

Financial Report

3Q of FYE March 2025



2025.2.10

I. Introduction





PURPOSE

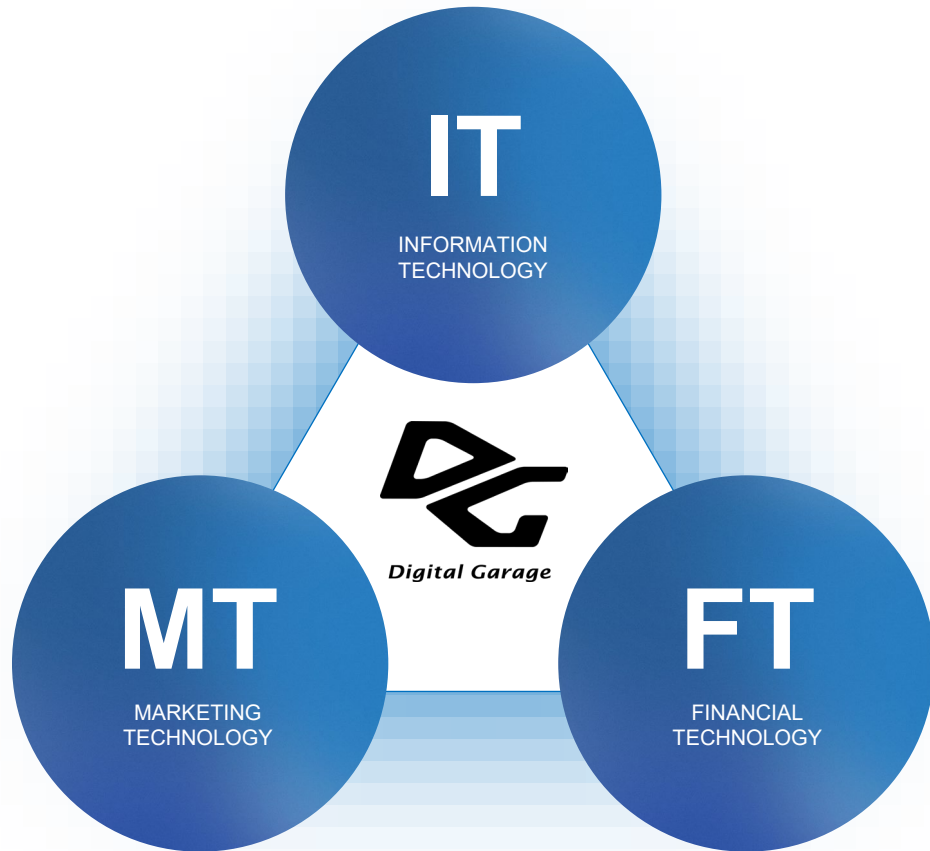
Designing 'New Context' for a sustainable society
with technology

<VALUES>

First Penguin Spirit

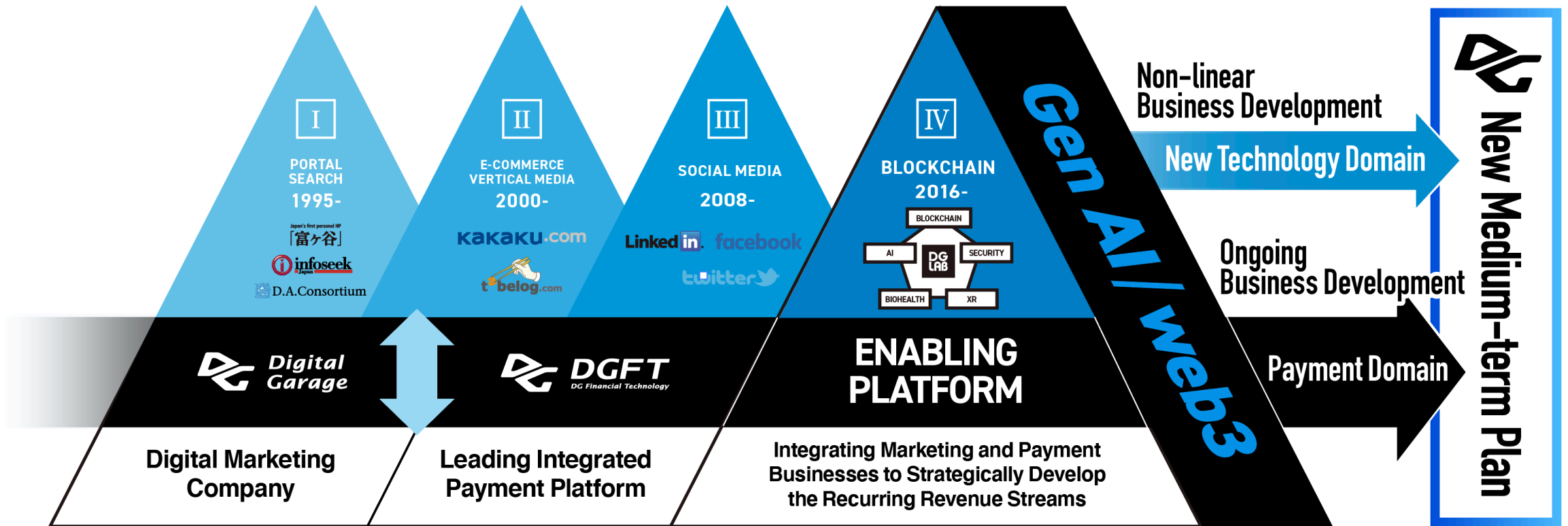
<CORPORATE SLOGAN>

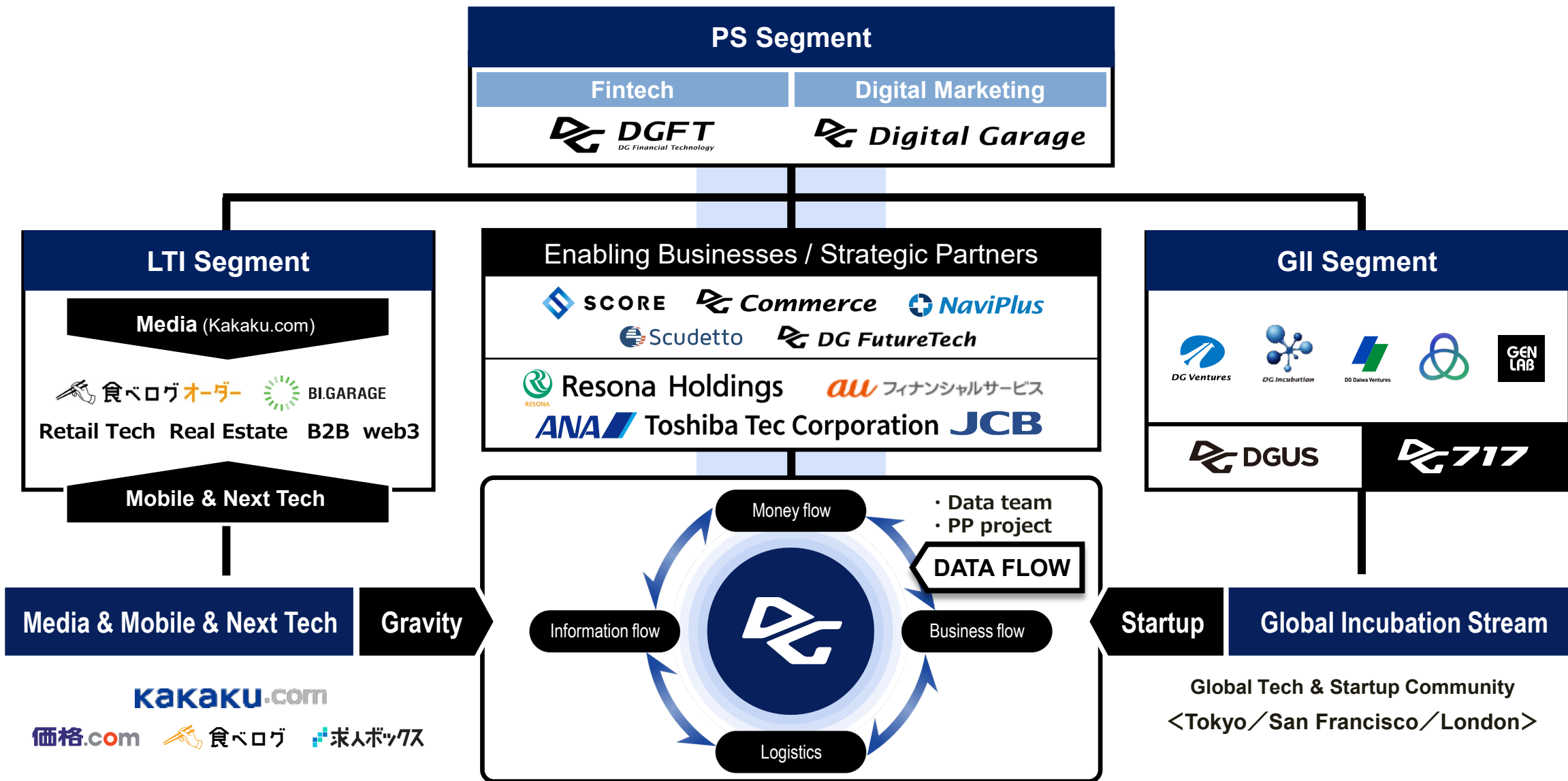
New Context Designer DG



By connecting 3 different technologies in context, Digital Garage has built a structure that captures technological evolution and achieves continuous business growth

Since its establishment in 1995, DG has been developing the latest internet business deploying cutting-edge technologies based on marketing and payment. Our next generation focus will be on Gen AI / web3, etc.





5-year Target

Growth Rate of Pre-tax Profit

5Y CAGR **20** % **Over***

Payment Transaction Volume

FY28.3 **15+** tn JPY

Investment Business Income

5Y Total **30+** bn JPY

Shareholder Return

5Y ordinary dividends **10+** bn JPY

Initiatives

- Diversifying topline by expanding payment monetization through our strategic business groups, acquiring SaaS-based revenues, and collaborating with Kakaku.com, Inc.
- Expansion of peripheral businesses (enabling businesses) centered on payments
- Accelerating GMV growth through collaboration with specialized alliance partners, including Resona Group, KDDI Group, JCB, and Toshiba Tec Corporation
- Expanding the offline payment domain with the “Cloud Pay” unified QR code payment solution
- Making progress to move investments off balance sheet by transferring portfolio to joint fund with Resona Group (10 bn JPY)
- Aiming to achieve the Medium-term plan target ahead of schedule
- Progressive dividend policy driven by sustainable growth in the payment business
- Increasing ordinary dividend growth rate with the acceleration of strategic businesses
- Proactive stance towards using investment business income for additional shareholder returns (9 bn JPY of share buyback completed in 2 years)

*Excluding investment business and equity-method profit from Kakaku.com, Inc.

Strategy and progress towards FY25.3 guidance: “+20% payment business profit growth” & “+20-25% PS segment profit growth”

1 Telecom

Business Alliance with au Financial Service of KDDI Group

- **System development** underway to provide high quality payment services to **the au economic zone**

2 Financial

Strengthen the Capital & Business Alliance with Resona Group

- Established integrated sales for **payment services** to enhance sales in Kansai region, in addition to metropolitan area

3 Group Media

Promotion of Group Business in Strategic Sectors with Kakaku.com, Inc

- Collaborative efforts made progress in the “**Tabelog**” **inbound reservation** & payment transaction increase in travel domain

4 Offline Payment

Cloud Pay, a unified QR code payment solution, has been installed in Square

- **Patented “Cloud Pay”** has been installed in Square, initiating **terminal-free payment service “Cloud Pay Neo”**

5 Value-chain Enhancement

Following SCORE, DG Commerce became a wholly-owned subsidiary, & Pocket Change joined the group

- **Strengthening BNPL services and EC business** and promoting **payments and DX utilizing proprietary electronic money**

6 Development Enhancement

M&A of competent system company to expand development resources

- 100+ engineers joined the group, **accelerating capability for in-house new business development**

* Completed as of January 31, 2025

————— Corporate actions during the relevant quarter

II. Consolidated Financial Highlights



3Q YTD

On track for achieving full year profit growth target of +20% in PS segment

PS	Payment txn volume: +22%	<u>Payment transaction volume in 3Q alone exceeded 2 tn JPY</u> , driven by the Square partnership
	Profit before tax: +17%	On track for full year profit growth target of +20%, with <u>+23% profit growth in 3Q alone</u>
LTI	Equity-method profit: +22%	Driven by Kakaku.com Inc. with its strong Tabelog & recruitment media
GII	Investment business income: ¥4.1 bn	Made progress in <u>moving investments off-balance sheet</u> by shifting towards fund-type investment

Segment Highlight

PS: Strategic alliances and QR code payment expansion for medium to long-term growth

- Promoted collaboration with KDDI Group and strengthened operations in the Kansai region through alliance with Resona Group
- Expanding offline payment transaction volume with Cloud Pay, a unified QR code payment solution

LTI: Multiple new businesses transitioning from the launch phase to the growth phase

- Transaction growth in AppPay, an out of app payment service launched last year to coincide with so-called new smartphone law
- Pocket Change, a Major Proprietary E-money Issuer, joined the Group

GII: Aiming to achieve the medium-term investment business income target of ¥30 bn ahead of plan

- Shifting from on-balance sheet investments to fund-type investments to reduce the consolidated earnings volatility

Consolidated Financial Highlights – Segment Profit (YTD)

Unit: M JPY	FY24.3 3Q YTD	FY25.3 3Q YTD	Difference	% change	Summary
Consolidated profit before tax	6,136	-7,592	-13,728	-	<ul style="list-style-type: none"> Consolidated loss recorded due to Blockstream valuation loss in 2Q PS & LTI performance in line with plan, on track for full-year guidance
PS	5,491	6,421	+930	+16.9%	<ul style="list-style-type: none"> +23% profit increase in 3Q alone, as previous year's 3Q churn impact subsides
Payment	4,339	5,115	+776	+17.9%	<ul style="list-style-type: none"> Payment transaction volume increased 22% YTD, driven by strong performance in General retail and Travel sectors Payment transaction volume attributable to Square merchants also expanded steadily
Marketing	1,168	1,377	+210	+18.0%	<ul style="list-style-type: none"> Profit was weighted to the second half as expected, and transactions with financial clients increased
LTI	747	1,583	+837	+112.0%	<ul style="list-style-type: none"> Equity-method profit increased driven by Kakaku.com New businesses that are now on a growth track posted smaller losses. LTI segment also contributed to payment transaction volume in PS segment.
GII	2,996	-6,539	-9,535	-	<ul style="list-style-type: none"> Despite the valuation loss on Blockstream in 2Q, other investment portfolios remained stable Continued to move investments off balance sheet by shifting to fund-type investments
Headquarters/ adjustments	-3,098	-9,057	-5,959	-	<ul style="list-style-type: none"> Impact of valuation loss on Blockstream securities held by headquarters recognized in 2Q

Basic business profit

Basic business profit showed stable +6% growth, excluding investment business and one-time gains/losses

Payment transaction volume

“Offline” growth driven by General retail with strong inbound consumption; “Online” continued double-digit growth

Investment business income

¥4.1 bn cash-in due to progress in portfolio transfer to a joint fund with Resona Group and other initiatives

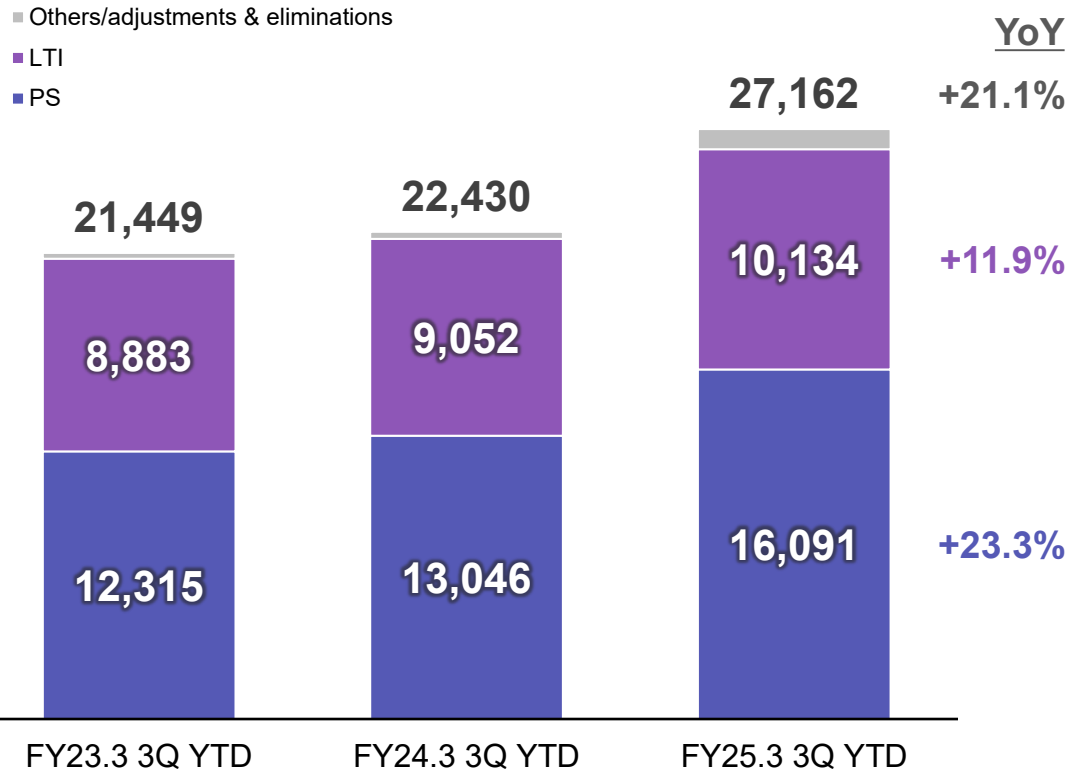
	Unit	FY24.3 3Q YTD	FY25.3 3Q YTD	Difference	% Change
Basic Business Profit	M JPY	2,616	3,100	+484	+18.5%
Transaction Volume	bn JPY	4,580.5	5,598.9	+1,018.4	+22.2%
Online Payment	bn JPY	3,250.5	3,738.1	+487.6	+15.0%
Offline Payment	bn JPY	1,330.0	1,860.8	+530.8	+39.9%
Investment-related KPIs					
Investment Business Income *1	M JPY	2,795	4,061	+1,266	-
New Investment *2	M JPY	948	601	-347	-

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

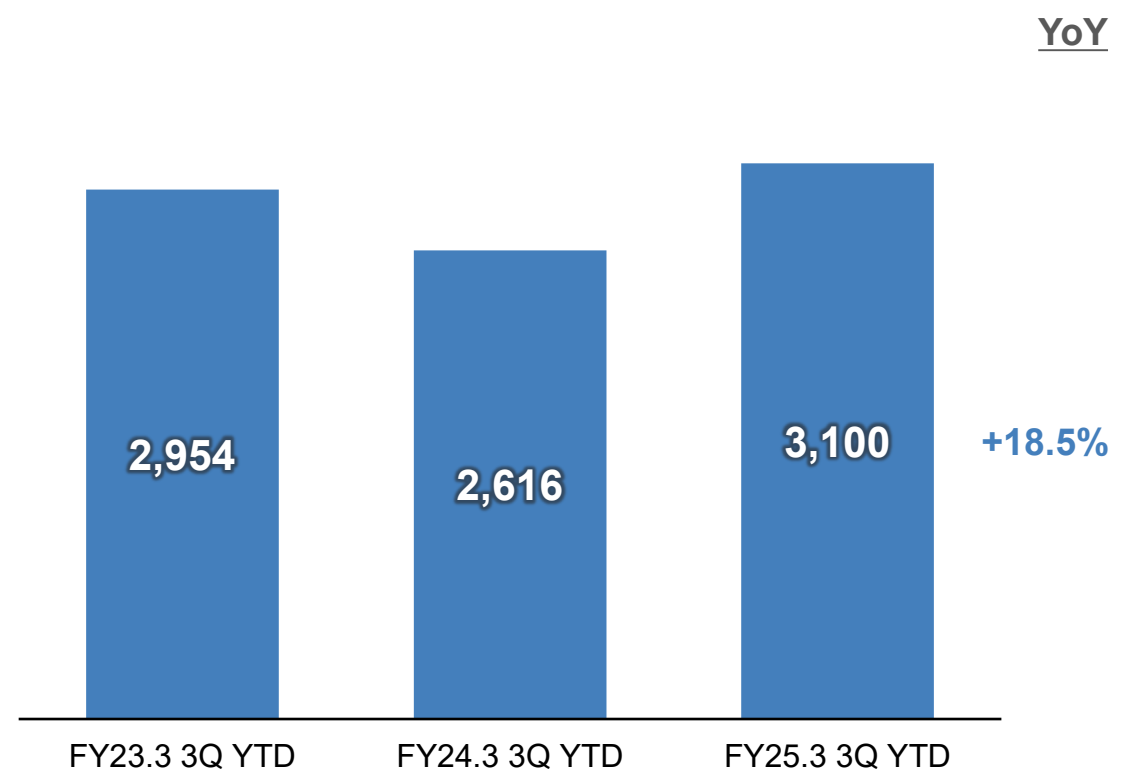
*2 New Investment: New investments in operational investment securities, excluding business related expenditures

- Stable basic business revenue/profit, offsetting upfront investments in new businesses
- Steady growth in PS segment focused on payments and aiming to accelerate growth by monetizing new businesses

Basic Business Revenue (M JPY)



Basic Business Profit (M JPY)



III. Segment Performance Highlights

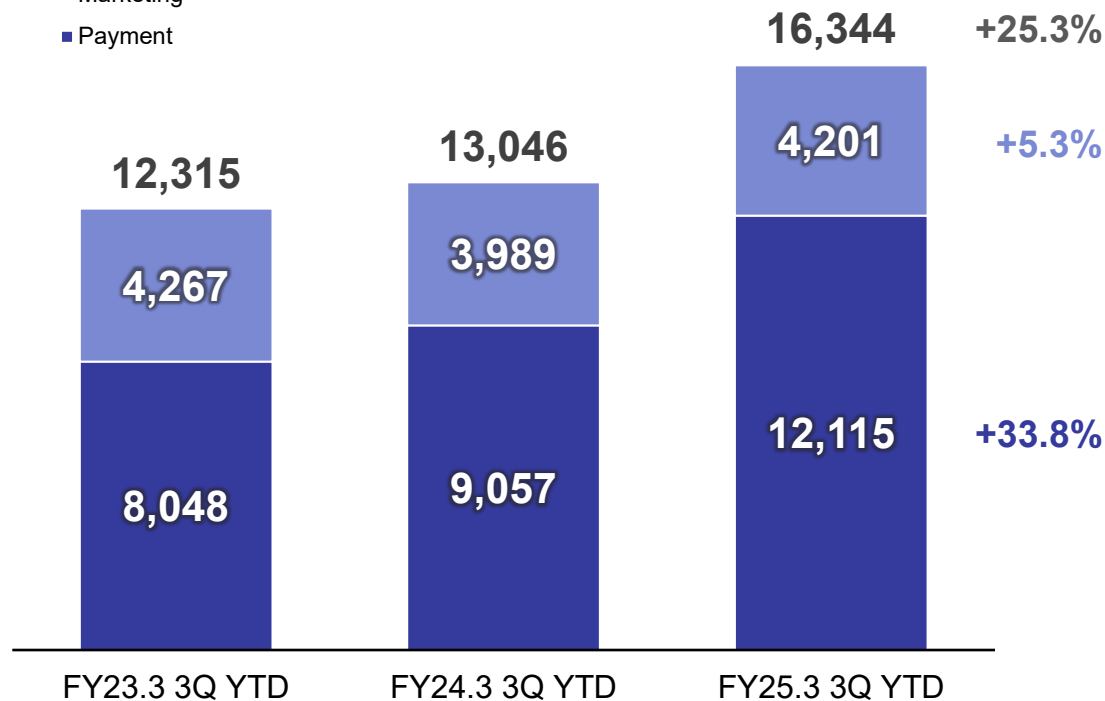


- PS segment on track to achieve full-year profit growth target of +20%, driven by strong payment business
- Marketing business profit is concentrated in 2H, and transactions with credit card companies increased

Segment Revenue (YTD) (M JPY)

- PS common
- Marketing
- Payment

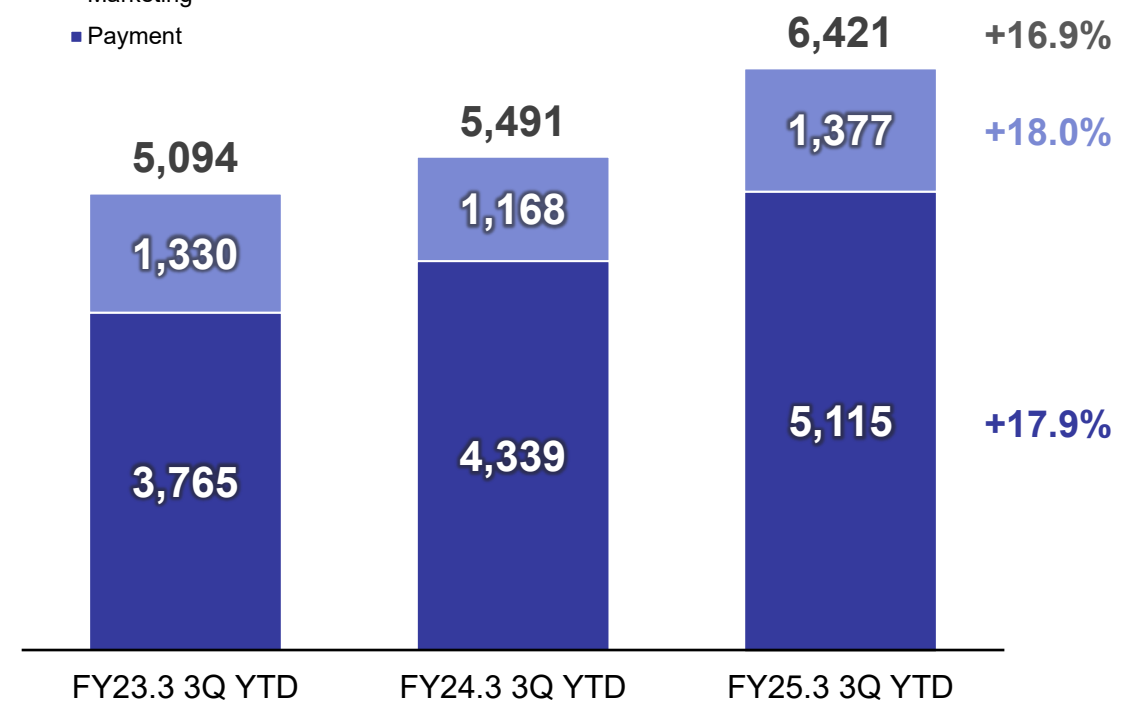
YoY



Segment Profit (YTD) (M JPY)

- PS common
- Marketing
- Payment

YoY

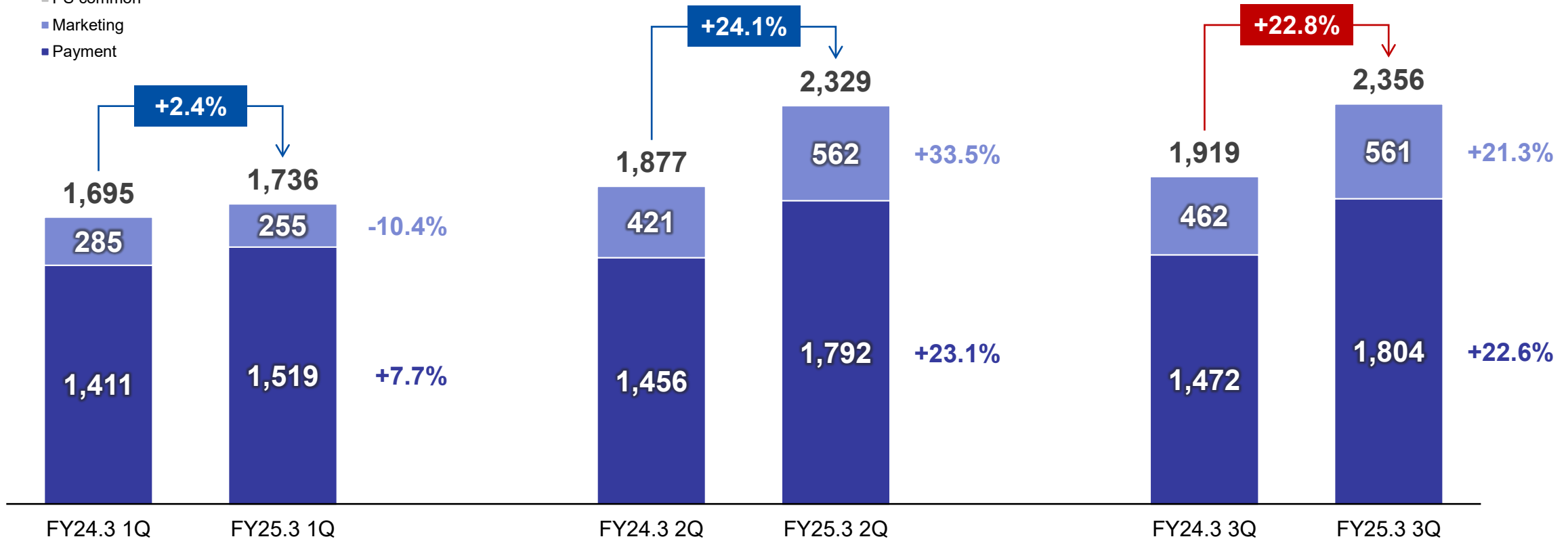


- During 1H, payment merchant churn & one-off revenue in marketing business in the previous year affected the growth rate
- In 3Q, the PS segment achieved profit growth exceeding 20% as the impact of these factors mostly ran its course

Quarterly Growth Rates

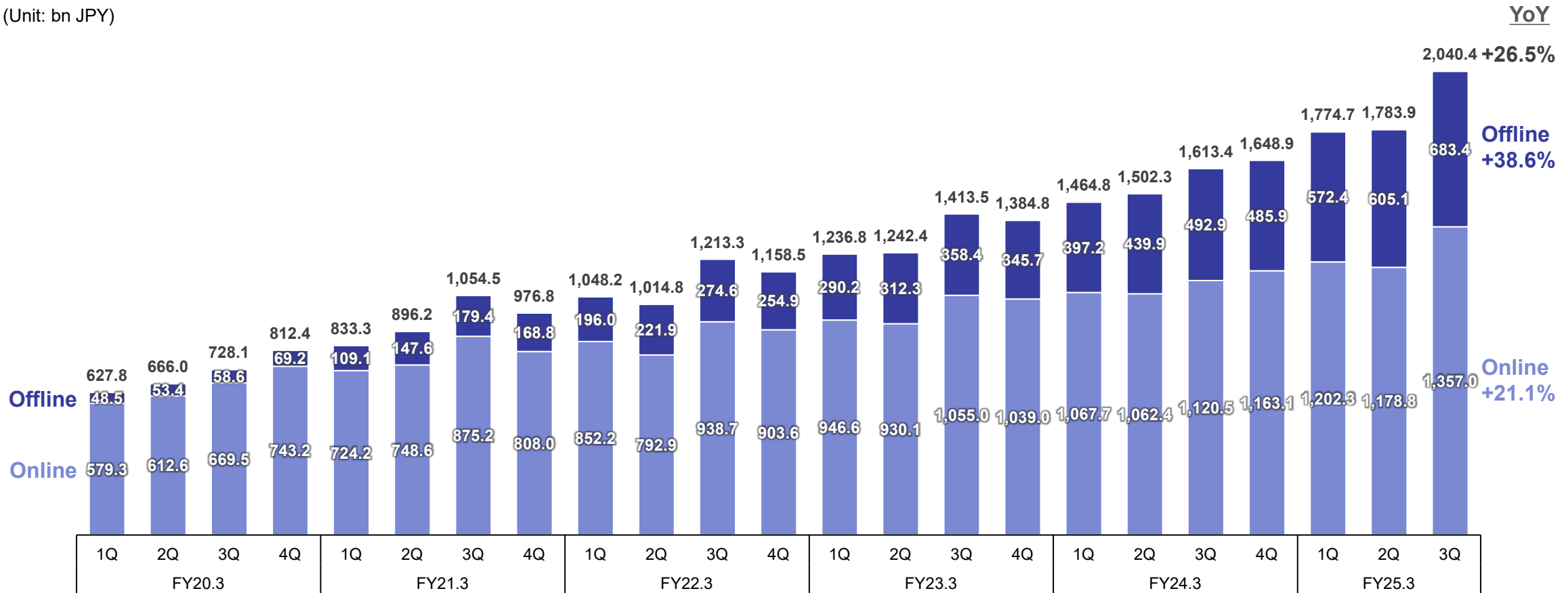
(M JPY)

- PS common
- Marketing
- Payment



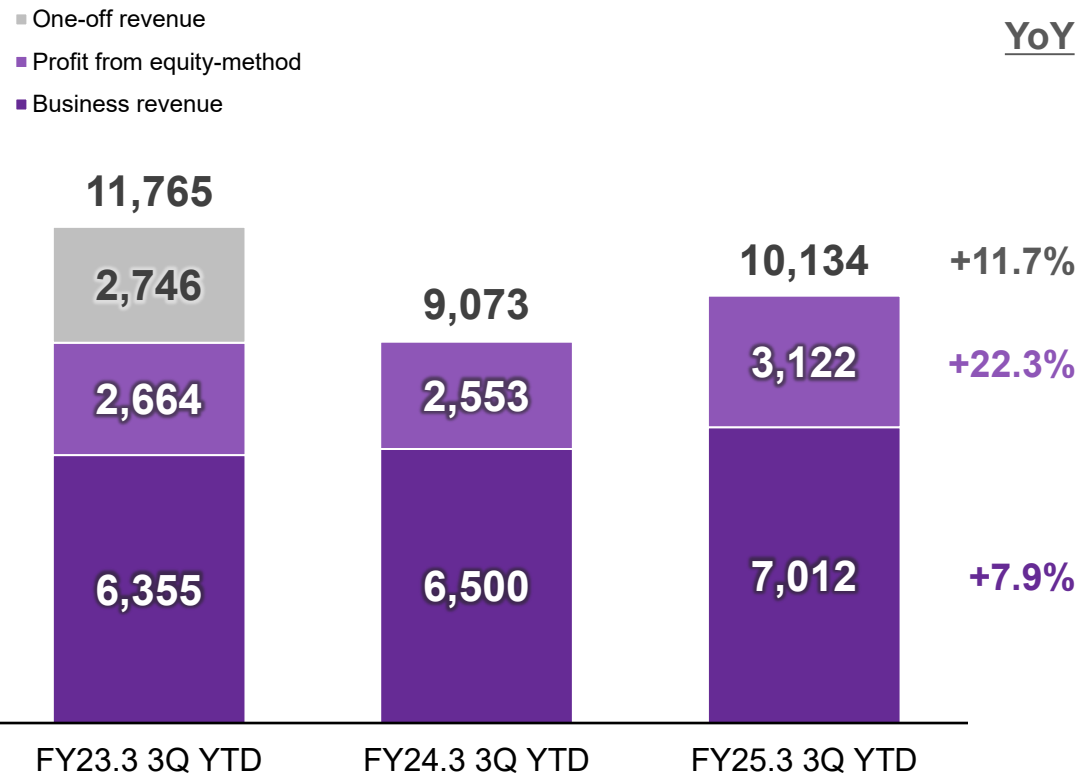
- Offline: Strong growth continued in General retail and Food & beverage sectors through successful strategic alliances
- Online: +20% growth driven by hometown tax payments and securities/FX trading, with total transaction volume surpassing ¥2 trillion in a quarter for the first time

(Unit: bn JPY)

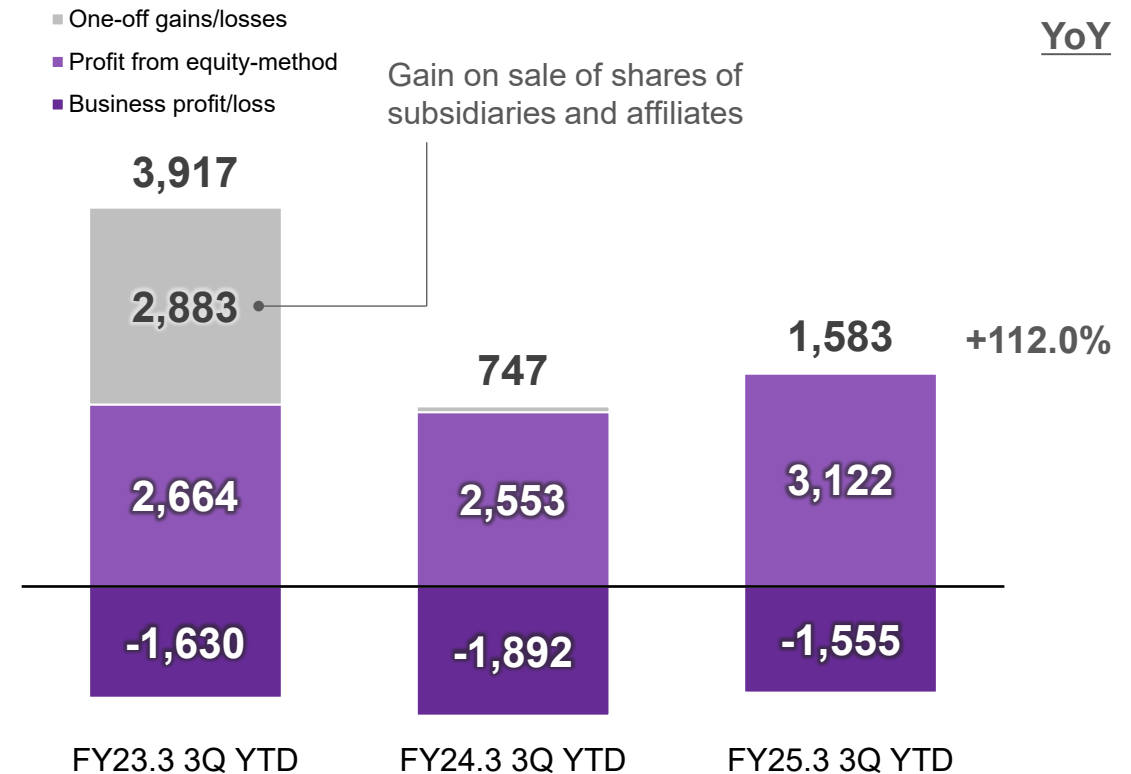


- Profit from equity method investments increased by 20%+, driven by Kakaku.com, while strengthening collaboration initiatives in Food & beverage and travel sector
- Strategic investment in new businesses with high synergy with payment business to drive medium to long-term growth

Segment Revenue (M JPY)



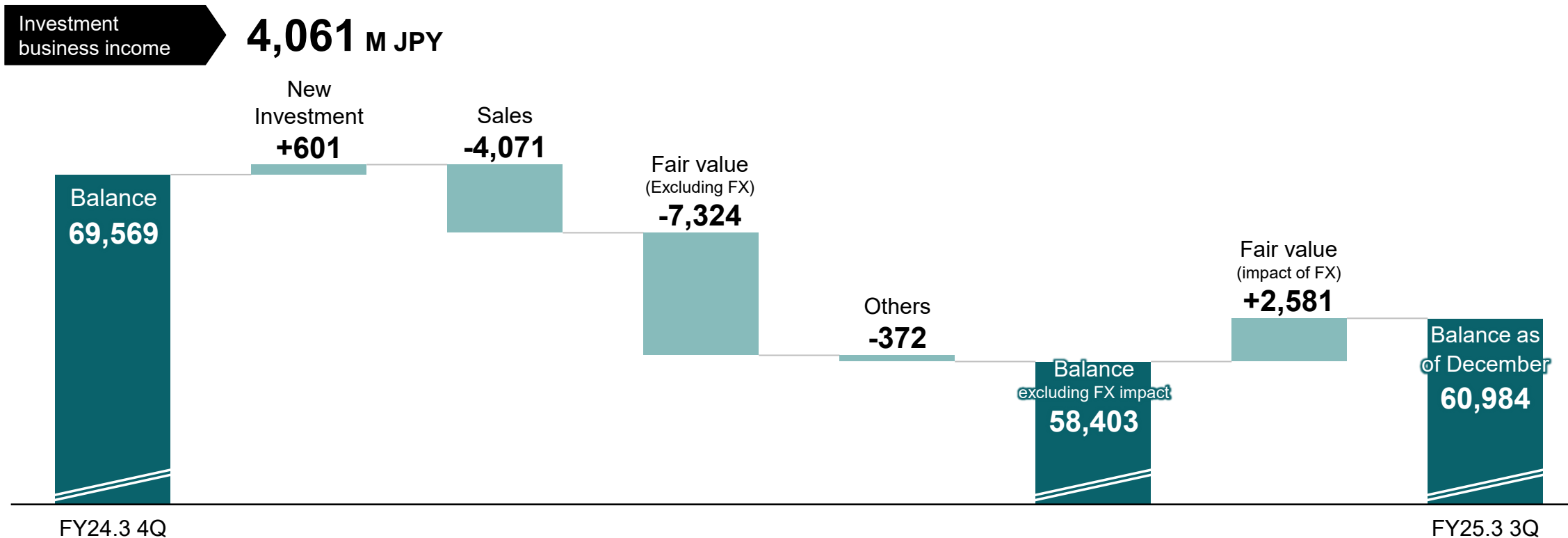
Segment Profit (M JPY)



- ¥4.1 bn investment business income, with progress in the investment portfolio transfer to the joint fund with Resona Group
- 2Q valuation loss on Blockstream reduced the balance, while steady progress continues in off-balancing initiative

Operational Investment Securities Increase/Decrease

(M JPY)



IV. Business Progress



II LTI segment

<KPI>

New business revenue growth (3Q alone - YoY)

+59%

Pre-tax profit growth (3Q alone - YoY)

+194%

Business Highlights

- 3Q YTD equity-method profit: +22%
- Continued growth in inbound reservations



- Deployed new measures to increase growth in new businesses

Group Synergy

- Major electronic money issuer "Pocket Change" joined the group
- New business payment transaction volume growth rate maintains high growth at YoY+280%

I PS segment

<KPI>

Payment transaction Volume (LTM)

¥7.2tn

Payment transaction volume growth (LTM - YoY)

+21.5%

Pre-tax profit growth (3Q alone - YoY)

+22.8%

Business Highlights



- Developing payment services & building joint sales structure for payment services in the au economic zone



りそなグループ

- Established West Japan Office in DGFT to strengthen operations in Kansai region

- Jointly launched "CurePort," a healthcare-focused payment service optimized for the medical industry



- Started providing QR code payment from September 2024

- In first 3 months, payment transaction volume grew 3.5 fold



- Expanding "Cloud Pay" implementation in IoT market

- Following implementation in AMANO's parking payment systems, expanding to entertainment venues and coin laundry facilities

III GI segment

<KPI>

Investment business Income (3Q YTD)

¥4.1 bn

Operational investment securities (End of Dec.)

¥61.0 bn

Business Highlights

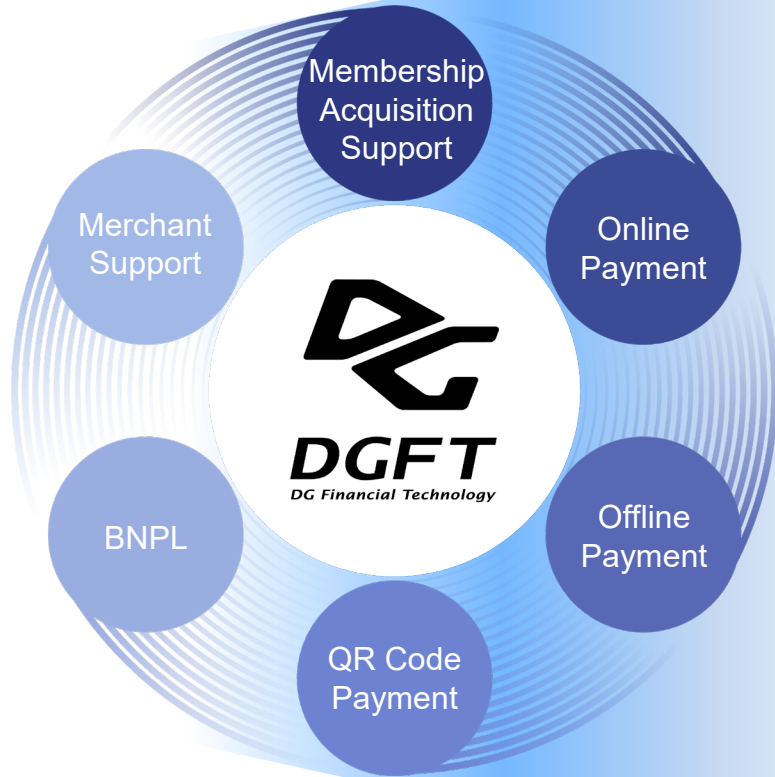
- Increase in fair value as a result of weak yen

Sale of securities

- 4.1 bn JPY investment business income including the transfer to the joint fund with Resona

Group Synergy

- The Business Co-Creation Department actively works to strengthen business co-creation with startups
- The department aims to create collaboration opportunities with the PS segment



Business Domain	Growth Engine	Result
Membership Acquisition Support	Affiliate advertising consulting capabilities & technology utilization	Annual Revenue ¥16.8bn
Online Payment	Further domain expansion by the collaboration with KDDI group, etc	Annual GMV ¥4.9tn
Offline Payment	Collaboration with Toshiba Tec Corporation & ANA group, etc.	Annual GMV ¥2.3tn
QR Code Payment	Growth acceleration by Could Pay series	3y CAGR +88%
BNPL	Product enhancement to enter into B2B domain	3y CAGR +11%
Merchant Support (website building, security etc.)	Marketing talents collaboration and unified data infrastructure development	Annual Revenue ¥6.1bn

*Annual results: Jan. 2024 – Dec. 2024 3Y CAGR : FY22.3 to FY24.3 QR code payment: CAGR of GMV BNPL: CAGR of revenue

Made progress with strategic alliances for medium to long-term business expansion

Steady progress in partnership with KDDI Group

- 1 Initiated system development to provide payment services for au economic zone**
 - Next-generation development of high-quality payment services in progress, utilizing DG Group's offshore development locations
- 2 Alongside the payment platform project, building a sales promotion system across the group**
 - Sales activities advancing through cooperation with au Financial Service Corp., au Payment Corporation, and KDDI Corporation
- 3 Promoting co-creation using cashless payment solutions**
 - Various co-creation projects being promoted jointly by both companies
 - Details to be released once concrete plans are finalized

Further deepening partnership with Resona Group

- 1 Establishment of DGFT West Japan Office**
 - Strengthening business operations by establishing DG Group's Kansai base in Osaka/Kansai region, where Resona Bank has strong business foundations as its founding location
- 2 Launch of "CurePort" payment service for medical industry**
 - Leverages Resona's client base among medical institutions and SMBs and financial knowhow
 - Contributing to payment transaction volume as next-generation Fintech business
- 3 Started collaboration over the DGFT Invoice Card Payment service**
 - Supporting business efficiency for SMEs by addressing diverse B2B payment needs
 - Approaching Resona Group's 500,000 corporate clients

Expanding payment transaction volume with "Cloud Pay": a unified QR code payment solution

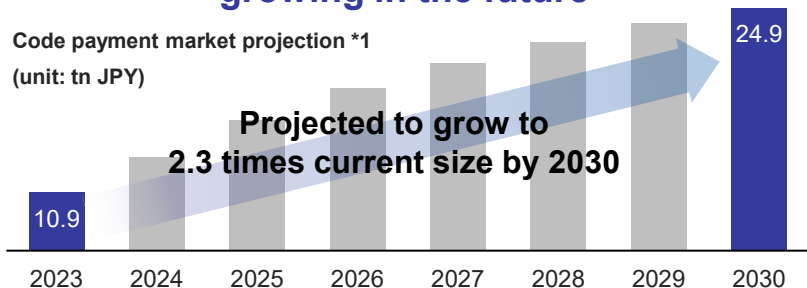
Expansion into IoT payment market following Square partnership

< QR payment progress >

- Connected 7 major domestic and international QR code payment brands in September 2024
- Payment transaction volume continues to grow steadily, increasing 3.5 times from October to December.
- Accelerating growth in the area of offline payments

QR code payments are expected to continue growing in the future

Code payment market projection *1
(unit: tn JPY)



Expanding into the IoT payments market

NEW

Parking facility payment machines

Cloud Pay is used in the pay stations of parking technology market leader **AMANO (60% share of domestic market for gated parking lots)**

Payment methods

PayPay auPAY d払い
R Pay m Pay

Market size
¥800bn *2

✓

Beverage vending machines

Began collaborating with partner companies with more than 100,000 units installed, offering cashless payments vending solution through "Cloud Pay"

Market size
¥2tn *3

✓

Amusement facilities

Offering not only cashless payment solution but also marketing support, including attracting customers and CRM

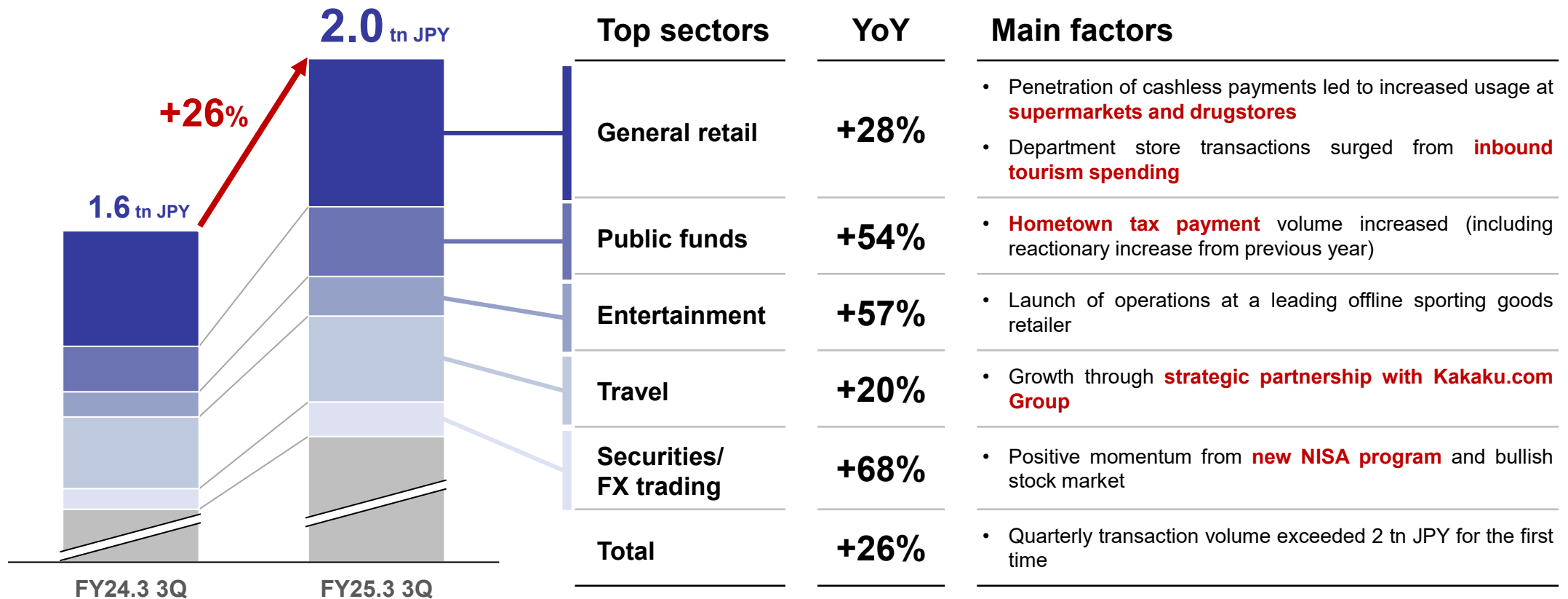
Market size
¥400bn *4

*1: 14/01/2025 Nomura Research Institute, Ltd. *2: [Industry Report]Parking Industry (The CC Innovation, Ltd) *3: Our estimate from "Survey of Selected Service Industries" (Ministry of Economy, Trade and Industry) / "Contactless Technology Implementation Strategy" (Nikkei Business Publications, Inc.) *4: Our estimate from "Survey Report on the Amusement Industry" (Japan Amusement Industry Association)



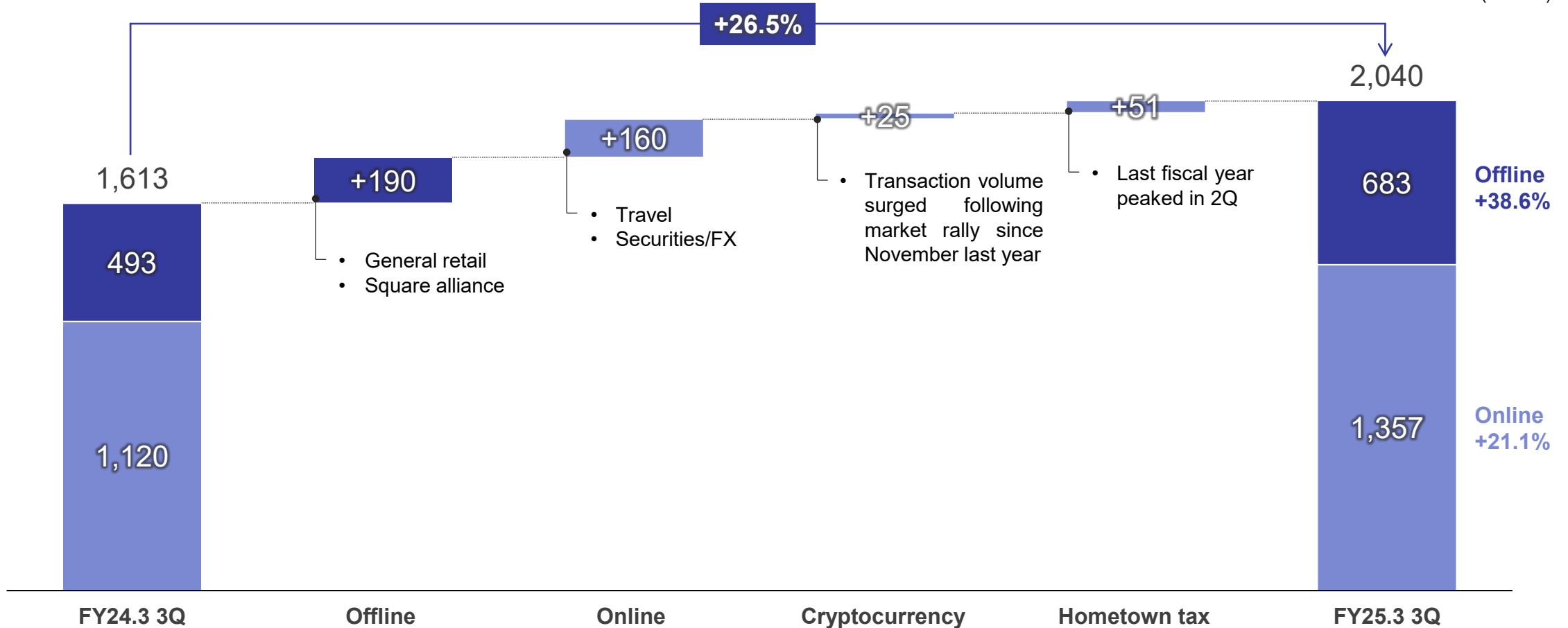
Payment transaction volume increased in Retail / Public funds / Travel sectors, surpassing 2 tn JPY in a single quarter for the first time

Payment Transaction Volume by Sector



Beyond organic growth driven by offline payments, unexpected cryptocurrency demand accelerated overall growth rate

(bn JPY)



Development & nurturing of strategic businesses to drive payment platform expansion & medium to long-term growth

Support Kakaku.com's growth & implement cross-group projects to expand payment transactions through Kakaku's media
 Driving new revenue through strategic business planning & development, & M&A, while increasing DGFT payment transaction volumes

LTI segment business domain

kakaku.com

Operating an internet media business with one of the highest traffic volumes in Japan

Media

食べログ • Monthly users: 101.5 M
 • Monthly PV: 2,336.52 M

価格.com • Monthly users: 38.67 M
 • Monthly PV: 322.96 M

求人ボックス • Monthly users: 8.88 M
 • Monthly PV: 170.6 M

* As of December 2024

Traffic

Digital Garage

Developing strategic business initiatives and next-generation infrastructure in sectors aligned with payment services

Focus area

I Industry-specific DX

II B2B payment/finance

III next gen technologies

Payment

PS segment business domain

DGFT
 DG Financial Technology

Operating one of Japan's largest payment processing businesses / Designated as critical infrastructure in Japan

Payment transaction volume from collaboration between DG and Kakaku.com grew 31%

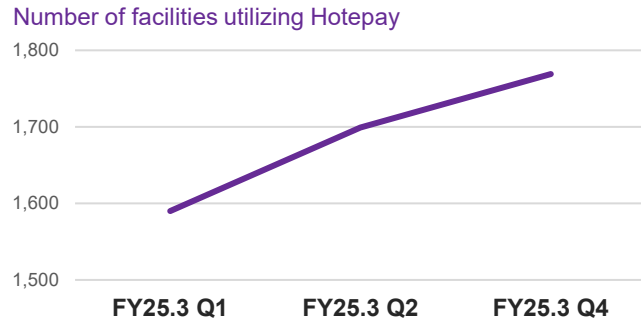
Strong growth in the focus sectors of Food & beverage and Travel, particularly with "HotePay" payment services optimized for accommodations & Tabelog inbound reservations

Highlights (FY25/3 3Q)

Time Design

Payment service optimized for accommodation facilities

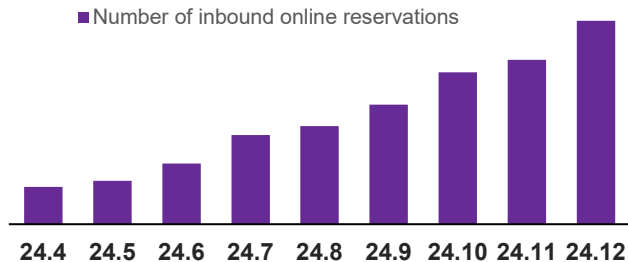
三ホテペイ



Number of facilities using service is steadily increasing

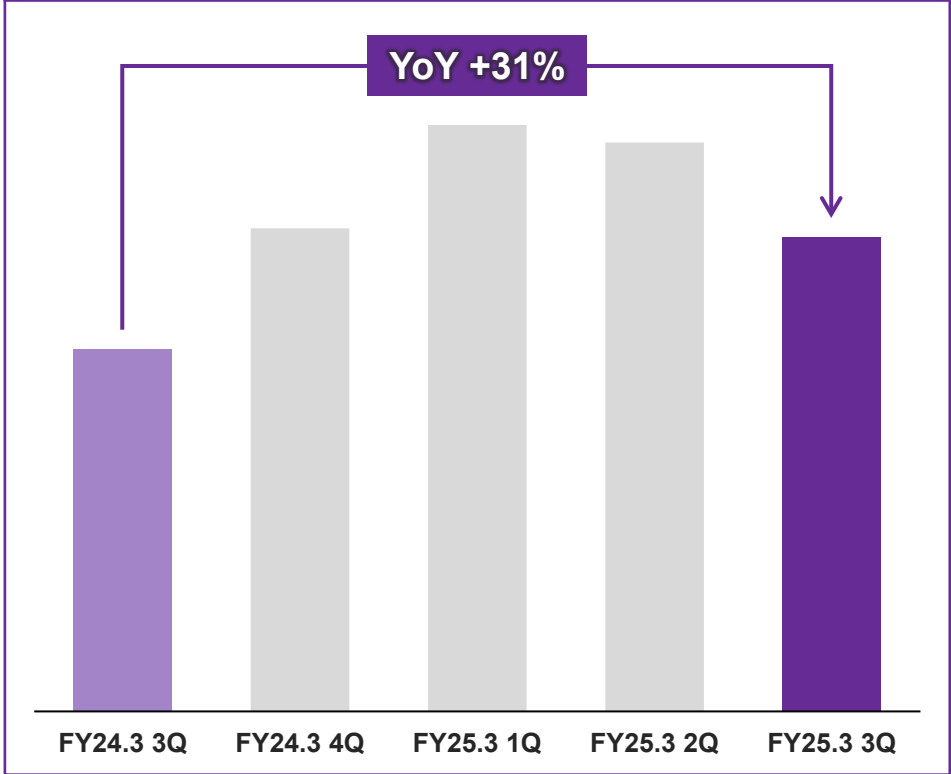
- Number of inbound online reservations is increasing steadily (monthly average growth rate: 24%)
- Number of restaurants that can be reserved on "Tabelog Multilingual Edition" is also expanding (end of Dec. 2024: 40,700)

食ベログ



Monthly average growth rate +24%

Kakaku.com-DGFT Payment Transaction Volume



Promoting strategic new business development in 3 key areas that are highly synergistic with payments: “industry specific DX,” “B2B payment/financial” and “next gen technologies”

Revenue from strategic business groups **increased by +59% YoY** following the full-scale launch of multiple projects

The payment transaction volume generated by strategic businesses **also increased +280% YoY**, contributing to the PS segment payment transaction volume

Business Highlights (25/3 3Q)



Started collaborating with leading gaming media company GameWith

- Launched a service enabling third-party payments via the GameWith platform
- Helped app developers increase revenue and improve business efficiency



Musubell®

Launched free “Musubell for Real Estate Agents” plan

- Expanded service provision and strengthened DX support for small and medium-sized real estate agents through free provision of certain features

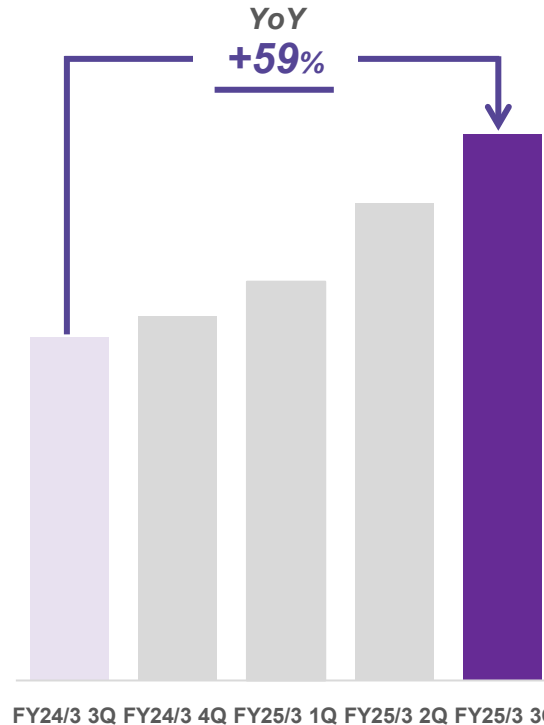


CurePort

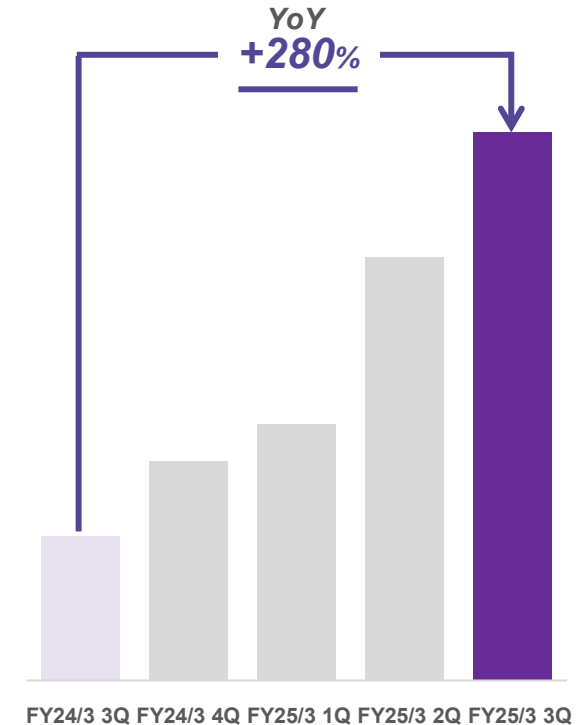
Launched CurePort, a payment service optimized for the medical industry

- Launched payment service for medical institution jointly with Resona
- Helped improve the user experience of patients and increase business efficiency of medical institutions

Strategic Business - Revenue



Strategic Business Payment Transaction Volume



Pocket Change, a leading issuer of proprietary electronic money, joined the Group

Accelerating new market entry through acquisition of a proprietary e-money platform, meeting high demand across government, retail, and education sectors

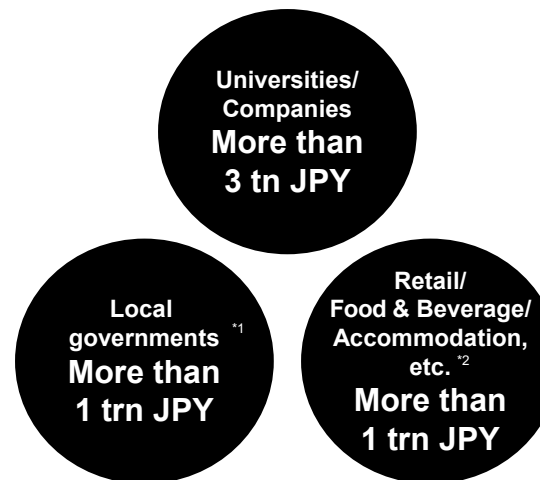
Summary

- Pokepay can be used to issue original electronic currencies including local currencies
- Clients include local governments such as Shibuya Ward and around 190 universities through University Co-operative Associations
- Began discussions with other municipalities in the 23 districts



Potential Market/Target

- Electronic currency market including educational institutions, local governments and retail is over 5 tn JPY*1
- Functions as added value of DG's payment platform



*1: Estimate of potential circulation of local currencies *2: Size of market for vouchers, coupons, gift tokens, etc.

DG × Pocket Change × JCB

- Capital and business alliance among 3 companies
- Merchants are offered a combination of the payment solutions of DG and JCB

Customers



Original currency issuance platform

Merchants



Payment with original currencies or points in addition to conventional methods such as credit cards

Investment Policy Going Forward

Aiming to achieve the medium-term investment business income target of ¥30 bn ahead of plan

1. Accelerate the reduction & off-balancing of operational investment securities

➡ Mitigated impact of fair value fluctuations on consolidated results

2. Selective on-balance sheet investments* focused on business/tech collaborations

➡ Pursuing the growth of our business through business co-creation, in addition to capital gains

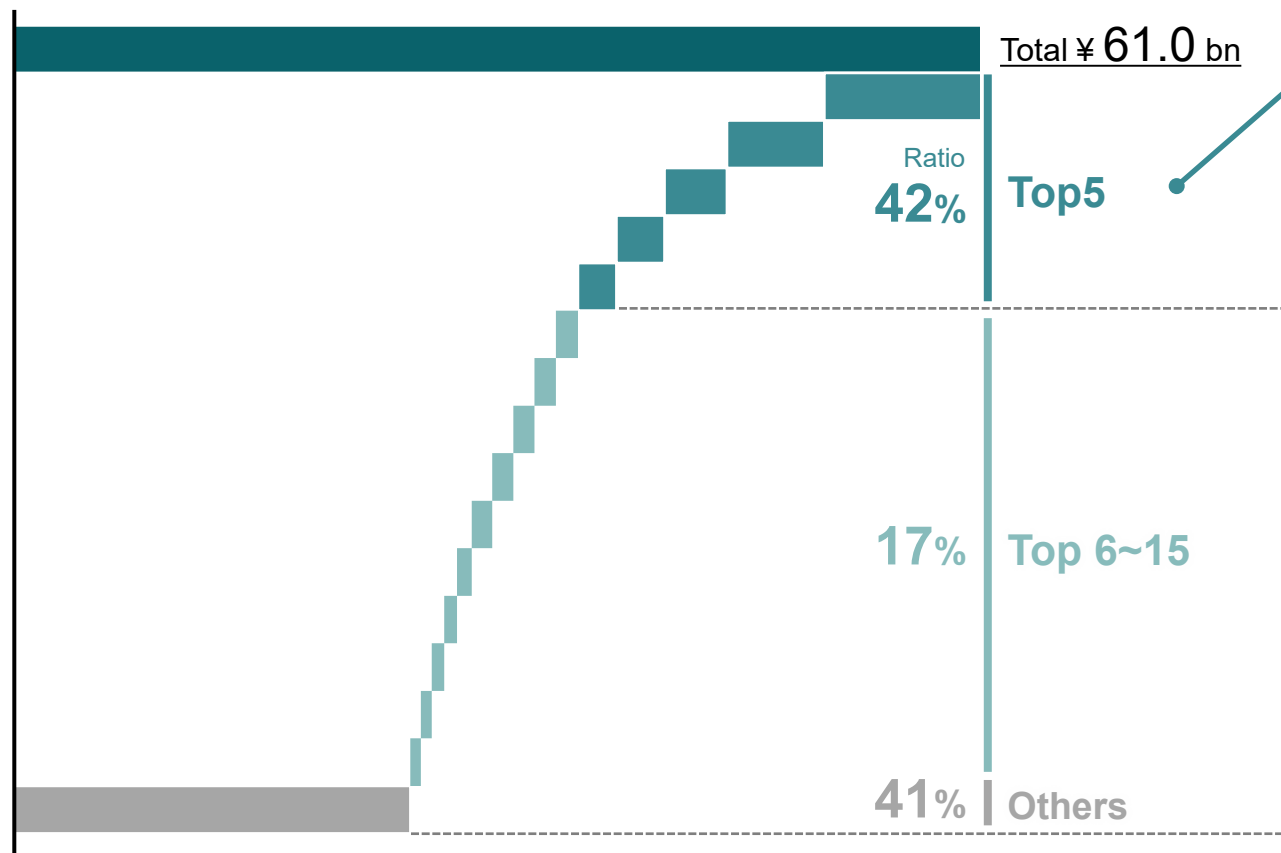
3. A shift from on-balance sheet investment to fund-type investment

➡ Group-wide utilization of the information & networks obtained via fund management

*Direct investment that is recorded on our consolidated balance sheet

Our investment portfolio consists of 250+ companies / Continuous & focused monitoring of top-tier investments, while other investments are diversified in terms of value and area

Investment Composition (as of Dec. 2024)



- ✓ MX Technologies (US - Personal Asset Management Tool)
- ✓ GrubMarket (US - Food E-commerce) etc.
- ✓ Continuing focused monitoring and divestment activities

Geographical composition for 6th place & below

Total ¥35.1 bn			
North America	Japan	Asia	Fund
25.6%	22.2%	17.4%	32.4%
		Europe etc.	
		2.4%	

V. Sustainability Initiatives



Published DG Integrated Report 2024

On December 5, 2024, we published the Group's first integrated report. "DG Integrated Report 2024" systematically sets out financial and non-financial information with respect to the Group's medium and long term value creation initiatives.



Outline of "DG Integrated Report 2024"

- Introduction
- Value Creation at DG Group
- Growth strategy
- Management Foundation for Value Creation
- Data Section

Purpose / Value & Principle

Message from the Group CEO/Context Timeline/Value Creation Process (External Environment, Management Resources, Materiality)

Message from the COO/Segment Overview and Performance/Message from the CBDO/ Description of each business / Financial Strategy, etc.

Discussion with Outside Directors/Social (Human Resource Management Initiatives)/Environment/ Governance/Special Cross-Talk, etc.

Consolidated Financial Data/Corporate Profile and Stock Information

Link



[Japanese version](#)



[English version](#)

Reference Materials

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-specific DX services
- New Fintech
- Next-gen Media

kakaku.com

Musubell **DGFT** 請求書カード払い

アプリパイ **Pangaea Delivery**

CRYPTO GARAGE **BI.GARAGE**

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 startups focused on next-generation technologies and collaborating with DG Group

- Investment incubation
- Supporting startups
- Fund management

DG Ventures

DG Incubation

DG Daiwa Ventures

GEN LAB

DGUS

GEN LAB

- PS Segment projects +20-25% growth, driven by recovery from a one-time loss and strong business momentum
- Payment business maintains +20% full-year profit growth forecast, supported by stable expansion and projected contributions from ongoing projects in 2H

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	8.6~9.0 bn JPY	+20~25%
Payment	5,662	5,662	6.8 bn JPY	+20%
Marketing	1,137	1,518	—	—

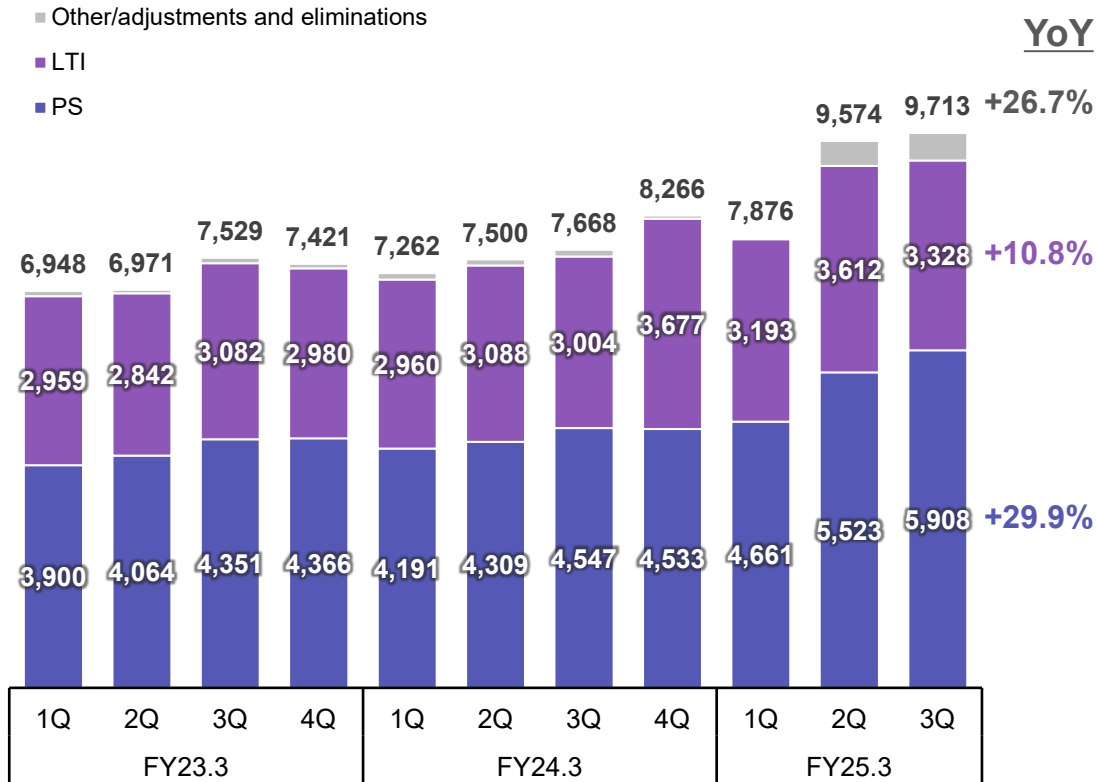
* Compared to the numbers after change

Reference Materials (1): Supplementary Data

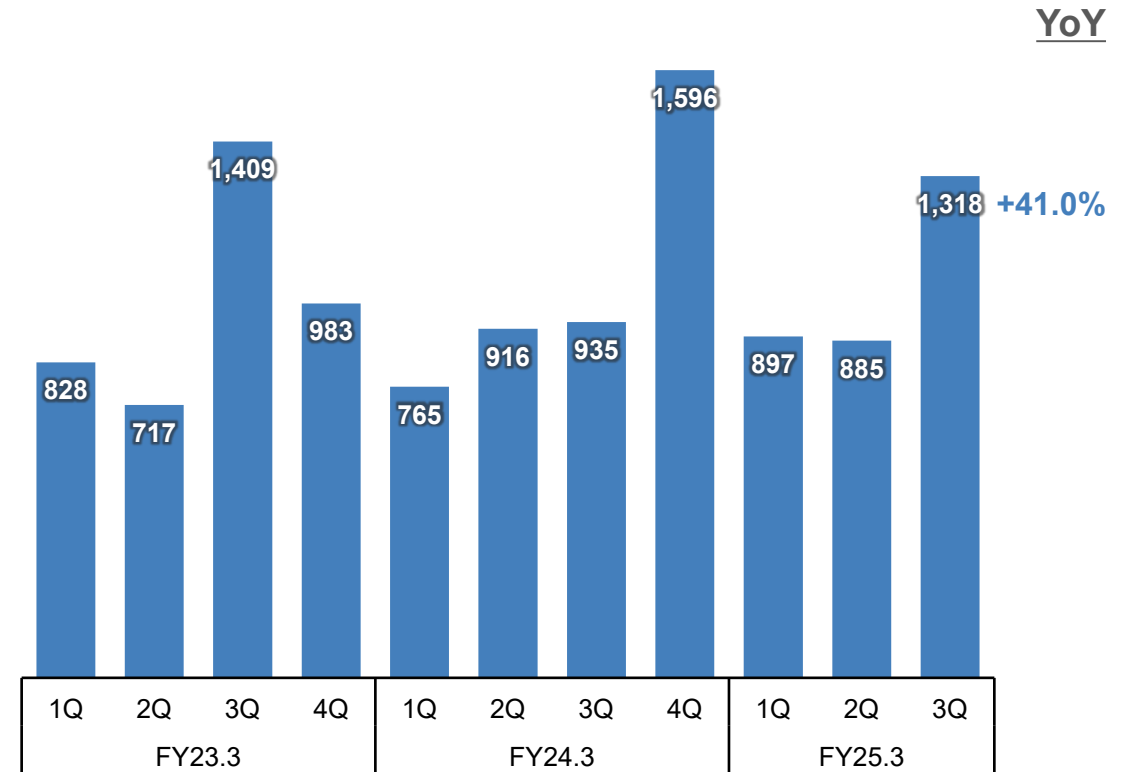


- Stable basic business revenue/profit, offsetting upfront investments in new businesses
- Steady growth in PS segment focused on payments and aiming to accelerate growth by monetizing new businesses

Basic Business Revenue (Unit: M JPY)



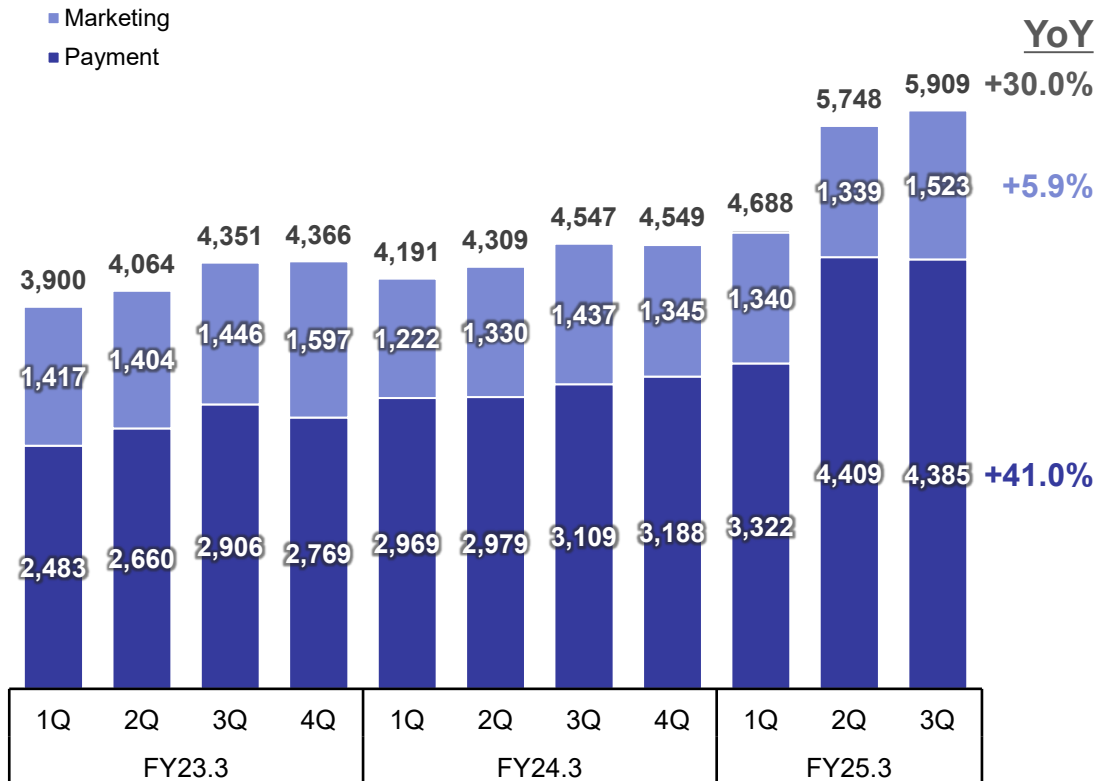
Basic Business Profit (Unit: M JPY)



- PS segment on track to achieve full-year profit growth target of +20%, driven by strong payment business
- Marketing business profit is concentrated in 2H, and transactions with credit card companies increased

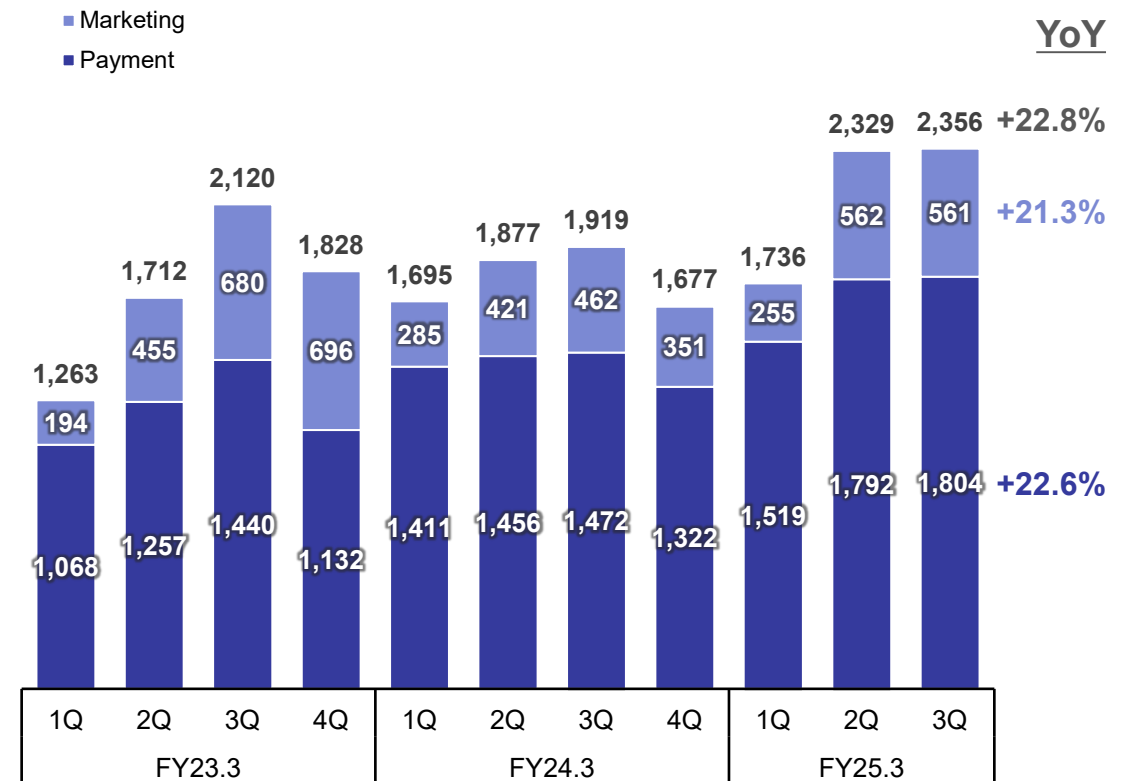
Segment Revenue

(Unit: M JPY)



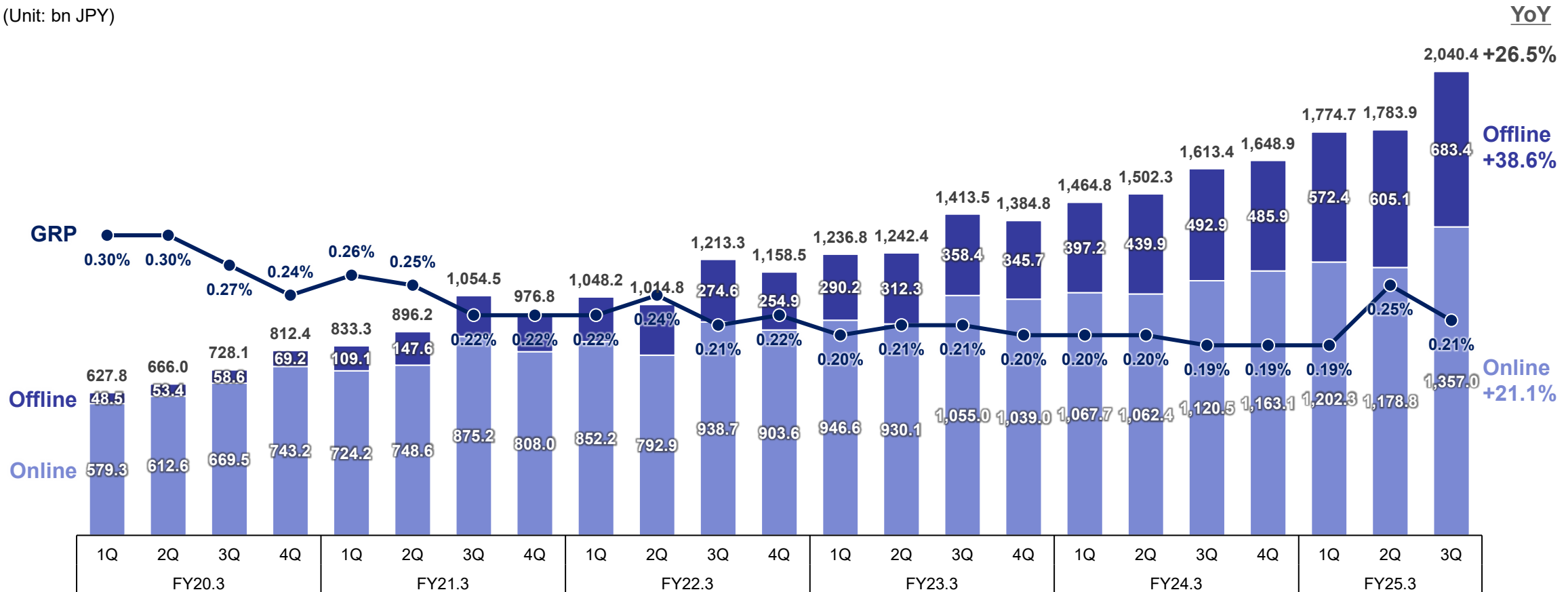
Segment Profit

(Unit: M JPY)



- Offline: Strong growth continued in General retail and Food & beverage sectors through successful strategic alliances
- Online: +20% growth driven by hometown tax payments and securities/FX trading, with total transaction volume surpassing ¥2 trillion in a quarter for the first time

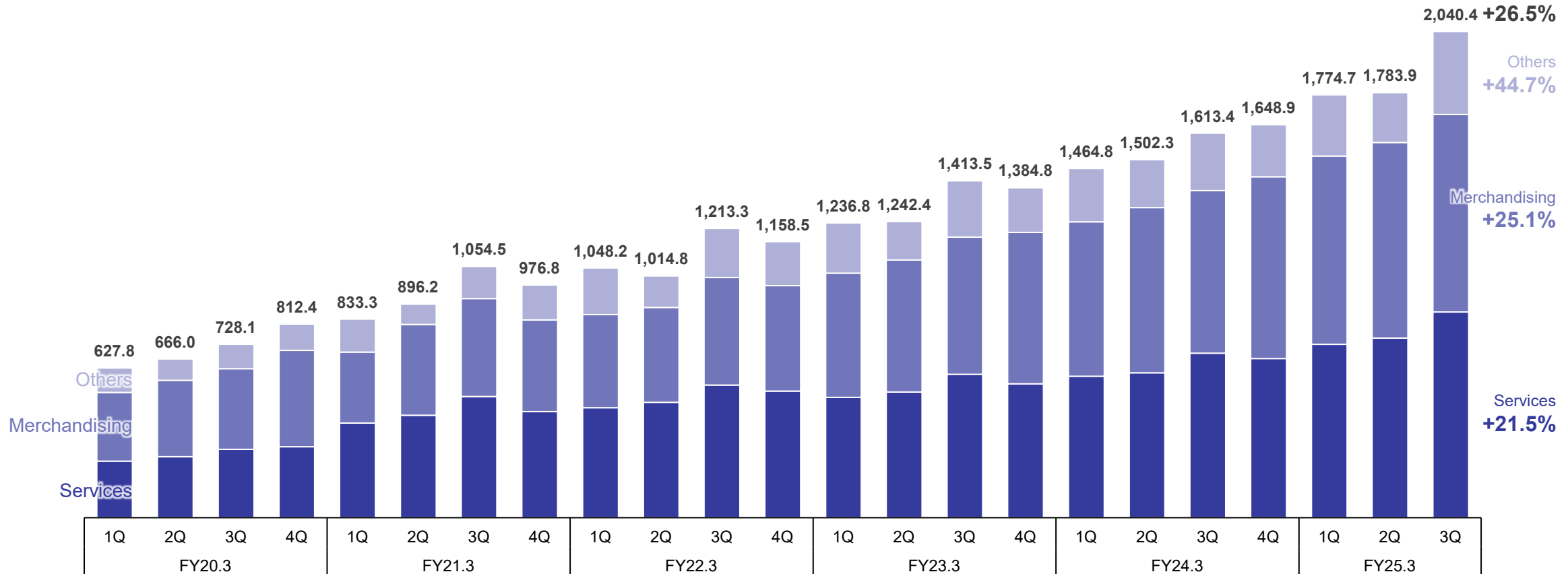
(Unit: bn JPY)



- Services: Growth across broad categories, including Travel, Financial accounts, Food & beverage, Telecom services, & Ticket bookings
- Merchandising: Ongoing merchant expansion in General retail (supermarkets, department stores, etc.) through strategic alliances

(Unit: bn JPY)

YoY

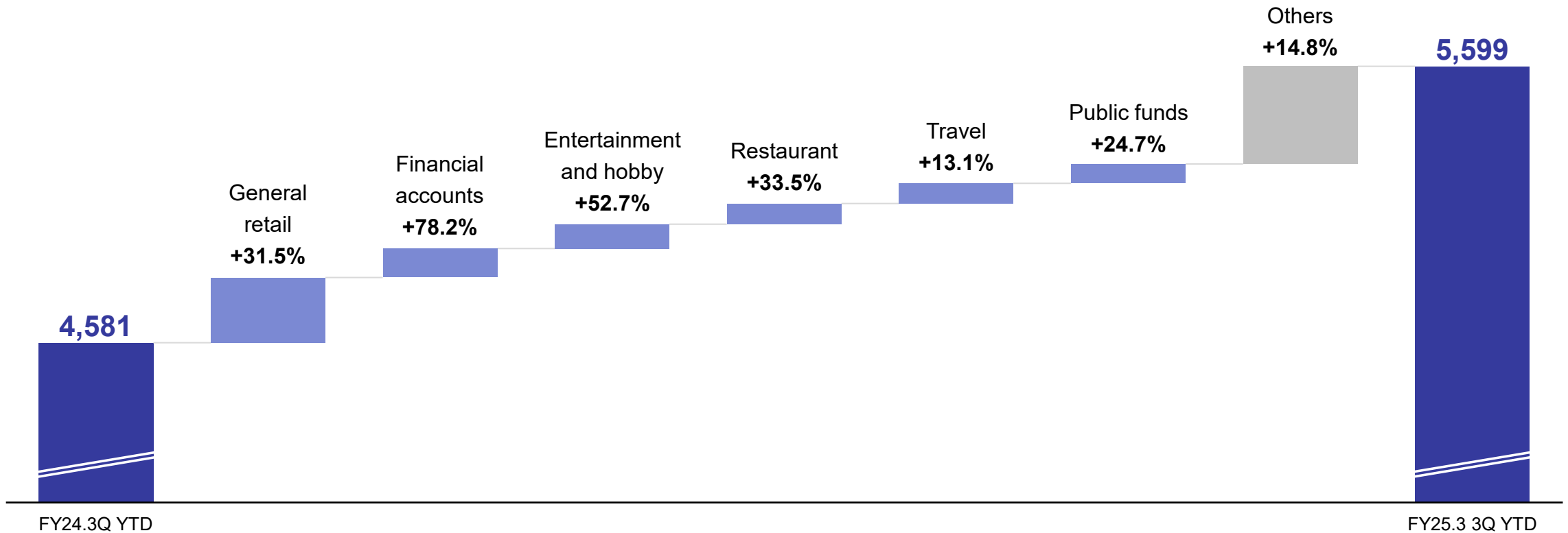


- Successful alliance mainly with Toshiba Tec Corporation drove steady growth in General retail and Hobby sectors
- Financial accounts showed strong performance due to NISA tailwinds, while Restaurant sector grew by food delivery services

Payment Transaction Volume: Increase/Decrease by Sector

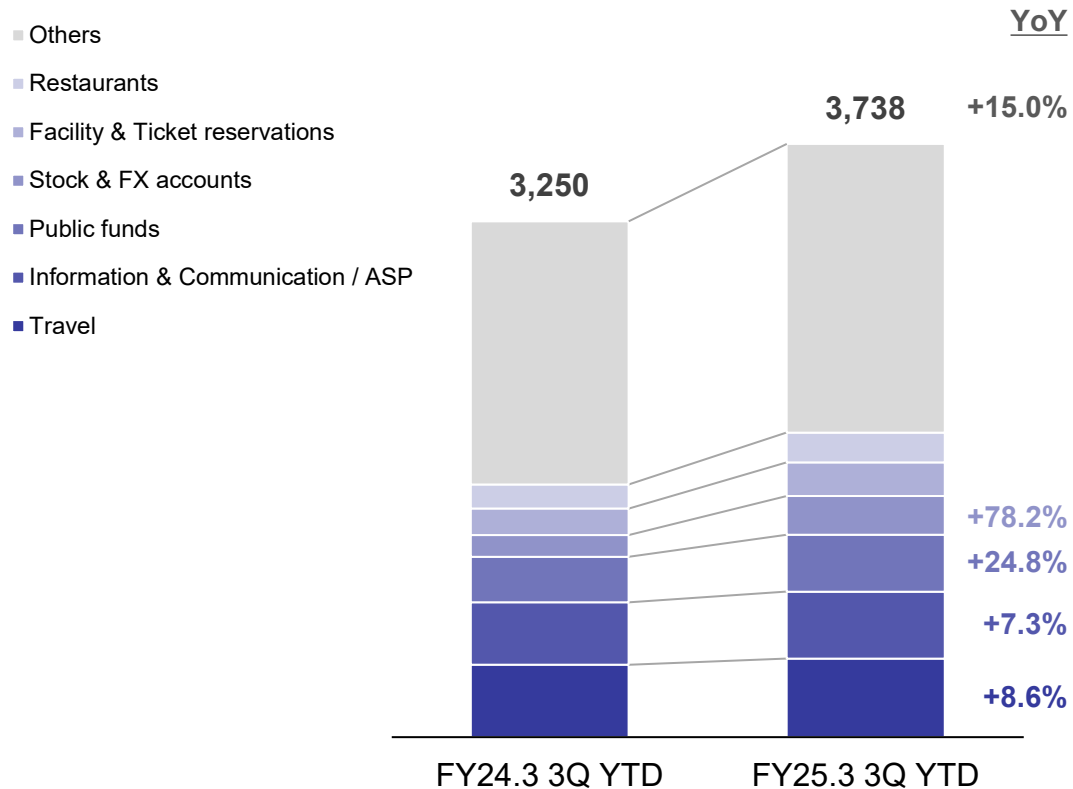
(Unit: bn JPY)

*% compared to the previous year

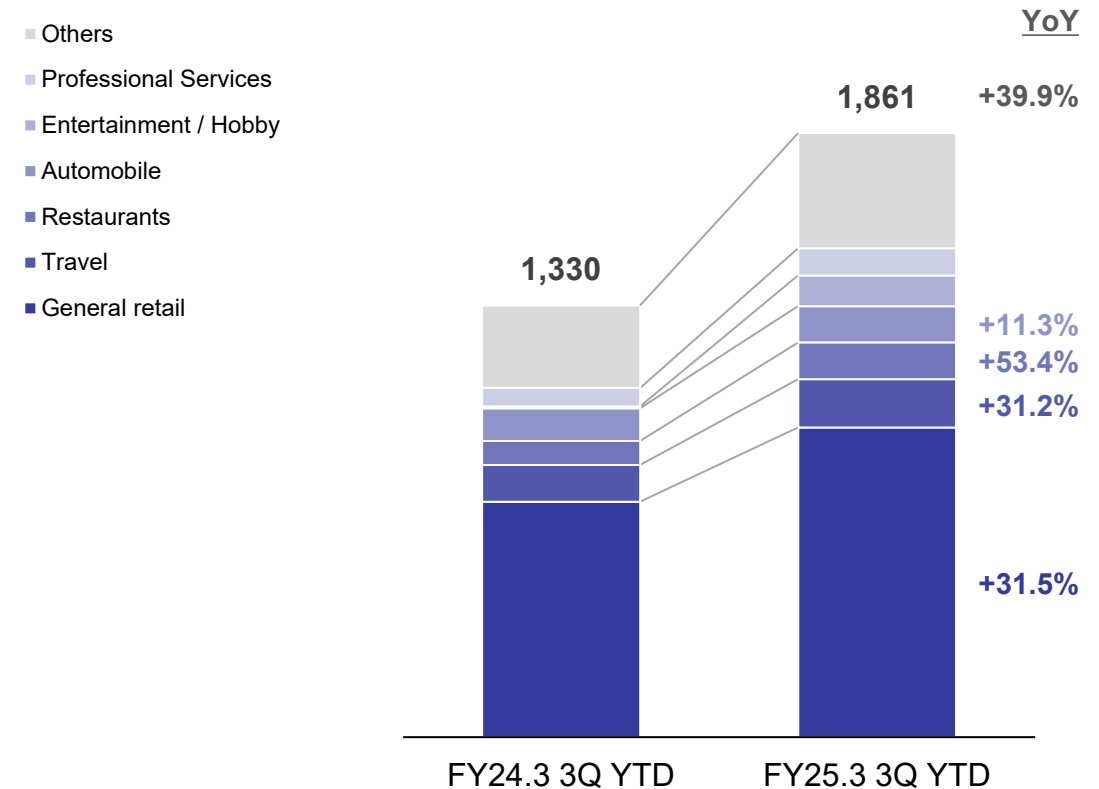


- Online: Growth across diverse industries, especially services, public funds, and other non-merchandize transactions
- Offline: Successful alliance strategies have helped us acquire more large retailers and boost payment volume

Online Payment (Unit: bn JPY)

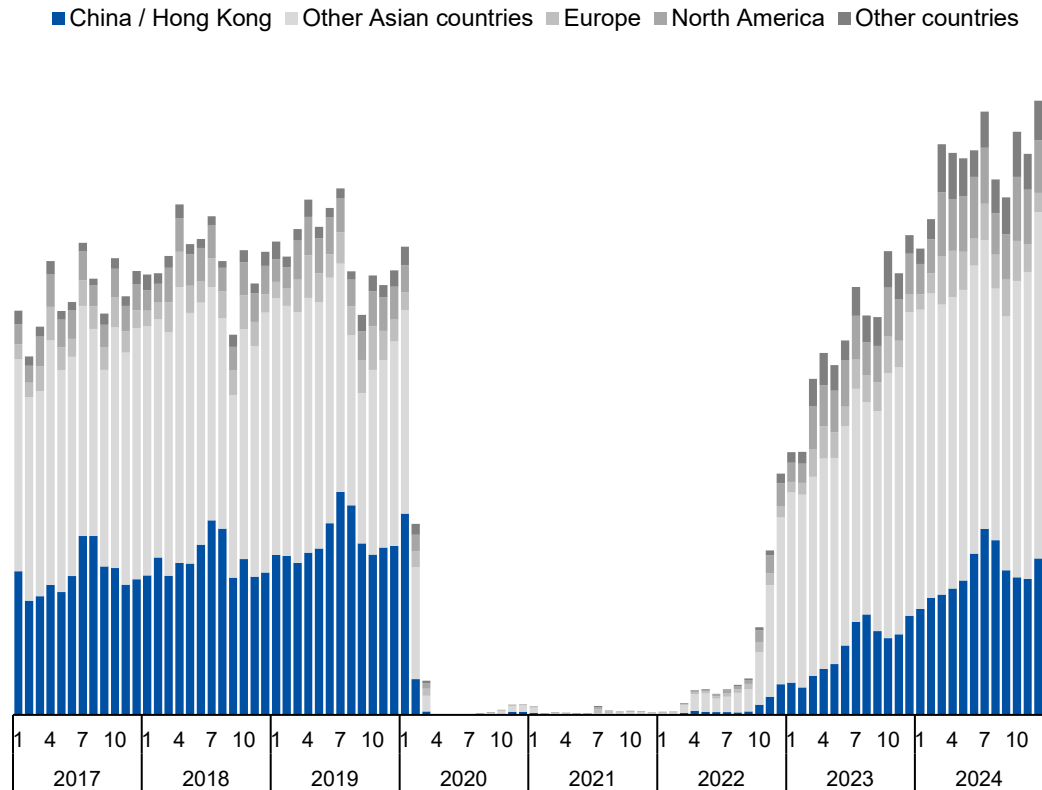


Offline Payment (Unit: bn JPY)



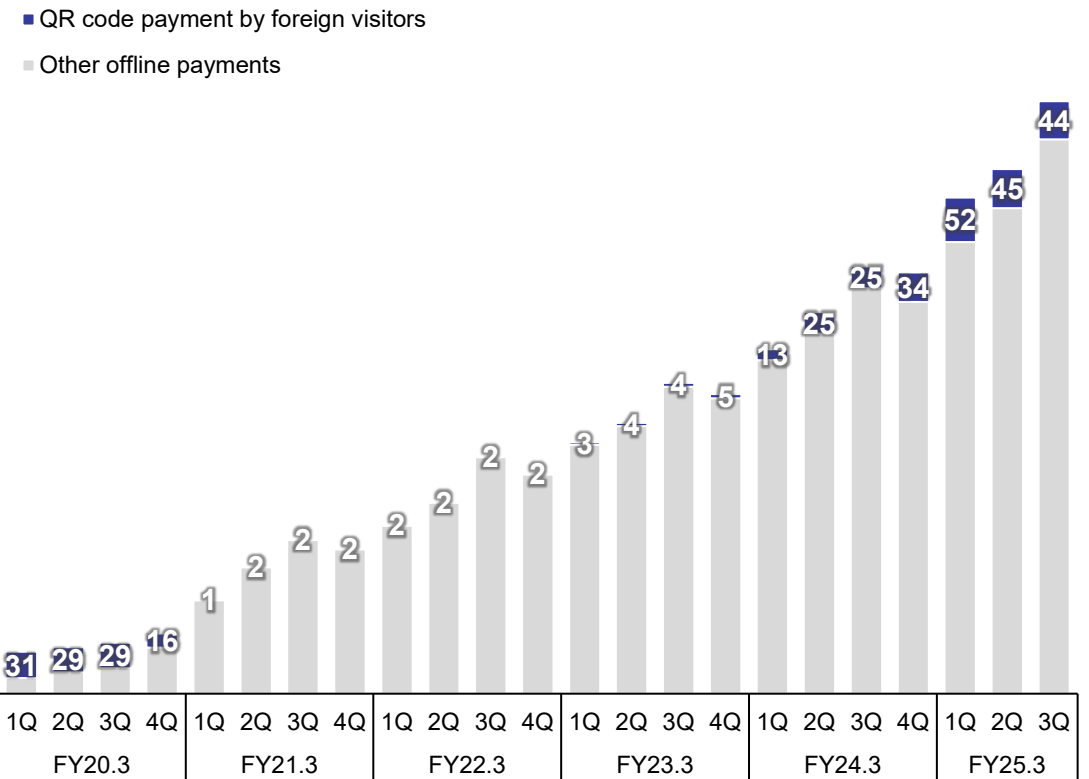
- Foreign visitor numbers exceeded pre-COVID levels, with Greater China visitors returning to 2019 levels
- Alipay and WeChat Pay transactions reached an all-time high in terms of payment transaction volume

The Number of Foreign Visitors to Japan (by Area)



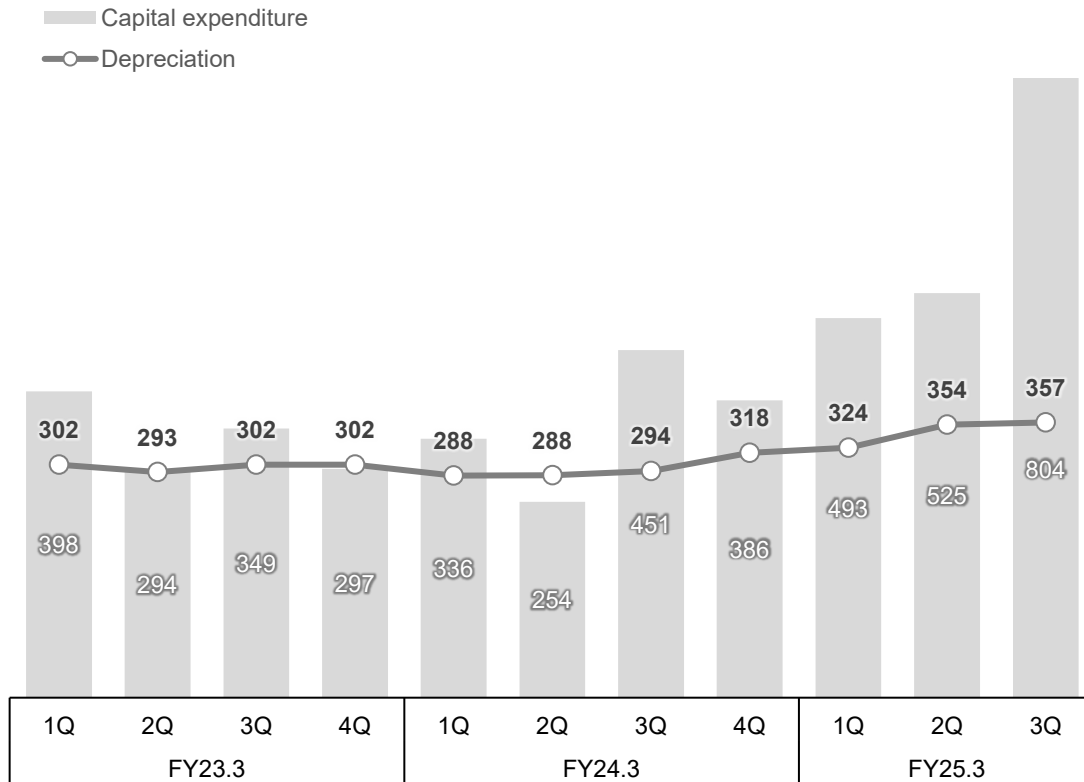
Offline Transaction Volume

(Unit: bn JPY)

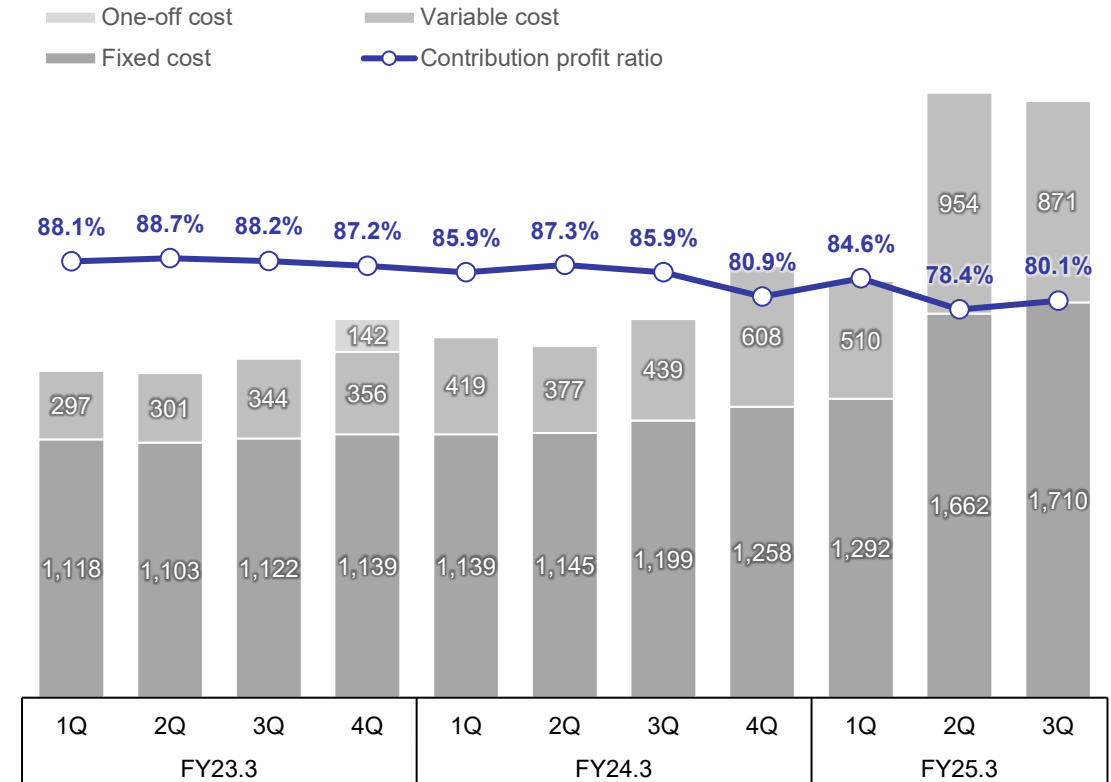


- Continuous investment in payment systems to ensure stable 24/7 operation and robust security
- Fixed costs are increasing gradually due to operational redundancies, and the contribution margin ratio is expected to remain at current levels

Payment-related Expenditures/Depreciation (Unit: M JPY)



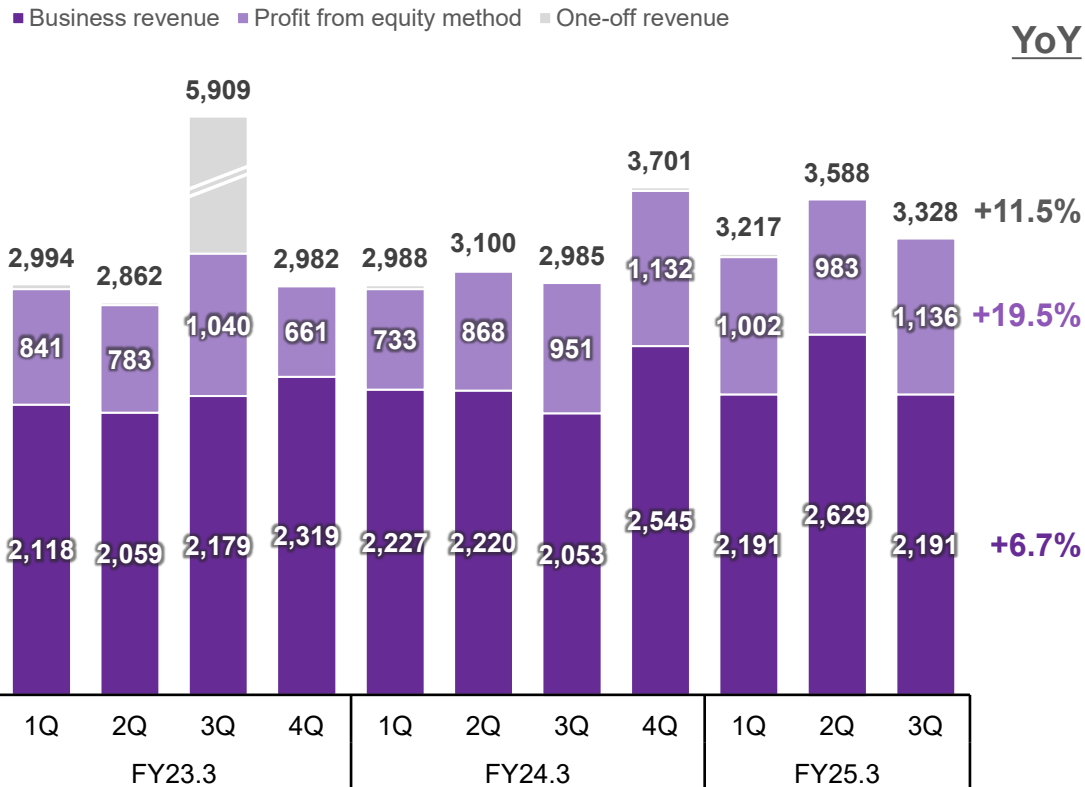
Payment-related Costs/Marginal Profit Ratio (Unit: M JPY)



- Profit from equity method investments increased by approximately +20%, driven by Kakaku.com, while strengthening collaboration initiatives in Food & beverage and Travel sector
- Continued strategic investment in new payment-related businesses to support medium and long-term growth

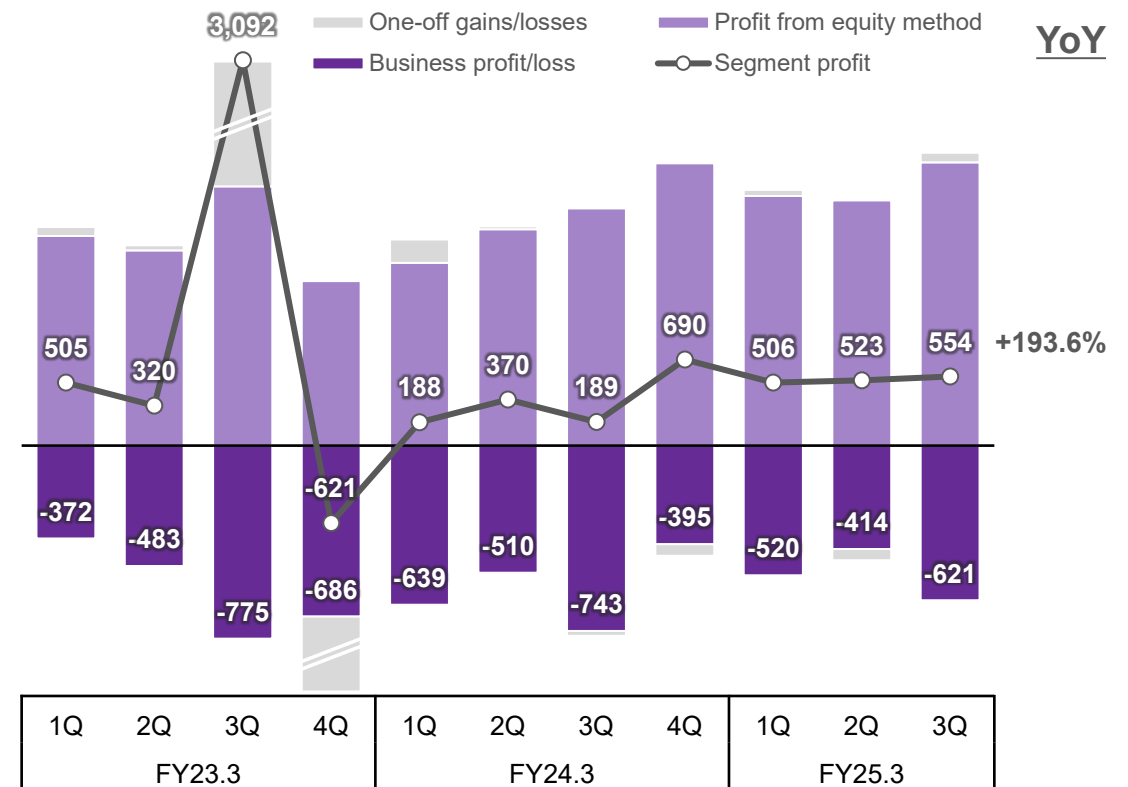
Segment Revenue

(Unit: M JPY)



Segment Profit

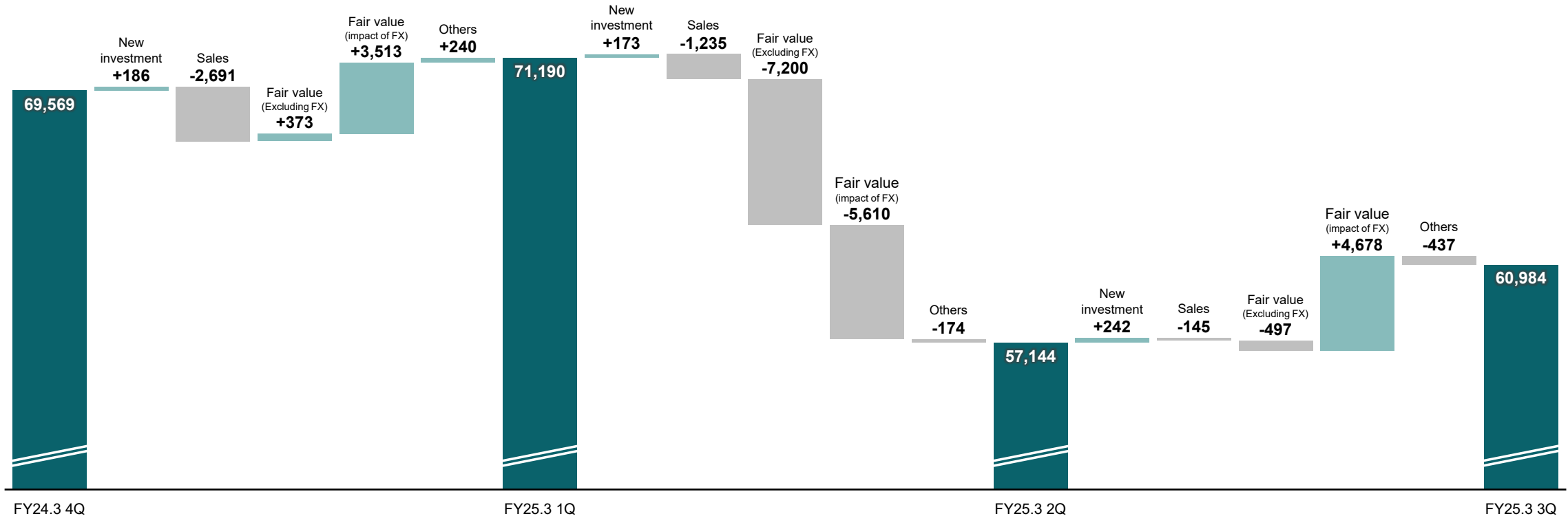
(Unit: M JPY)



- ¥4.1 bn investment business income, with progress in the investment portfolio transfer to the joint fund with Resona Group
- 2Q valuation loss on Blockstream reduced the balance, while steady progress continues in off-balancing initiative

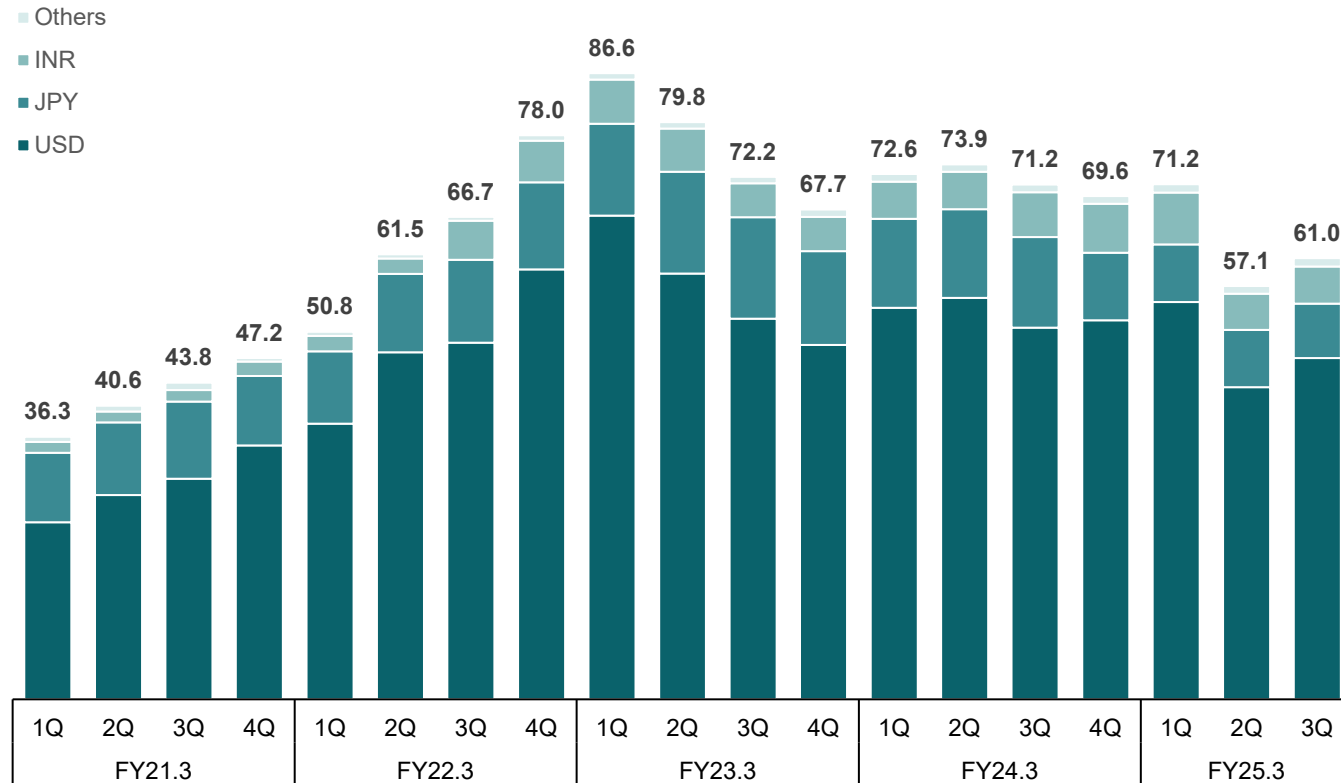
Operational Investment Securities Increase/Decrease

(M JPY)

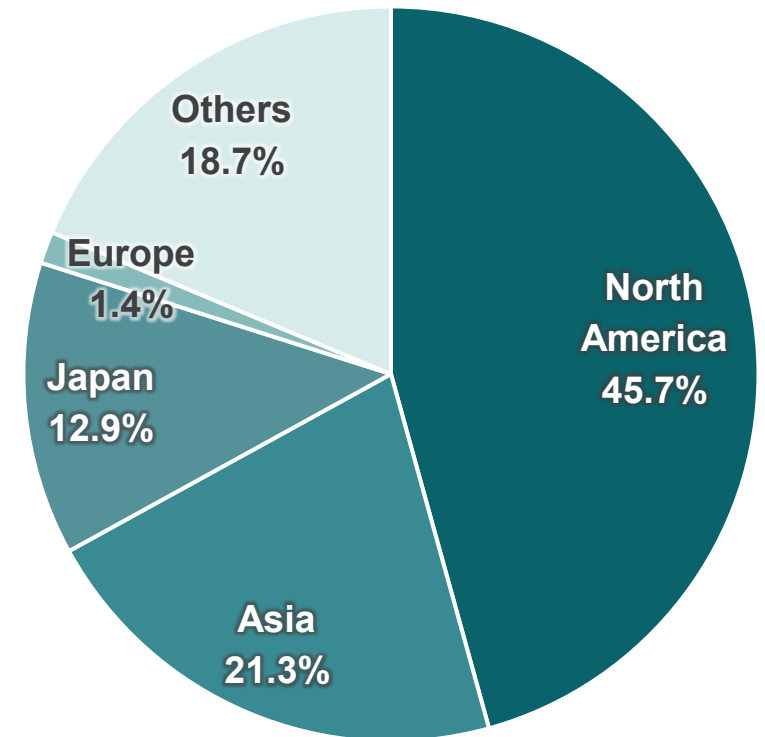


- In 3Q, the yen's depreciation increased the balance of operational investment securities quarter-over-quarter
- The investment portfolio is geographically diversified across North America, Asia, and Japan

Operational Investment Securities (currency basis) (bn JPY)

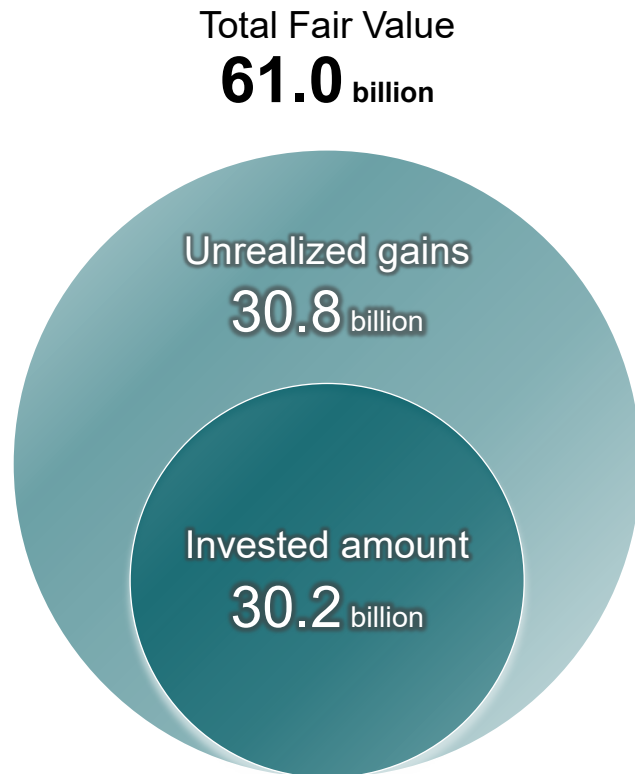


Investments by Area



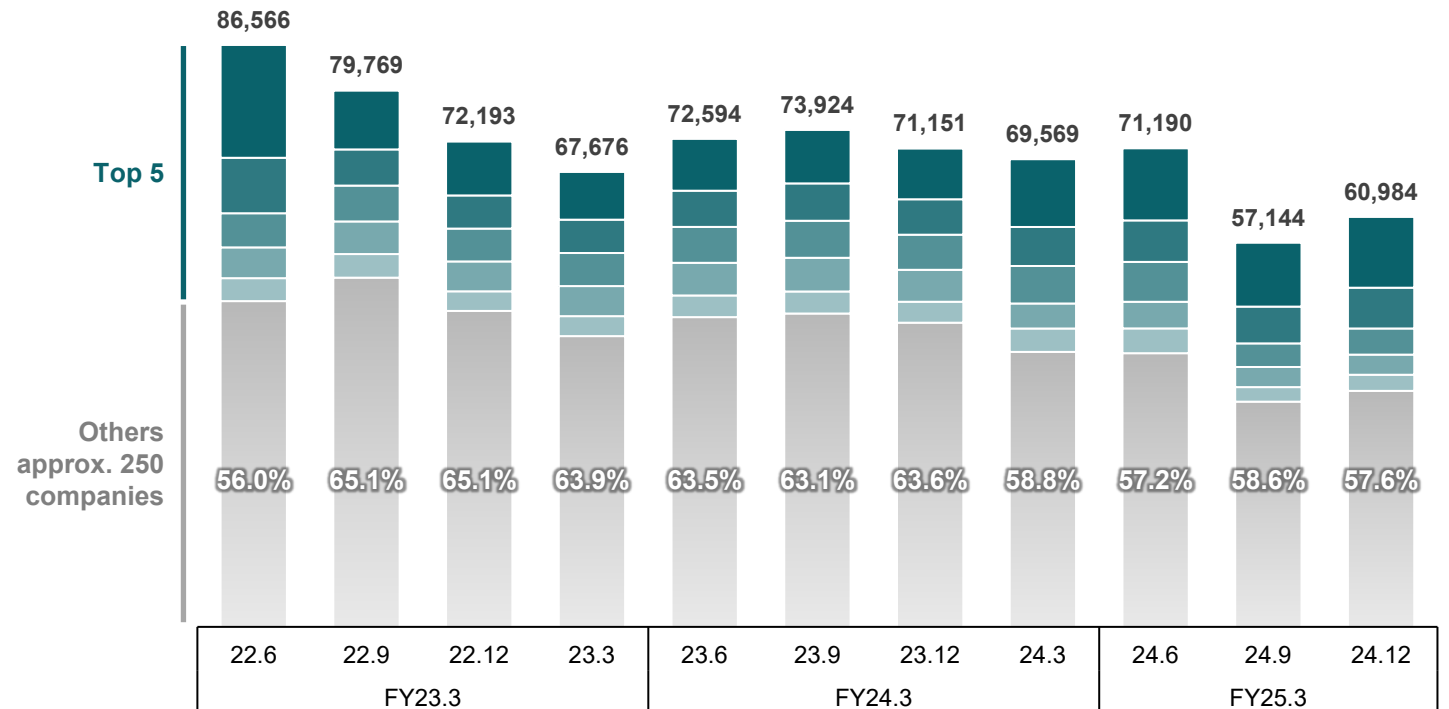
- Unrealized gains represent approx. 50% of operational investment securities' fair value at the end of Dec. 2024
- Diversified portfolio with 250+ startups and LP investments, focusing on seed and early-stage companies

Breakdown



Balance of the Top 5 Companies in the Portfolio

(M JPY)

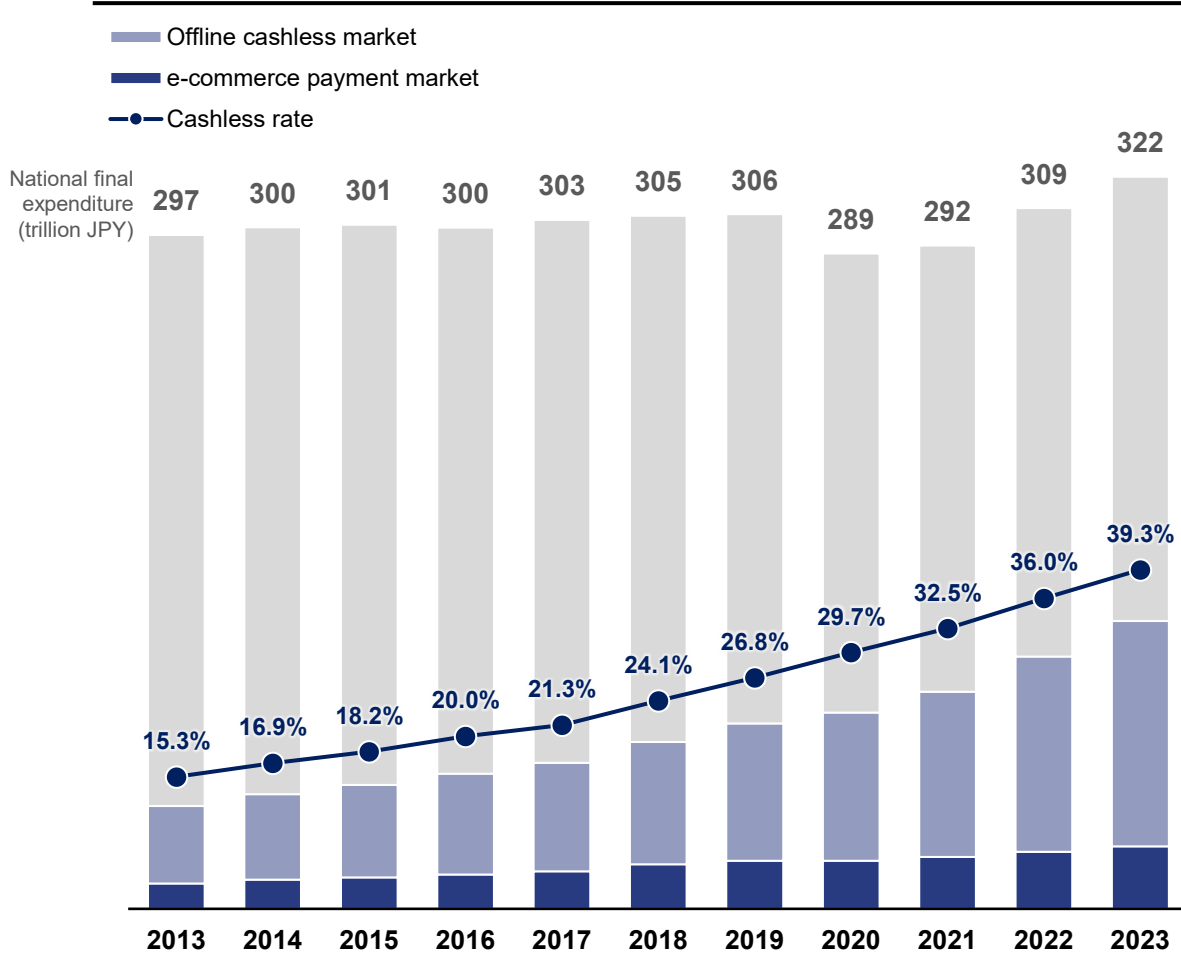


JPY in Millions	FY24.3 4Q	FY25.3 3Q	Increase/Decrease	Reason for change / Remarks
Current assets	152,094	175,895	+23,800	
Cash and cash equivalents	49,571	80,348	+30,778	
Trade and other receivables	30,154	31,400	+1,246	Payment business-related item
Operational investment securities	69,569	60,984	-8,585	Exit and change in fair value of investee companies in GII segment (including FX effects)
Non-current assets	79,337	82,558	+3,221	
Property, plant and equipment	14,990	13,877	-1,112	
Intangible assets	5,625	7,604	+1,979	
Investments accounted for using equity method	33,965	36,536	+2,571	Acquisition of 20% stake in Resona Kessai Service Co., Ltd.
Other financial assets	14,974	13,098	-1,875	Change in fair value of investee companies (including FX effects)
Total assets	231,431	258,453	+27,022	
Current liabilities	104,401	140,751	+36,350	
Bonds and borrowings	55,706	45,794	-9,912	
Trade and other payables	42,568	88,110	+45,541	Payment business-related item
Non-current liabilities	34,892	35,926	+1,034	
Bonds and borrowings	11,633	16,887	+5,254	
Other financial liabilities	7,426	6,404	-1,022	
Deferred tax liabilities	14,312	11,146	-3,166	
Total liabilities	139,293	176,677	+37,384	
Total equity attributable to owners of parent	89,251	78,982	-10,268	
Share capital	7,846	7,879	+34	
Capital surplus	5,385	5,515	+130	
Treasury shares	-975	-5,121	-4,146	
Other components of equity	1,613	2,465	+852	
Retained earnings	75,382	68,244	-7,138	
Non-controlling interests	2,887	2,793	-94	
Total equity	92,138	81,775	-10,362	

Reference Materials (2): Business Model



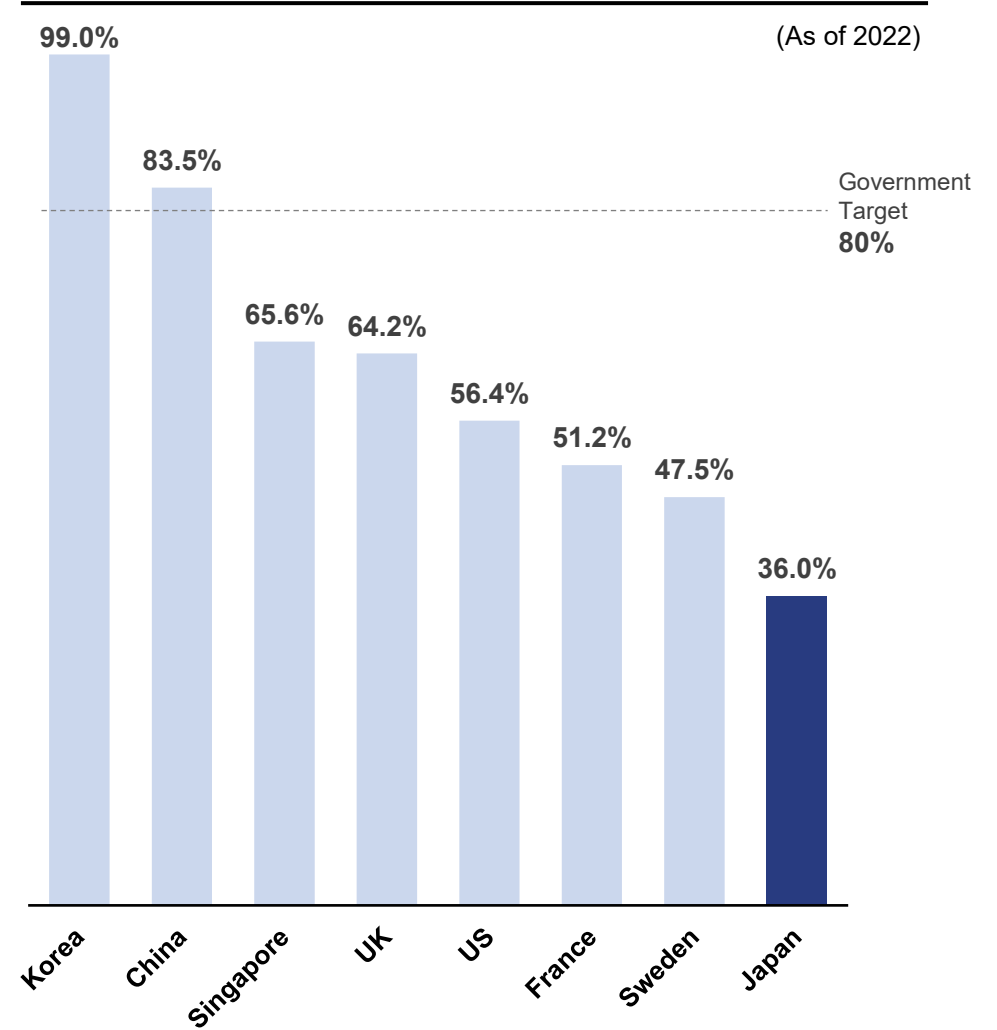
Cashless Market Size

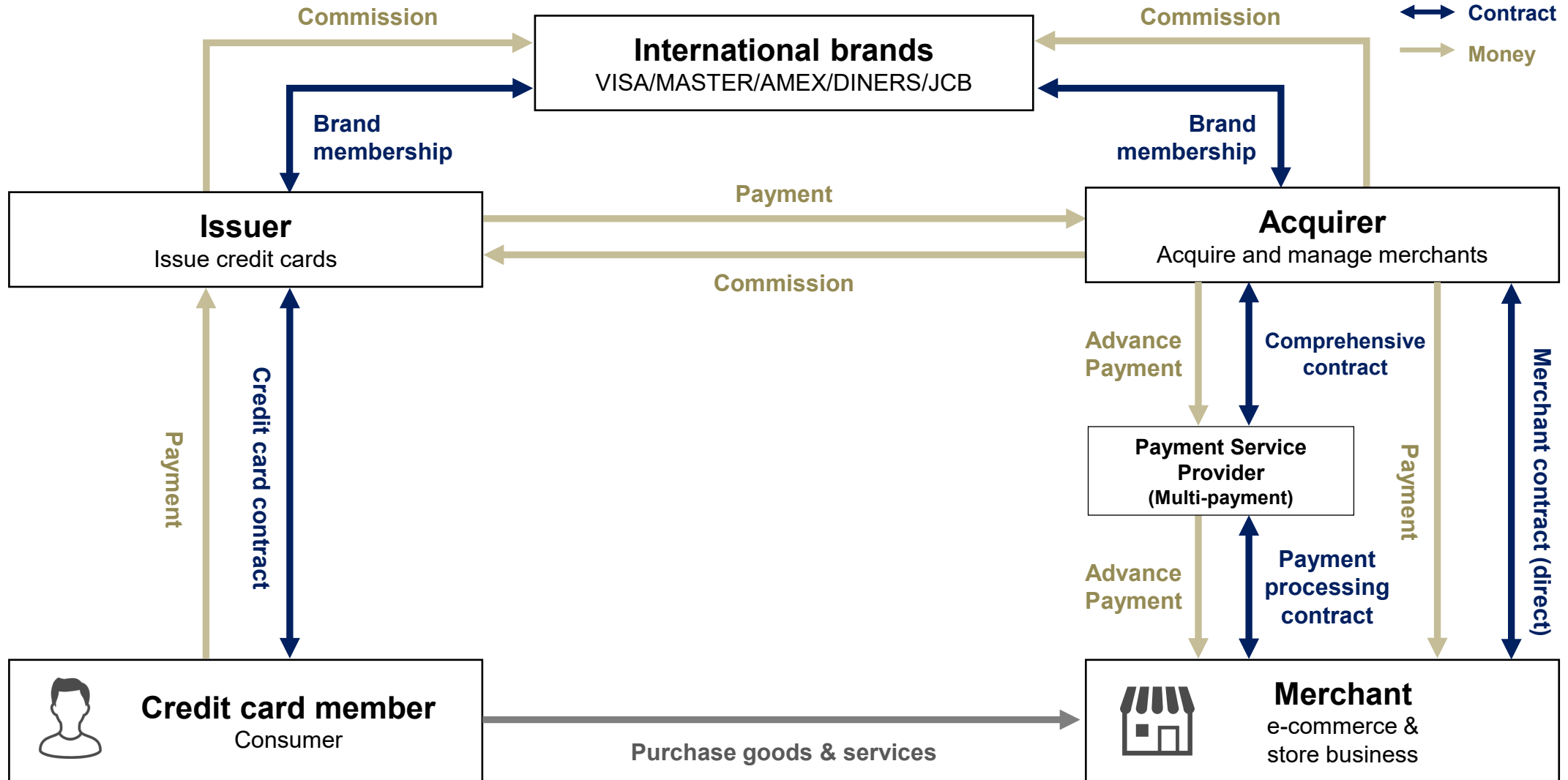


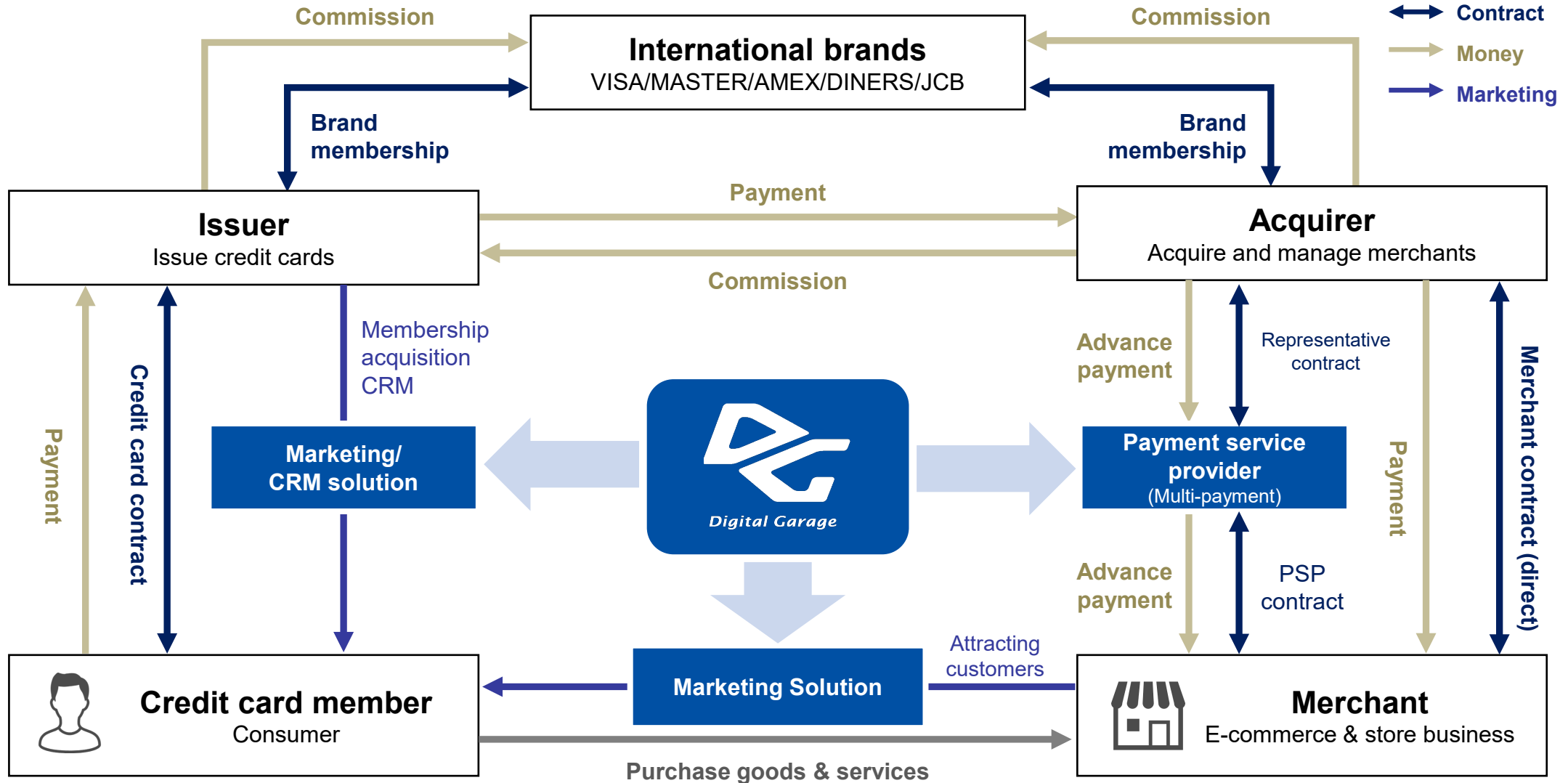
Source: Cabinet Office "Annual Report on National Accounts 2022"
METI "Market Survey on Electronic Commerce 2022"

METI "Cashless Roadmap 2023"
METI "Cashless Vision"

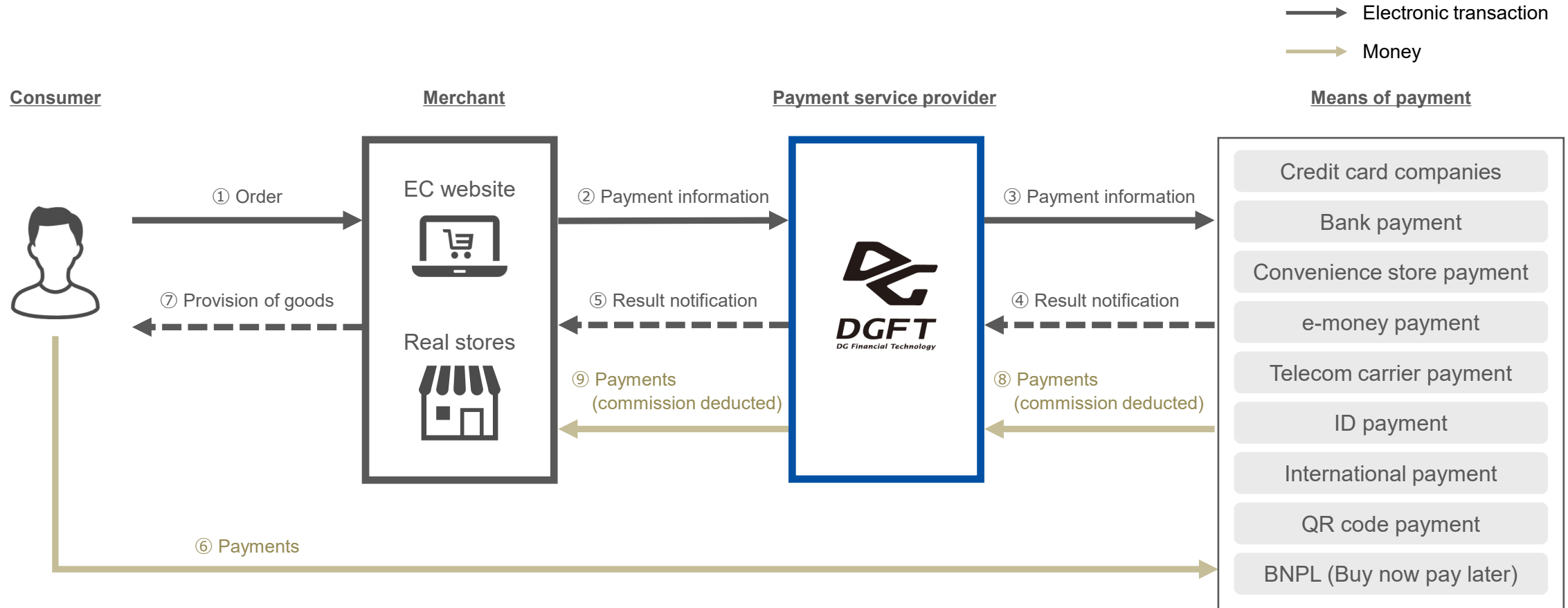
Cashless Rate by Country



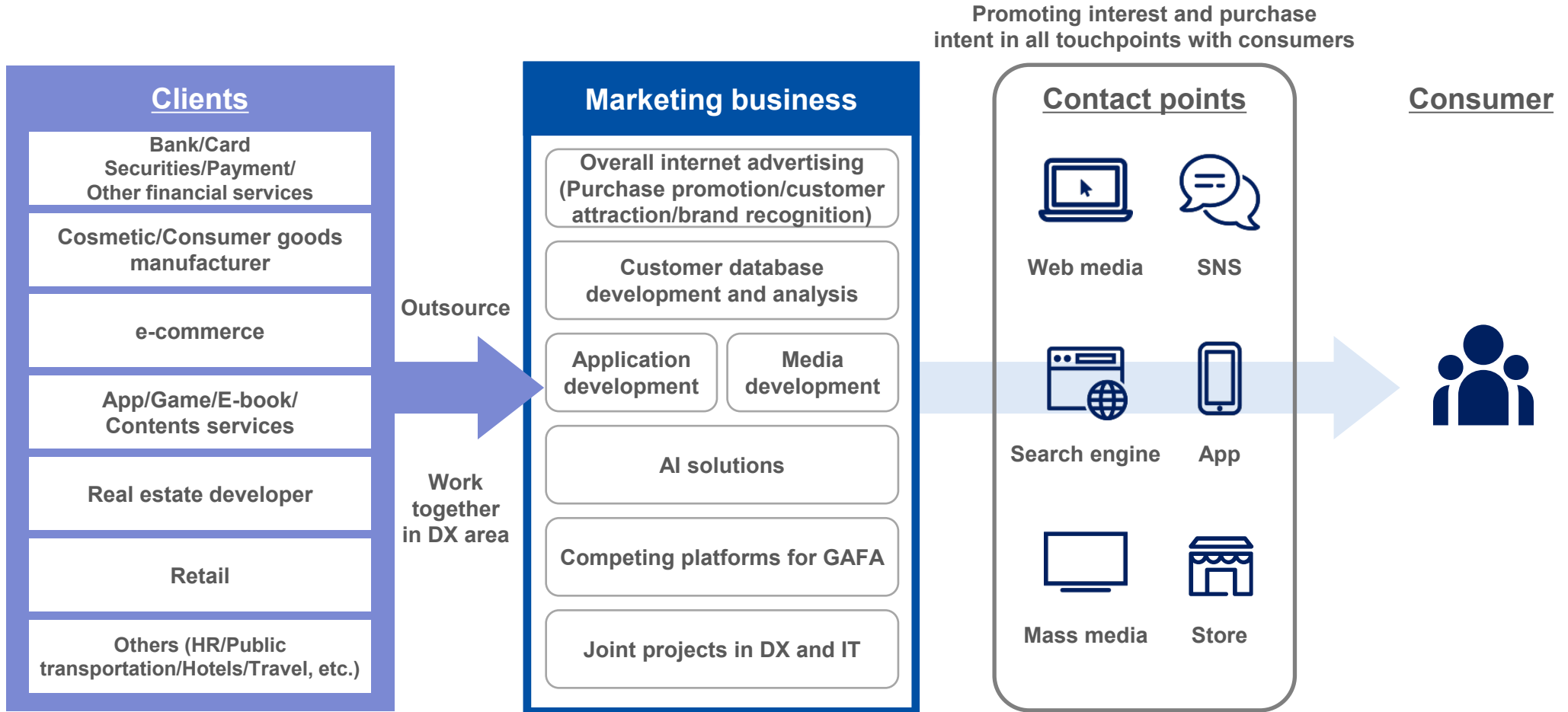




An intermediary service that connects merchants (e-commerce and physical stores) with payment providers (credit card companies, convenience stores, etc.) allowing merchants to implement multiple payment methods through a single contract



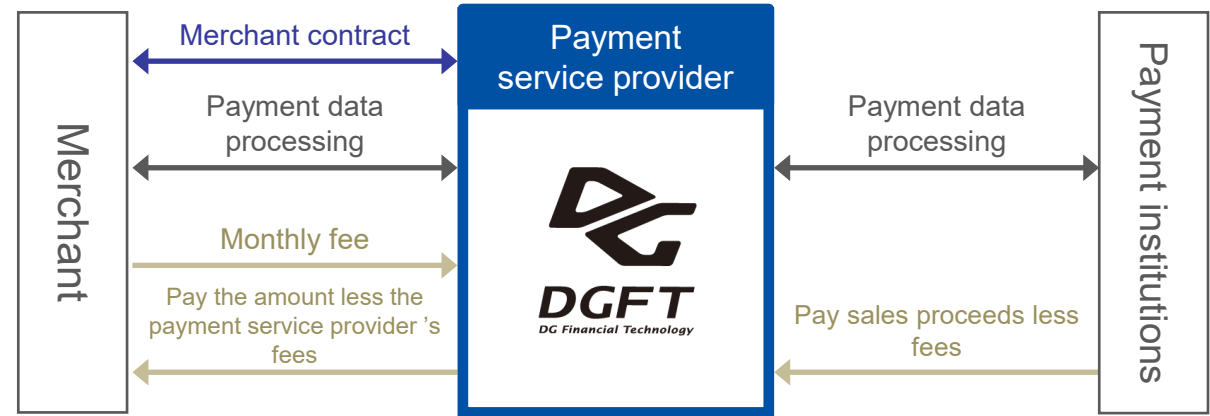
- Supporting client business growth through comprehensive digital marketing services
- Providing solutions utilizing CRM and data, and Fintech solutions linked to payment business



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

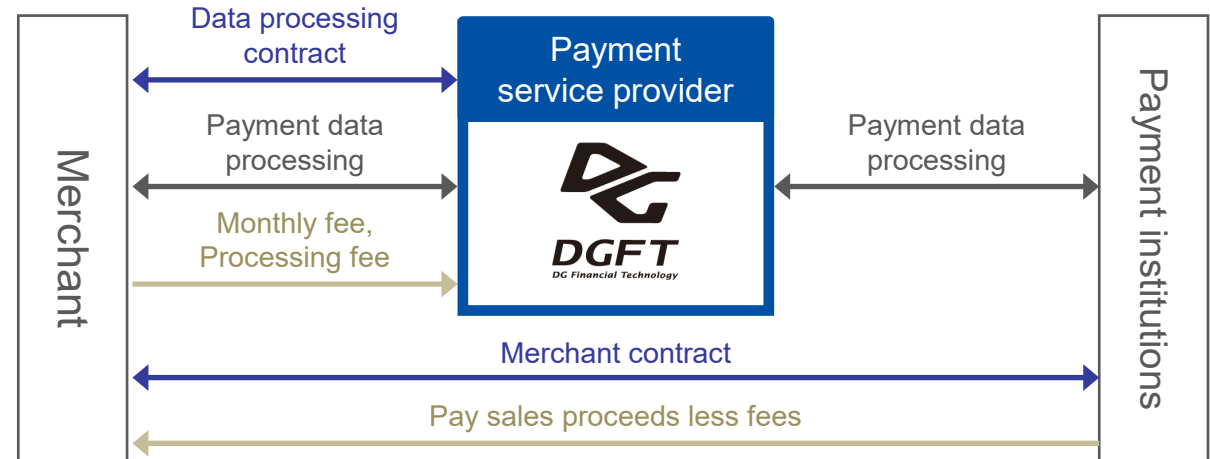


Payment data processing type (Direct contract)

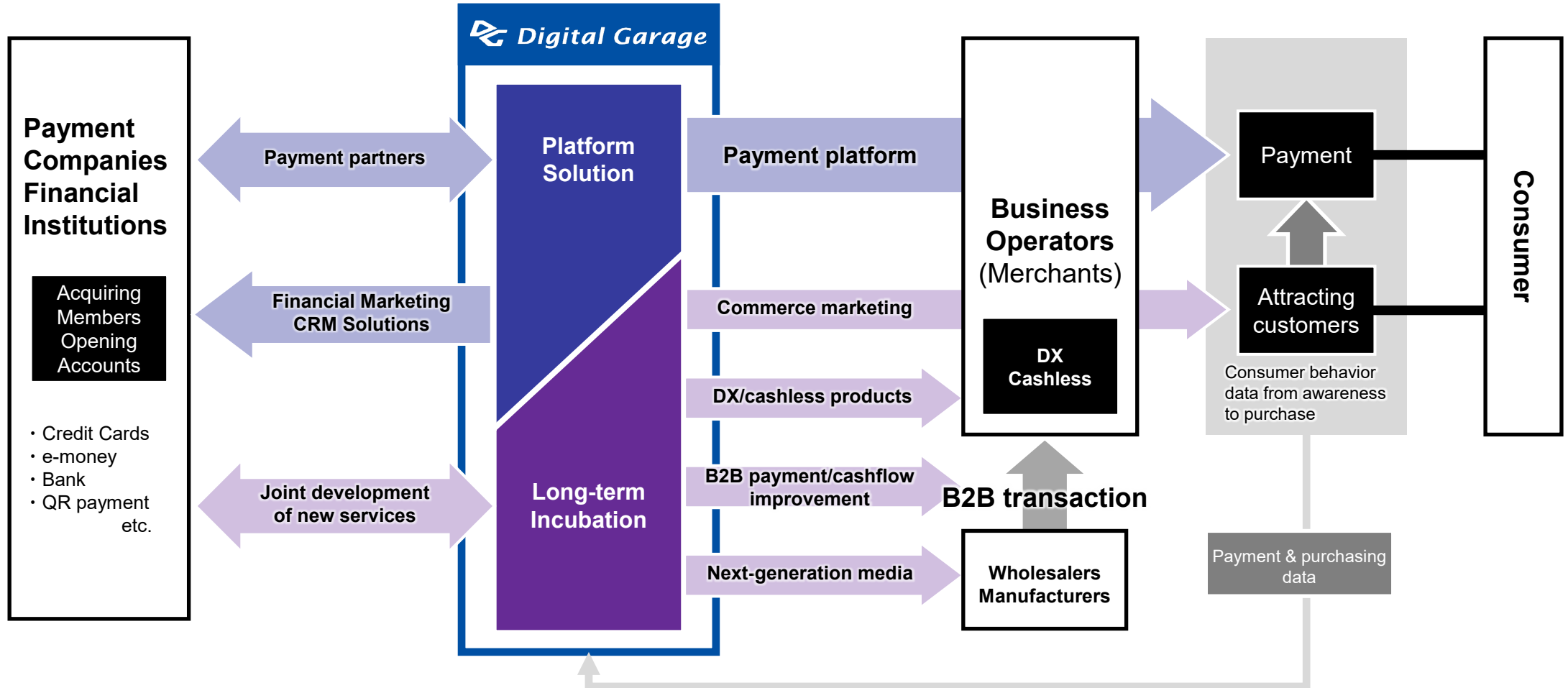
Based on the merchant agreements with credit card companies signed by the merchants, credit card payment processing is automated through the introduction of a payment system provided by PSP

- 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

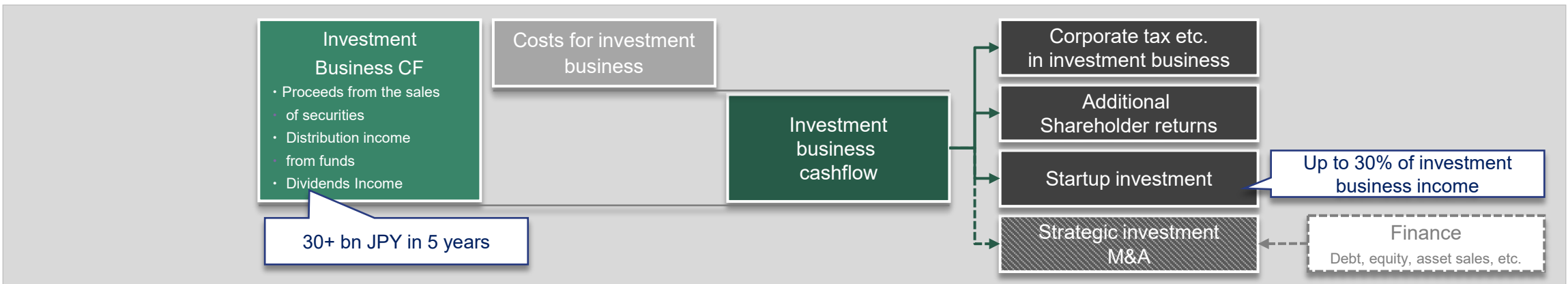
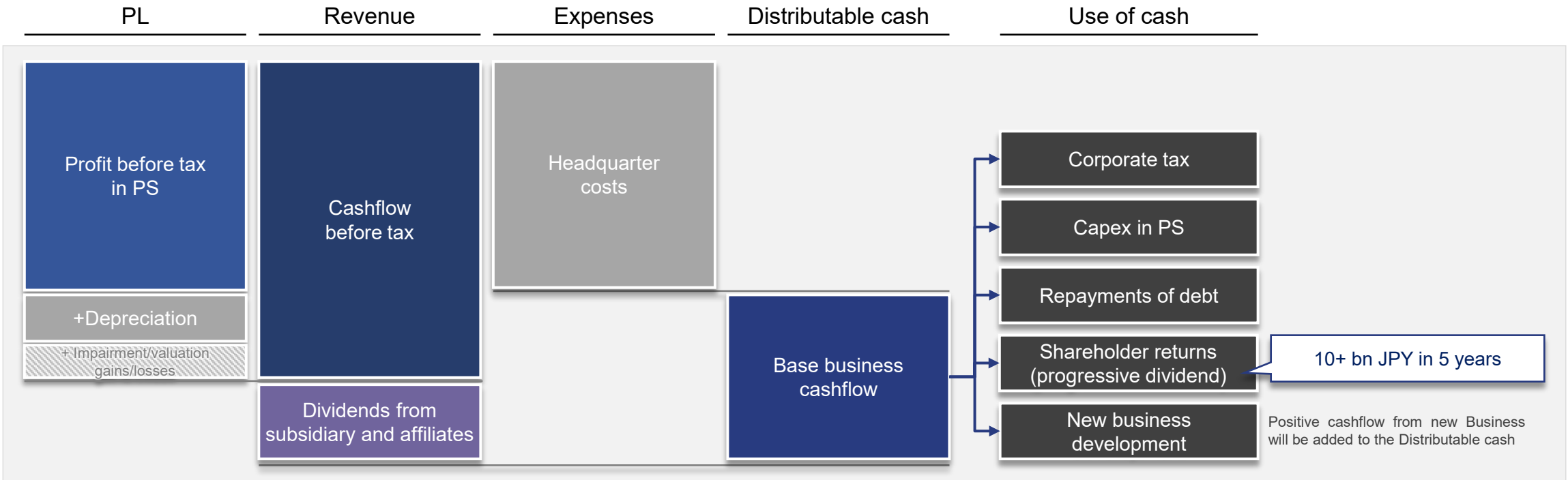


- Stable platform generating consistent revenue, primarily from payment services
- Building multi-layered revenue streams through existing businesses, DX, Fintech, and Next-generation media



Reference Materials (3): Cashflow Allocation / Shareholder Return

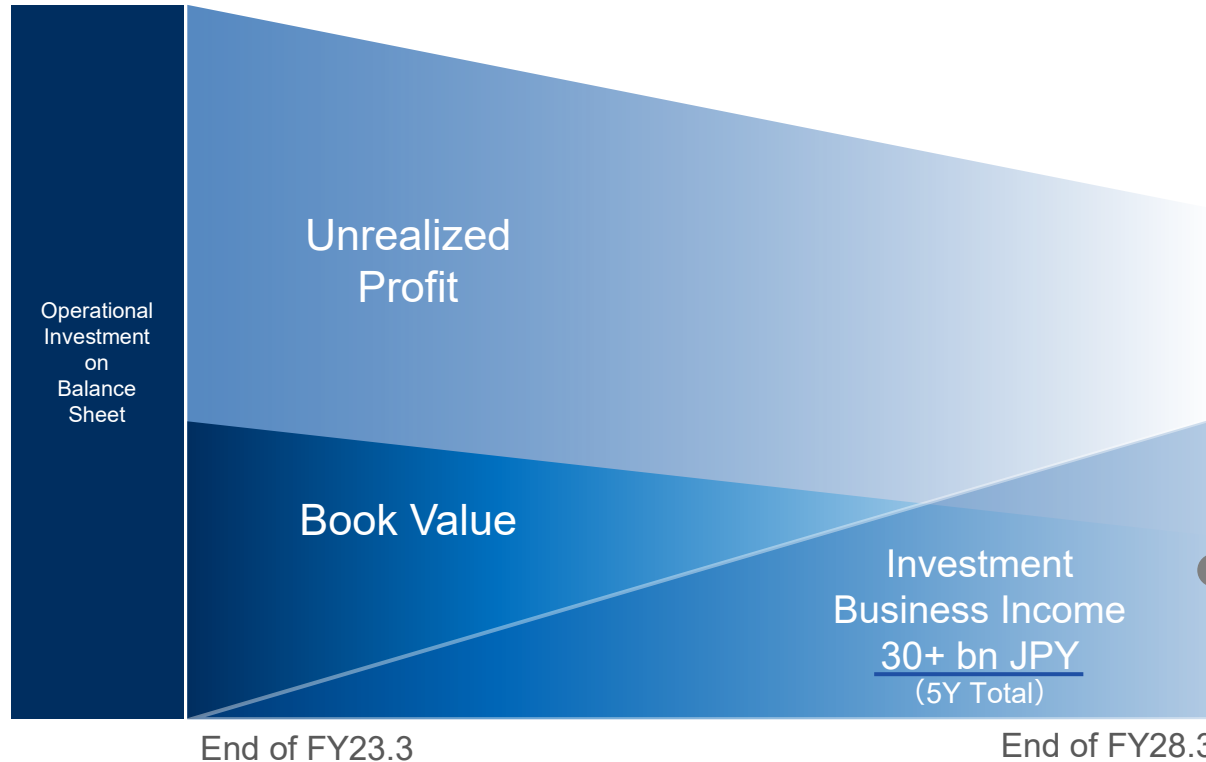




- Promote the sales of shares directly held by DG to generate investment EXIT income (proceeds from sales, etc.)
- Carefully select new investments, and plan for investing through funds for income purposes to diminish the balance
- Clarify the use of investment EXIT income and make strategic decisions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

5Y Picture of Direct Investment and Income from Sales

70 bn JPY



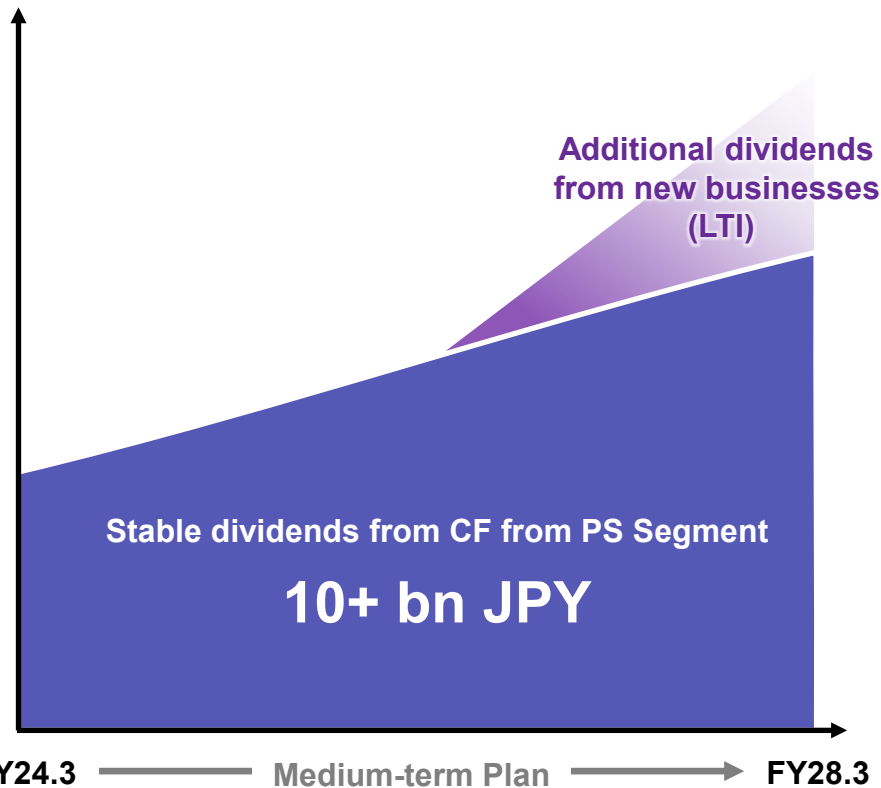
Usage of Investment EXIT Cashflow



	Policy	Distributable Resources
Stable Dividends	Long-term stable dividends on a progressive dividend basis	Base Business Cashflow
Accelerating Dividend Increase	Increasing dividend growth rate by launching new businesses	
Additional Return	Special dividends/share buybacks based on portfolio sales progress	Income from sales/distributions in the investment business

- Dividend Policy: Progressive dividends based on PS cash flow plus additional dividends from new business cash flow
- Consider additional returns (special dividends, share buybacks) from investment business cash flow as active options

Shareholder Return by Base Business CF



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 cashflow through launch of strategic businesses
	1 st layer (PS)	Plan to pay progressive dividends from cashflow of PS Segment, which is expected as continuous profit growth
		Dividend payout ratio 30+%



Digital Garage Group

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.