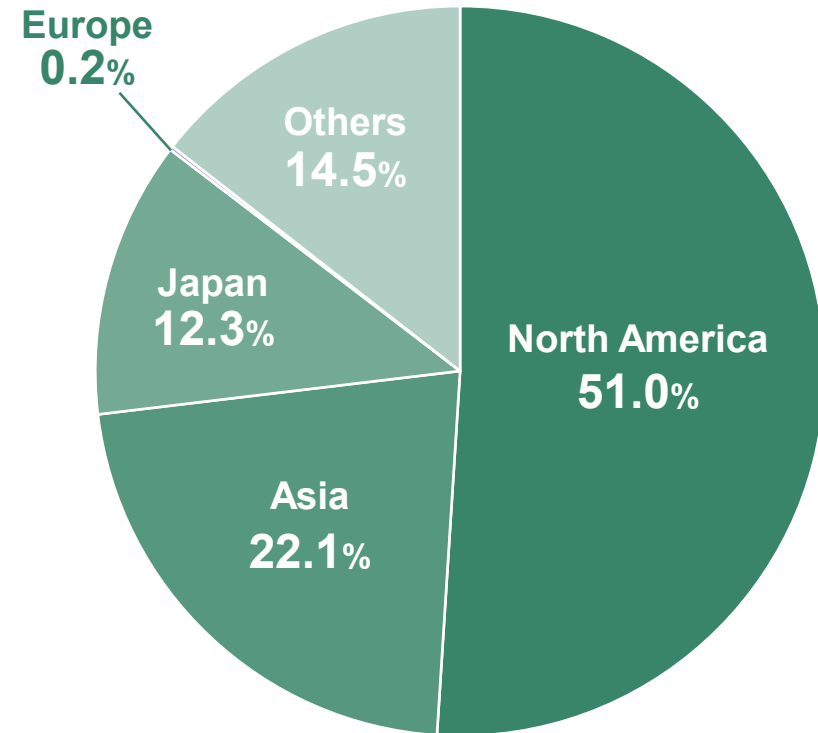
- In 1Q, JPY depreciation increased the fair value of operational investment securities denominated in foreign currencies
- The majority of the balance is invested in North America. Asia accounted for 20% and Japan for 12%

Operational Investment Securities (currency basis)

(100M JPY)

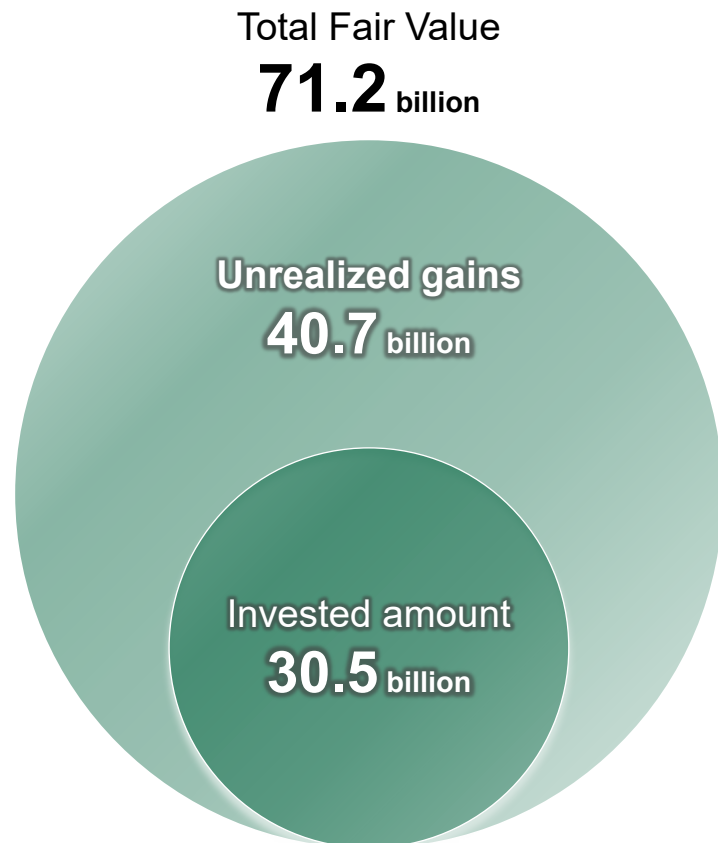


Investments by Area



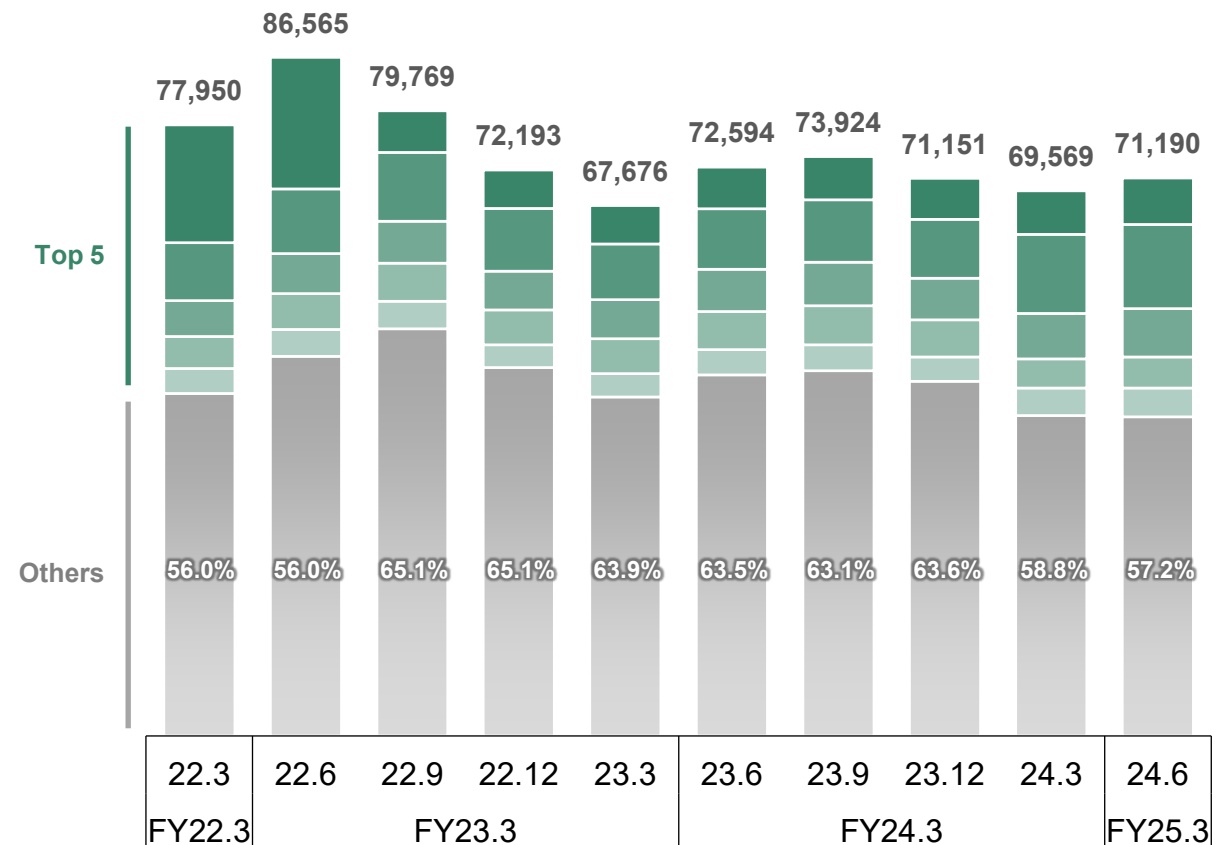
- Unrealized gains account for 50+% of the total fair value of operational investment securities as of June 30, 2024
- Diversified portfolio with 200+ startup and LP investments, primarily seed and early-stage companies

Breakdown



Balance of the Top 5 Companies in the Portfolio

(M JPY)



Consolidated Statement of Financial Position (IFRS)

JPY in Millions	End of FY24.3	FY25.3 1Q	Increase/Decrease	Reason for change / Remarks
Current assets	152,094	156,752	+4,658	
Cash and cash equivalents	49,571	57,846	+8,276	
Trade and other receivables	30,154	24,432	-5,721	Payment business-related items
Operational investment securities	69,569	71,190	+1,621	Exit and change in fair value of investee companies in GII segment (including FX effects) *See page 18
Non-current assets	79,337	84,337	+5,000	
Property, plant and equipment	14,990	14,907	-83	
Intangible assets	5,625	6,007	+382	
Investments accounted for using equity method	33,965	35,895	+1,930	Acquisition of 20% stake in Resona Kessai Service Co.,Ltd.
Other financial assets	14,974	17,002	+2,028	Increase in fair value of investee companies (including FX effects)
Total assets	231,431	241,089	+9,658	
Current liabilities	104,401	111,436	+7,035	
Bonds and borrowings	55,706	54,848	-859	
Trade and other payables	42,568	50,860	+8,291	Payment business-related items
Non-current liabilities	34,892	35,588	+696	
Bonds and borrowings	11,633	11,439	-194	
Other financial liabilities	7,426	7,069	-357	
Deferred tax liabilities	14,312	15,595	+1,283	
Total liabilities	139,293	147,024	+7,731	
Total equity attributable to owners of parent	89,251	91,178	+1,927	
Share capital	7,846	7,849	+3	
Capital surplus	5,385	5,439	+54	
Treasury shares	-975	-1,456	-481	
Other components of equity	1,613	2,691	+1,078	
Retained earnings	75,382	76,656	+1,274	
Non-controlling interests	2,887	2,887	+0	
Total equity	92,138	94,065	+1,928	

Reference Materials (2): Business Model

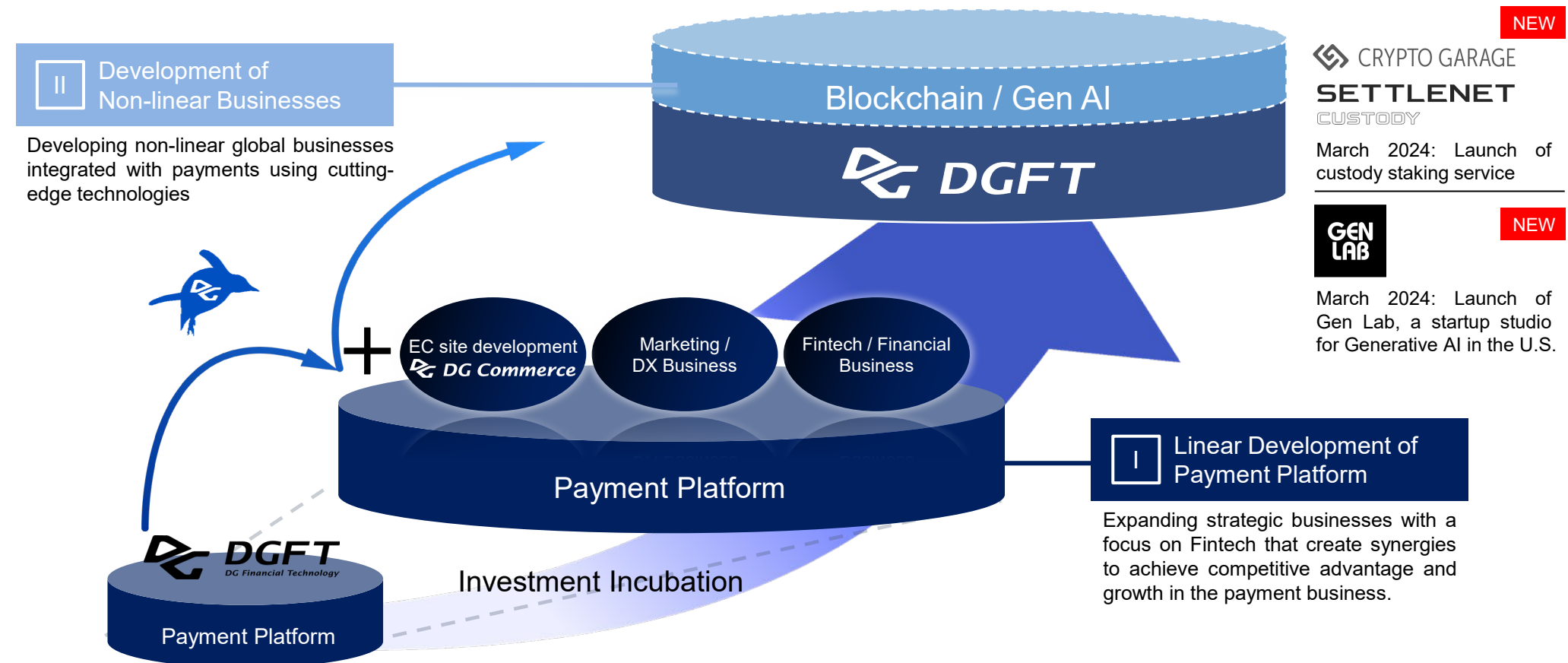


I Linear Development of Payment Platform

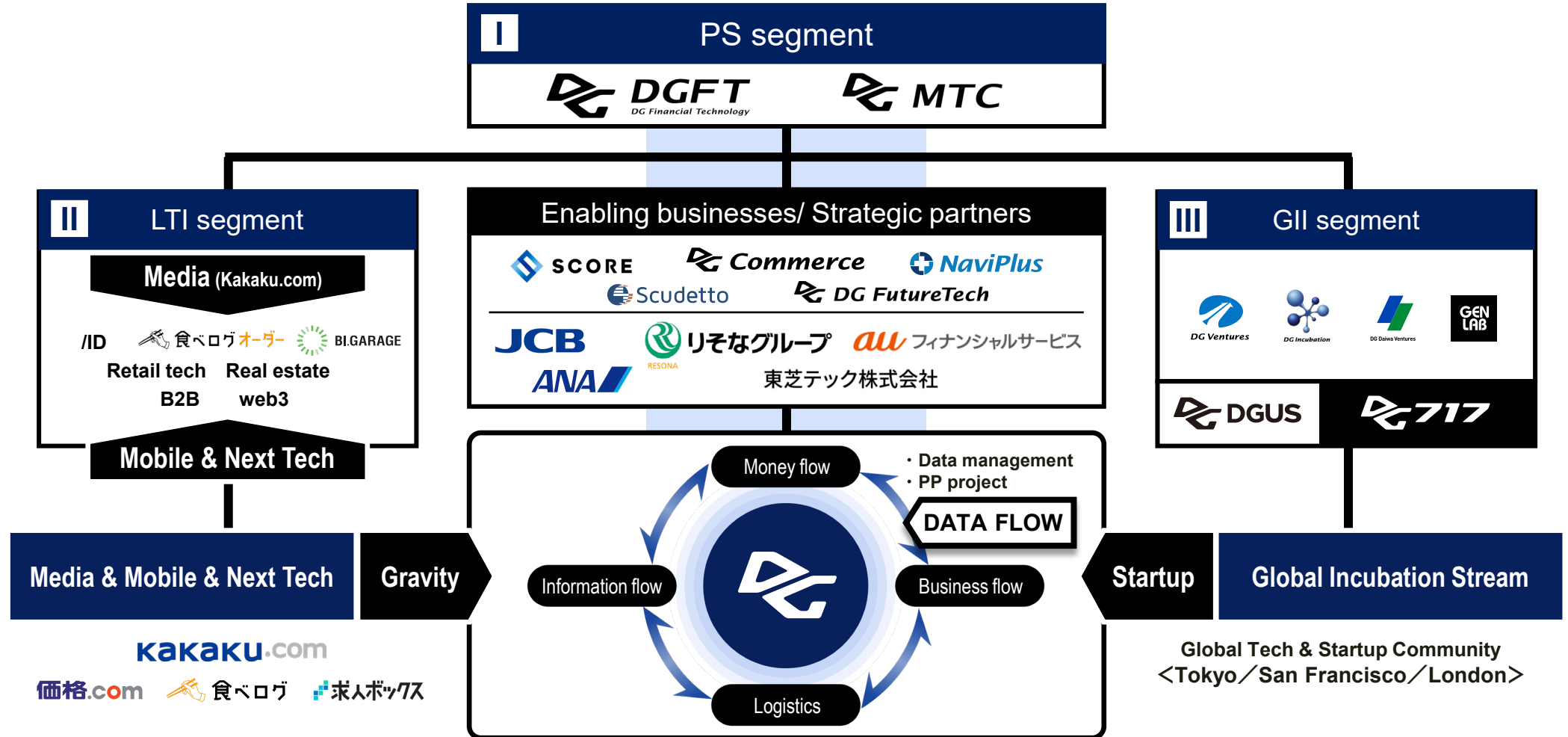
▶ Continue the "DG FinTech Shift" strategy for the payment platform and strengthen recurring revenues

II Development of Non-linear Businesses

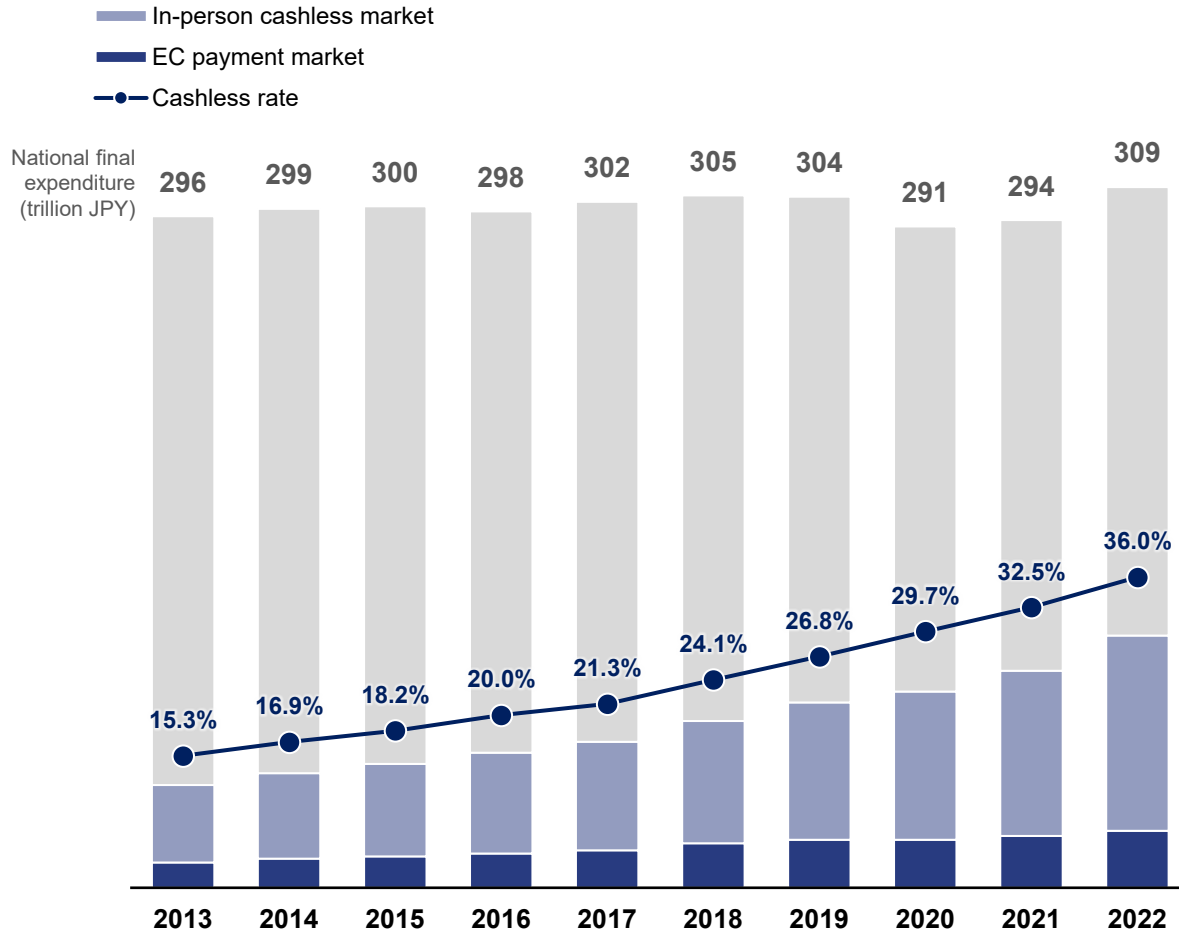
▶ Implement next-generation technologies into society / develop non-linear businesses through blockchain, Gen AI, etc.



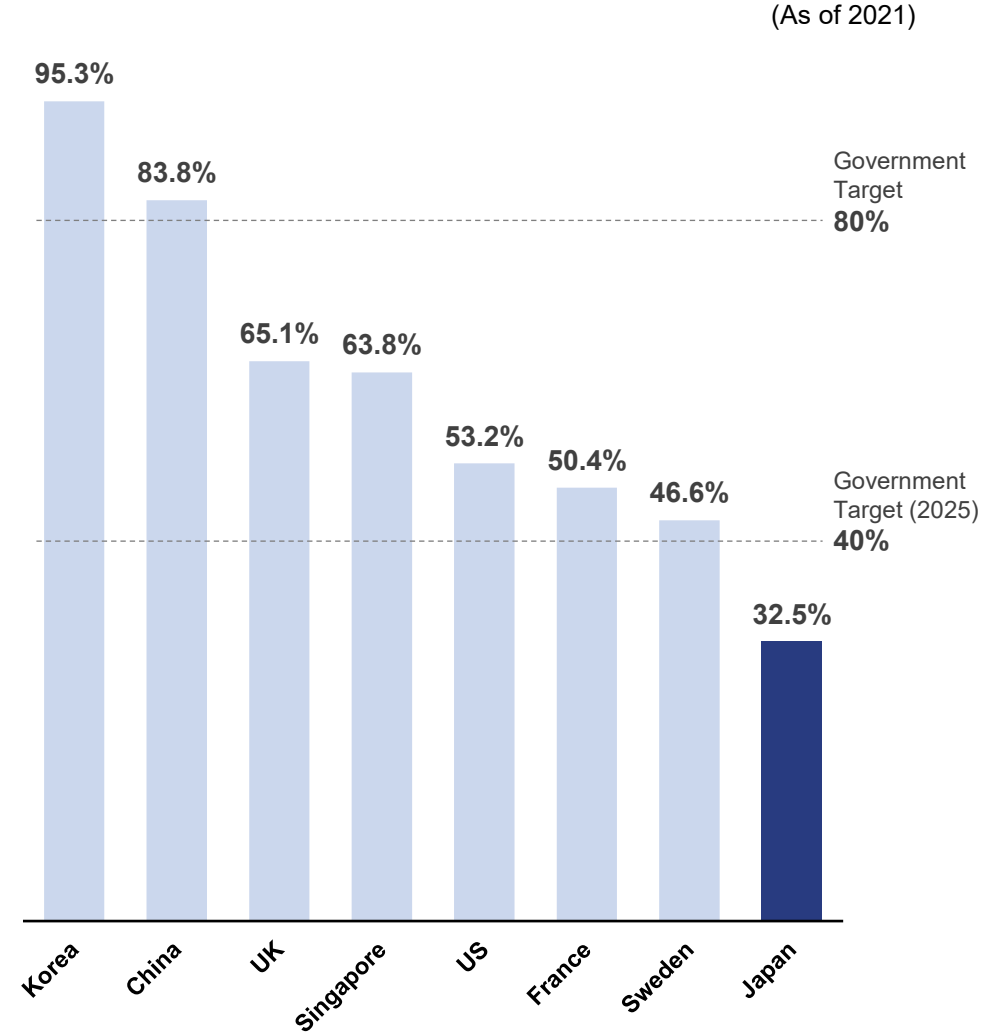
Grand Design of New Group Formations



Cashless Market Size

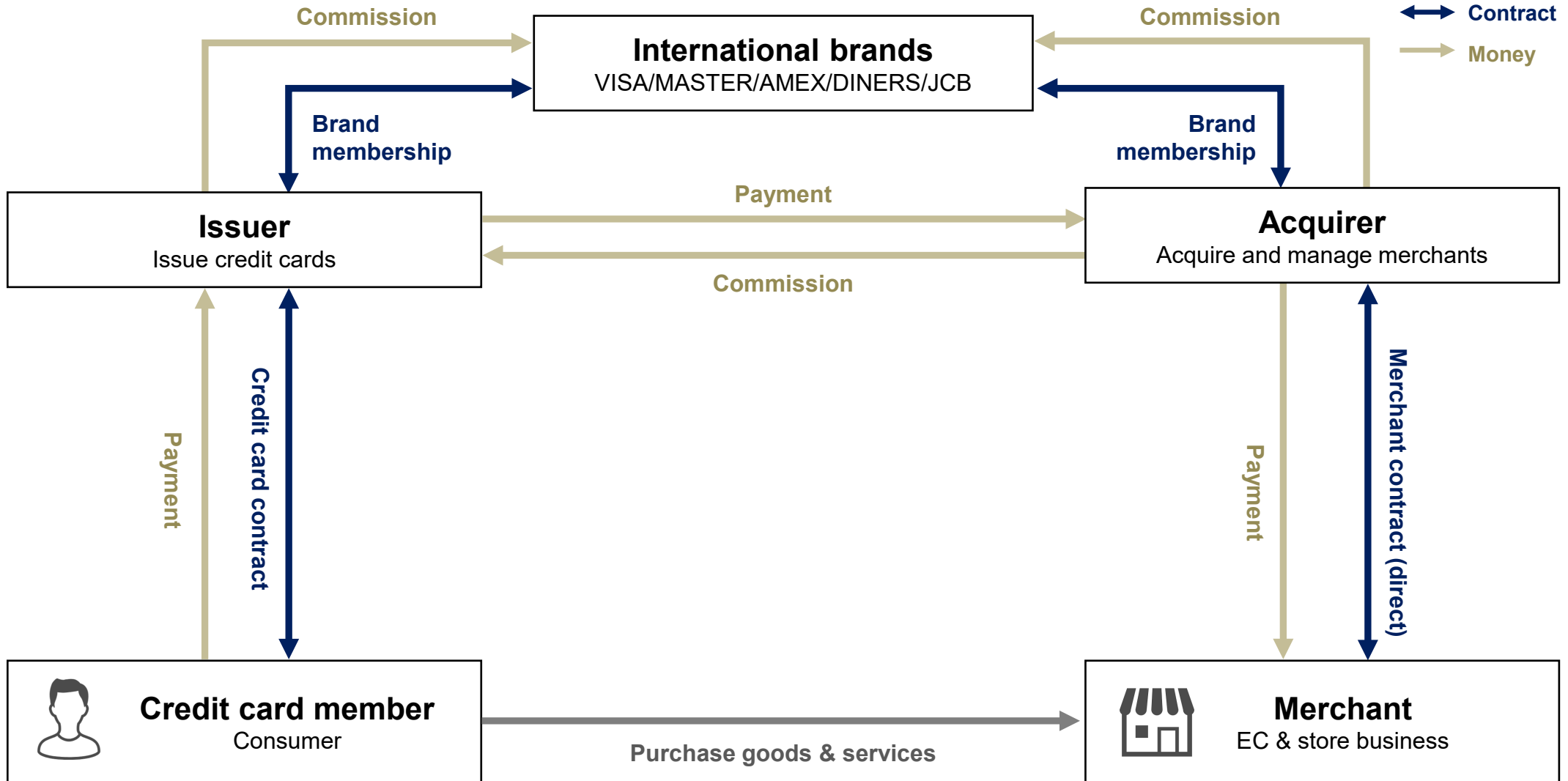


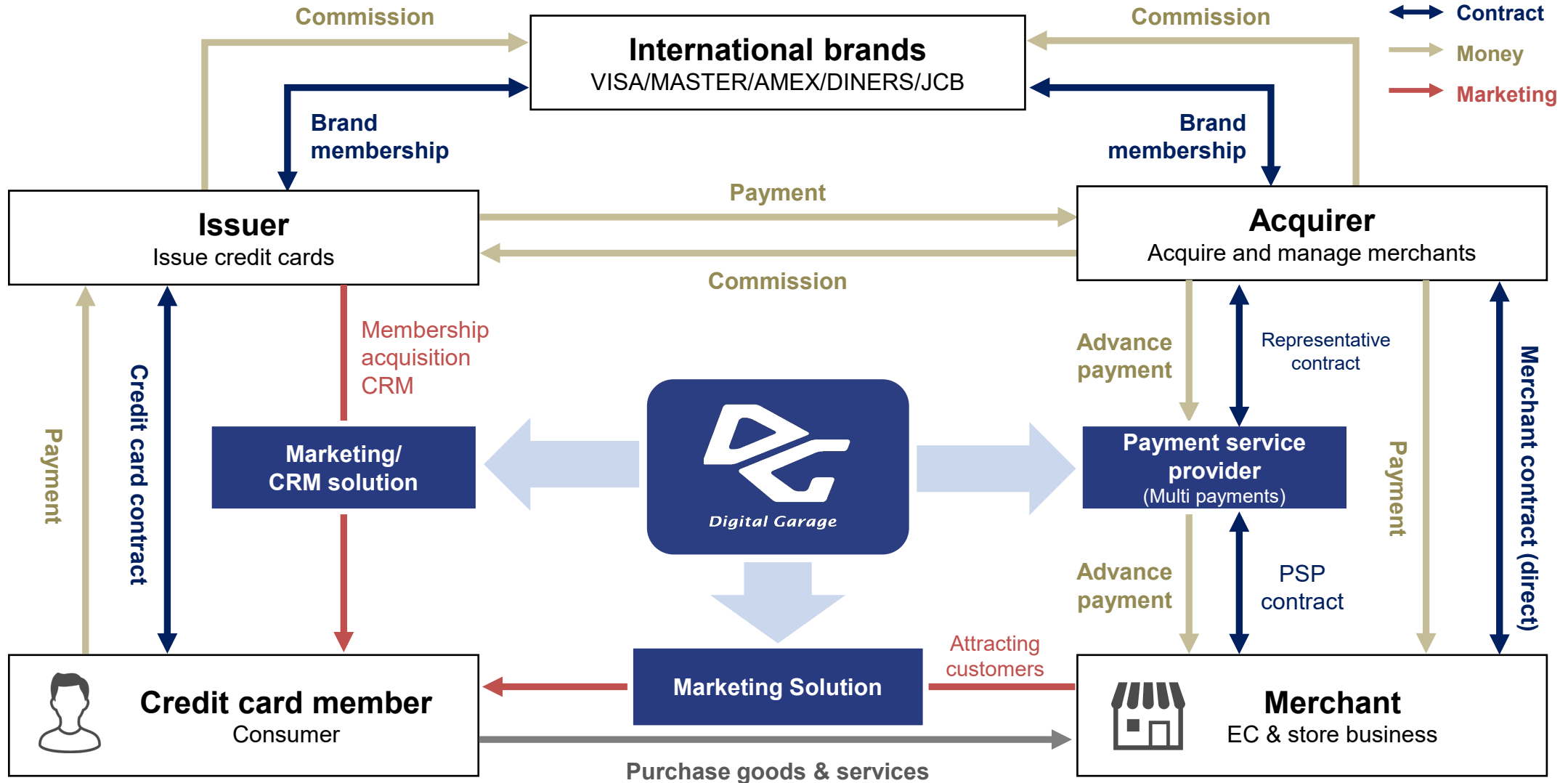
Cashless Rate by Country



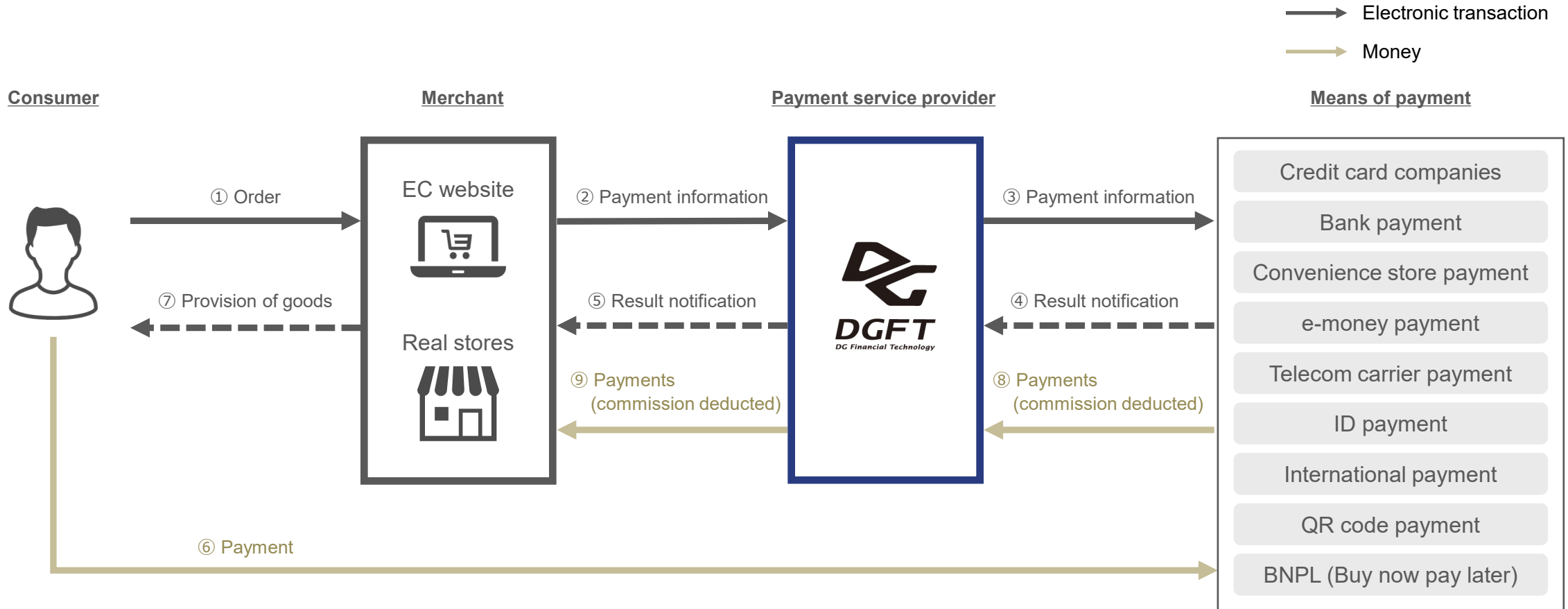
Source: Cabinet Office "Annual Report on National Accounts 2022"
METI "Market Survey on Electronic Commerce 2022"

METI "Cashless Roadmap 2023"
METI "Cashless Vision"

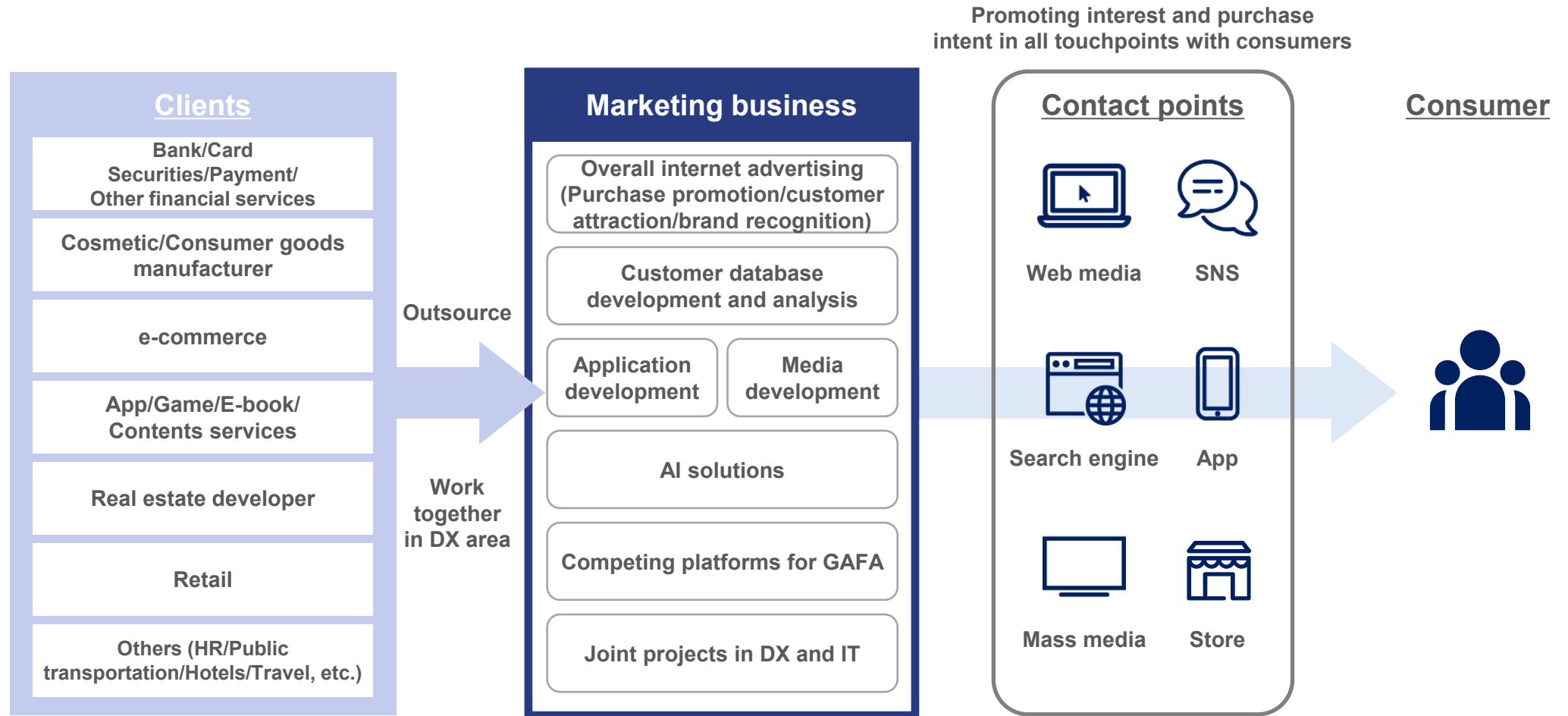




An intermediary service between merchants (EC & physical stores) and payment providers (credit card companies, convenience store, etc.), that enables the merchants to install a number of payment methods with a single contract



- Supporting clients' business growth through comprehensive digital marketing services
- Providing solutions utilizing CRM and data, and Fintech solutions linked to payment business



- Offering solutions for 40+ major payment methods, including credit card and convenience store payments
- Address the needs of clients with payment products designed for different industries and use cases

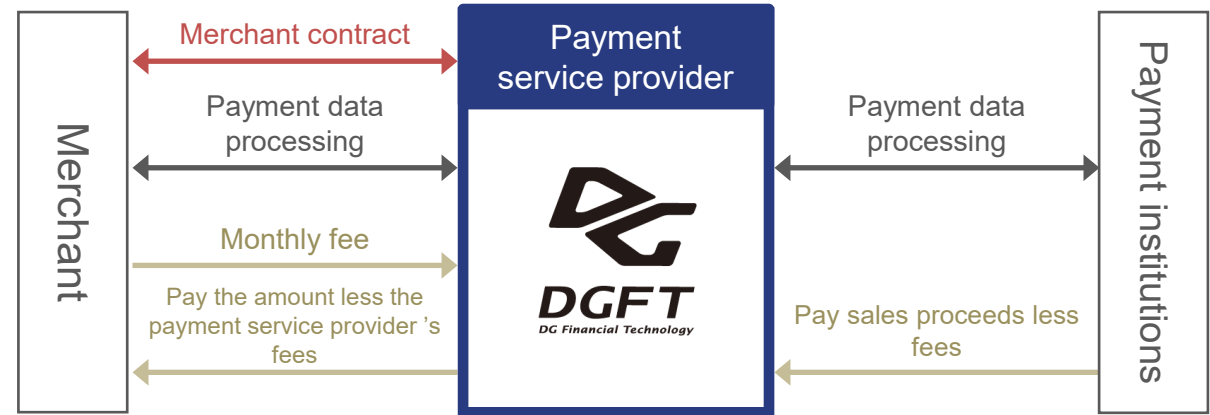
Payment Methods	
Credit Cards	JCB, VISA, Mastercard, American Express, Diners Club
Convenient Stores	SEVEN-ELEVEN, Lawson, FamilyMart, Seicomart, MINISTOP, Daily YAMAZAKI
ID/QR	au PAY, Amazon Pay, Bank Pay, J-Coin Pay, Rakuten Pay, d payment, LINE Pay, PayPay, Smart Code, merpay, FamiPay, Apple Pay, Google Pay, EPOS payment, COIN+
Carrier Payments	au Easy Payment, d payment, Softbank Payment
Banks	Pay-easy, Rakuten Bank, SBI Sumishin Net Bank, PayPay Bank
e-money	Rakuten Edy, Suica, nanaco, WAON
Overseas	Alipay, Alipay+, WeChat Pay, PayPal, Union Pay
Web Account Transfers	About 290 Financial institutions in Japan (Major banks, Internet banks, Local banks, and Shinkin banks)
Others	VeriTrans BNLP, Credit cards for multi-currency, Eikyufumetsu Point System

Major Payment Products		
<p>Multi-payment service for online merchants</p>	<p>Multi-QR Code payment service for offline merchants</p>	<p>QR Code multi-payment service for offline merchants</p>
<p>Account transfers over emails and cash receipt at Lawson stores</p>	<p>Payment services for hotels & hospitality industry, integrated reservation systems</p>	<p>Credit card payment solution for real estate industry (rents and initial fees)</p>
<p>Payment and financial solutions specifically designed for funerals</p>	<p>Credit card payment solution for telephone ordering</p>	<p>Payment solution to provide payment URLs by emails.</p>
<p>One-stop installation of ID Payment to PoS terminals</p>	<p>One-stop payment solution to manage both online and offline payments</p>	<p>Security solutions for fraud prevention and detection (ACI, ReD Shield, Sift, etc.)</p>

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 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

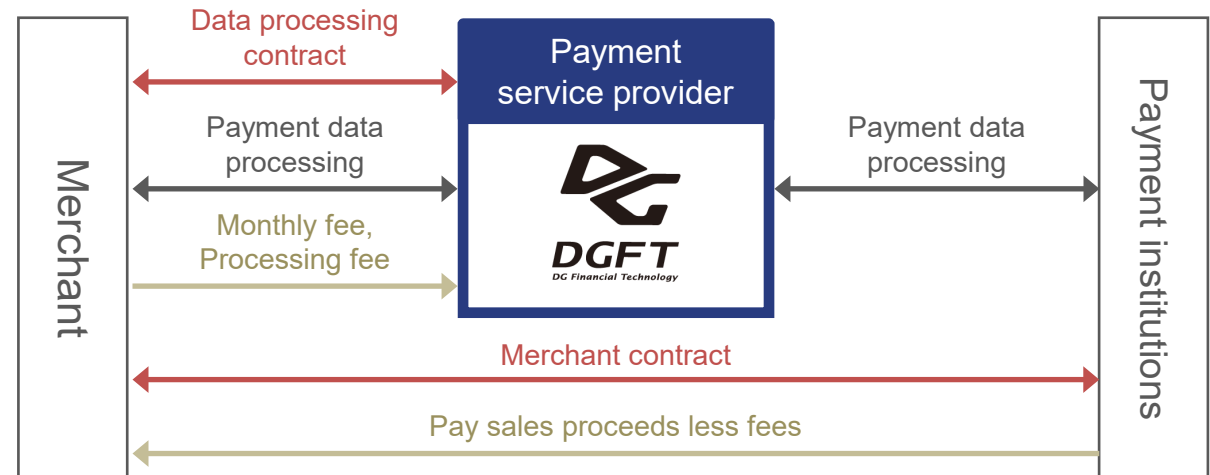


Payment data processing type (Direct contract)

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



Musubell, One of the Largest DX Platforms for Real Estate Transactions in Japan.

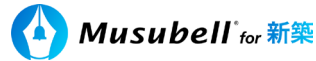
Entered the condominium management business to promote DX in the whole industry
Cooperating partners will be expanded in the coming years

Real Estate Transactions DX Business

+280% increase in the number of installed locations of real estate operators compared to August 2023

Services

for New Condominiums



for Real Estate Agent



for Property Survey



Track Record

Installed locations	420
Electronic contracts	8,665 (total for FY24.3)
Real estate agency users	1,700

Real estate service expansion



Musubell

DX Engagement Platform providing services to streamline overall sales and management operations with electronic real estate contracts.

Service expansion through Open Innovation

Condominium Management DX

New service launched in March 2024
Promoting DX of the entire condominium management operations



Musubell for 管理

- Promoting the use of IT in business processes with stakeholders including brokers and outsourcing companies
- Aiming to solve social issues such as the shortage of management staff

Musubell Partner Program

Started showing tentative mortgage loan approval results



住宅ローン事前審査一括申込サービス

SmartEntryTab

- Connected to Toppan Edge's Mortgage Provisional Loan Screening Service
- Results of provisional screening by financial institutions can be confirmed within Musubell

Promoting Payment Business for B2B Payment Market, which is Larger than the B2C Market

Aiming to build a B2B Fintech Gateway to provide financial and data services for businesses

Business Overview

Customer Value

A service that allows corporations to pay their bills for purchases, etc. by credit card

- (1) Improved cash flow (payment due extended for up to 60 days)
- (2) Simpler billing/payment processes with DX

Service Channel

Partnerships with corporate card issuers and B2B SaaS providers in addition to our own channel

- (1) Own channel
- (2) Partnership channel through our system OEMs, etc.

Partner Channels (Example)

Corporate Card Issuers



SaaS Providers



Market Size*

B2C Payment

Approx. 300 trillion yen

Approx. 5x

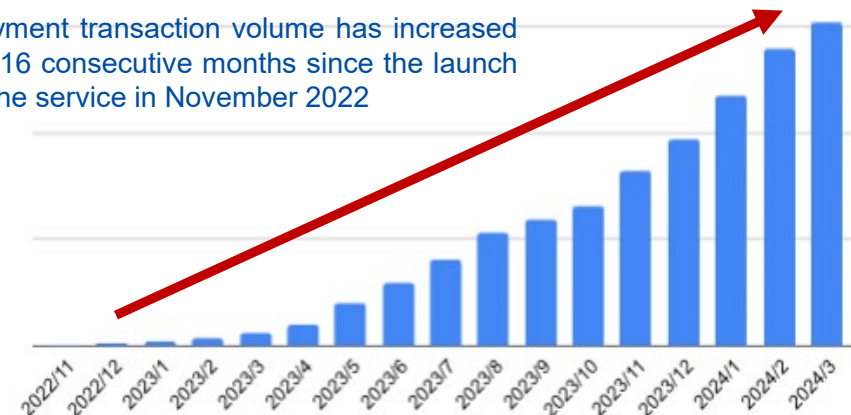
B2B Payment

Approx. 1,500 trillion yen

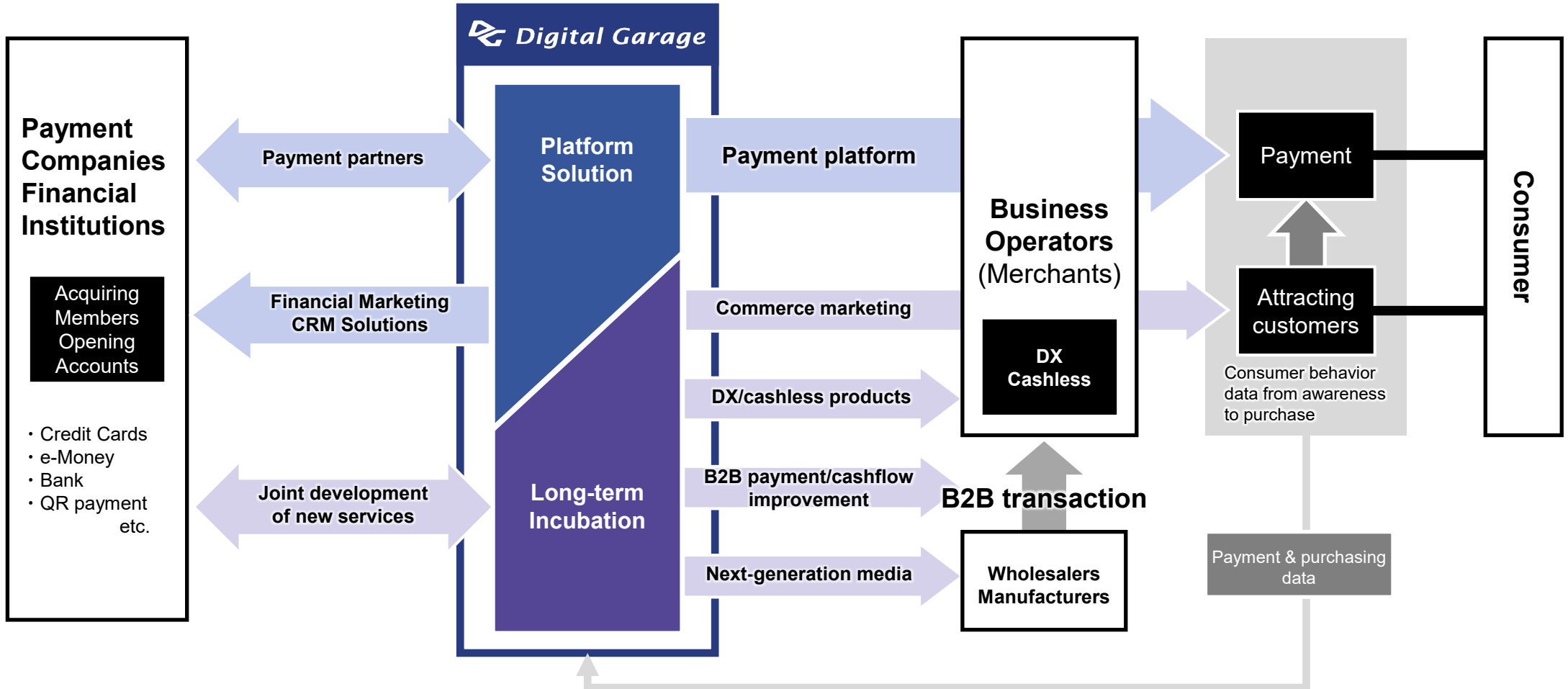
* Estimated based on corporate statistics, etc.

Traction

Payment transaction volume has increased for 16 consecutive months since the launch of the service in November 2022

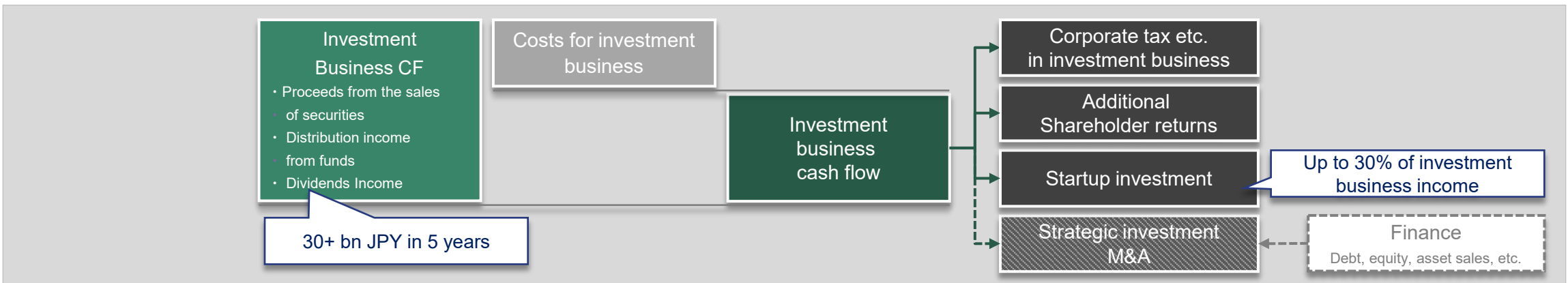
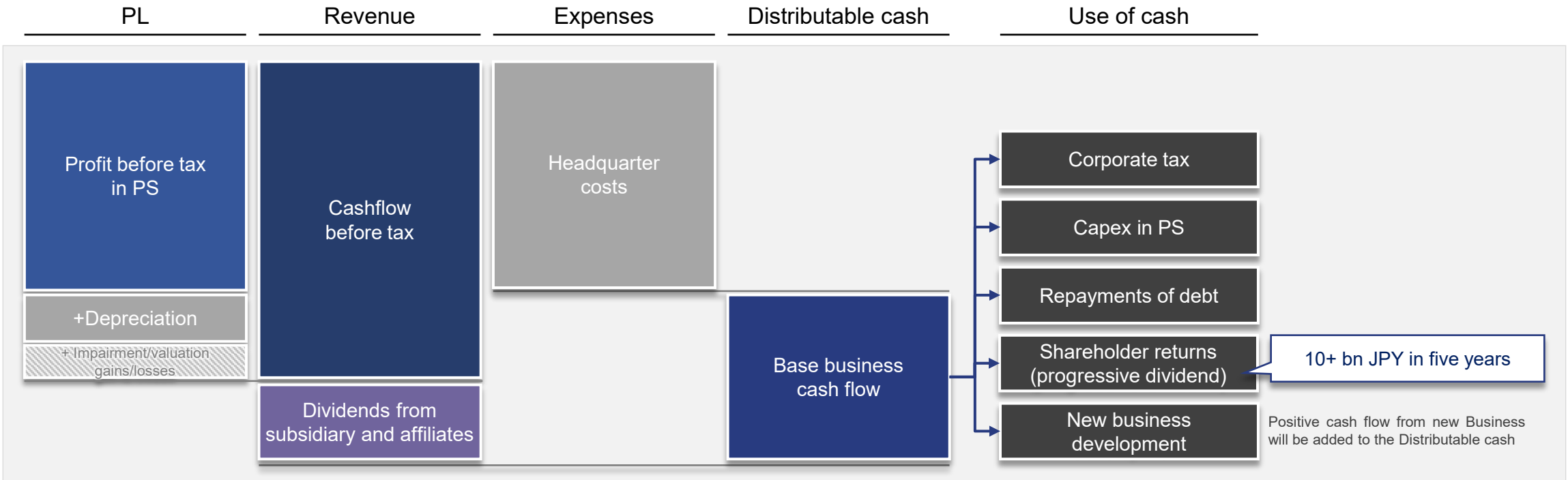


- Stable platform that continuously generates consistent revenues, mainly from payments
- Creating multi-layered revenue opportunities with existing businesses and DX/ Fintech/ Next-generation media, etc.



Reference Materials (3): Cashflow Allocation / Shareholder Return

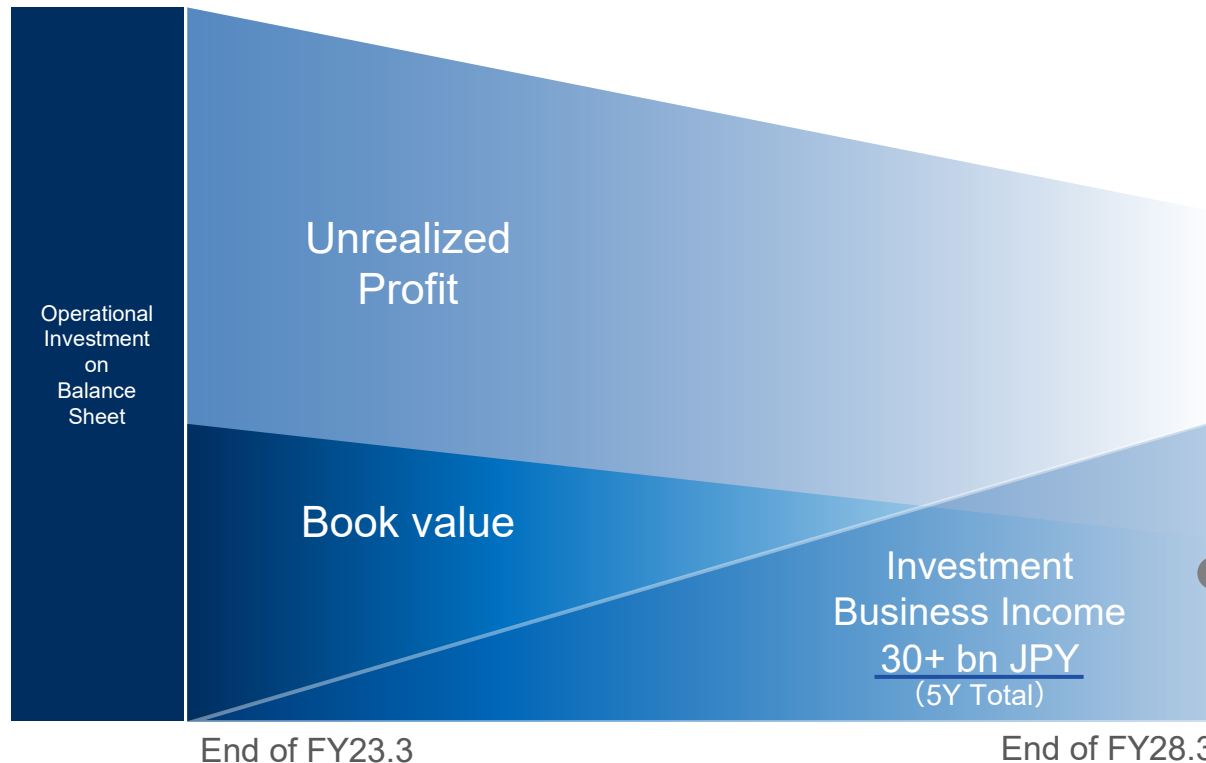




- Promote the sales of shares directly held by DG to generate investment EXIT income (proceeds from sales, etc.)
- Carefully select new investments, and plan for investing through funds for income purposes to diminish the balance
- Clarify the use of investment EXIT income and make strategic decisions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

5Y Picture of Direct Investment and Income from Sales

70 B JPY



Usage of Investment EXIT Cash Flow



Policy

Distributable resources

Stable
dividend

Long-term stable dividends on a progressive dividend basis

Accelerating
dividend
increase

Increasing dividend growth rate by launching new businesses

Additional
Return

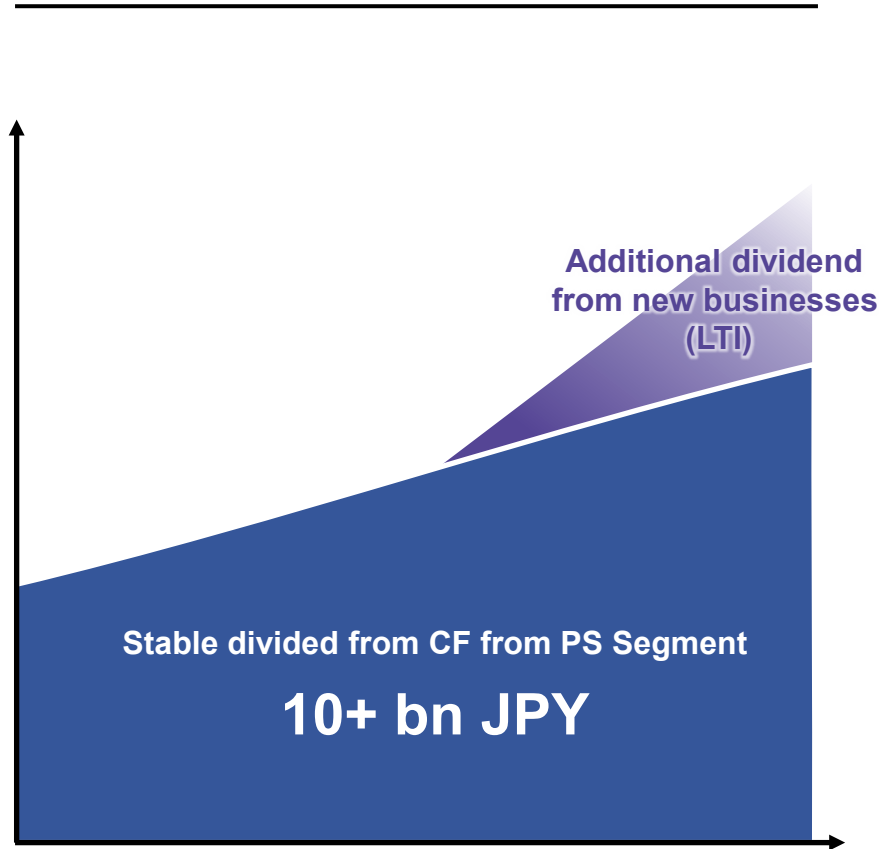
Special dividends/share buybacks based on portfolio sales progress

Base Business
Cashflow

Income from sales/distributions in the investment business

- Dividends Policy: Progressive dividend based on PS cash flow & additional dividends by cashflow from new business
- Consider additional returns (special dividends, share buy-back) from CF from the investment business as active options

Shareholder Return by Base Business CF



FY24.3 ——— Medium-term Plan ———> FY28.3

Shareholder Return Policy

Additional Return from Investment CF	Investment for growth or additional shareholder returns will be determined, considering business environment and investment opportunities	
Base Business CF	2 nd Layer (New businesses)	Aim to increase dividends by generating cash flow through launch of strategic businesses
	1 st layer (PS)	Plan to pay progressive dividends from cash flow of PS Segment, which is expected as continuous profit growth
		Dividend payout ratio 30+%



Digital Garage Group

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