



November 7, 2024

To whom it may concern

Company: Digital Garage, Inc.
Representative: Kaoru Hayashi,
Representative Director,
President Executive Officer and Group CEO
Code: 4819 (TSE, Prime Section)
Contact: Hiroyuki Nozaki,
Corporate Officer, Deputy Head of Corporate Div.
Tel: +81-3-6367-1111
URL: <https://ir.garage.co.jp/en/>

Notice regarding Valuation Loss on Securities

Digital Garage, Inc. (the "Company") hereby announces that in the second quarter of the consolidated fiscal year ending March 2025 (July 1, 2024 to September 30, 2024), the Company recorded a valuation loss on securities.

1. Details

In the second quarter of the fiscal year ending March 2025, the Company recorded a valuation loss on securities due to a significant decline in the fair value of the Group's investment in Blockstream Corporation Inc. at the end of September 2024.

2. Impact on Financial Results and Future Outlook

As a result, 5,781 million yen of "Loss on operational investment securities" and 4,751 million yen of "Finance costs" were recorded in the consolidated financial results (IFRS) for the second quarter of the fiscal year ending March 2025. In addition, 1,074 million yen of "Loss on valuation of investment securities" was recorded as an extraordinary loss in the non-consolidated financial results (J-GAAP).

For details of consolidated financial results for the second quarter of the fiscal year ending March 2025, please refer to the "Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on IFRS)" and "Financial Report for the Second Quarter of the Fiscal Year Ending March 2025" released today.