

Translation

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Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Based on IFRS)

May 13, 2025

Company name: Digital Garage, Inc.

Stock exchange listings: Tokyo Prime

Securities code: 4819 URL <https://www.garage.co.jp/en/>

Representative: (Title) Representative Director, President Executive Officer and Group CEO (Name) Kaoru Hayashi

Inquiries: (Title) Corporate Officer, Deputy Head of Corporate Div. (Name) Hiroyuki Nozaki Tel 03-6367-1111

Date of general shareholders' meeting (as planned): June 26, 2025 Dividend payable date (as planned): June 27, 2025

Annual securities report filing date (as planned): June 26, 2025

Supplemental material of annual results: Yes

Convening briefing of annual results : Yes

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	38,306	1.2	(10,216)	—	(7,476)	—	(7,190)	—	(7,981)	—
March 31, 2024	37,853	25.9	6,298	—	5,551	—	5,806	—	6,187	—

	Basic earnings per share	Diluted earnings per share	Profit to equity attributable to owners of parent ratio	Profit before tax to total assets ratio	Profit before tax to revenue ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	(155.29)	(155.29)	(8.7)	(4.5)	(26.7)
March 31, 2024	126.77	125.31	6.9	2.8	16.6

(Reference) Share of profit of investments accounted for using equity method: For the fiscal year ended March 31, 2025 4,317 million yen
For the fiscal year ended March 31, 2024 3,657 million yen

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	226,344	77,695	75,417	33.3	1,645.49
March 31, 2024	231,431	92,138	89,251	38.6	1,883.73

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	31,726	(10,003)	(14,914)	56,354
March 31, 2024	(11,032)	(8,763)	15,931	49,571

2. Cash dividends

	Dividend per share					Total dividend paid	Payout ratio (consolidated)	Ratio of total amount of dividends to equity attributable to owner of parent (consolidated)
	First quarter	Second quarter	Third quarter	Year end	Annual			
Fiscal year ended March 31, 2024	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2024	—	0.00	—	40.00	40.00	1,895	31.6	2.2
Fiscal year ended March 31, 2025	—	0.00	—	53.00	53.00	2,438	—	3.0
Fiscal year ending March 31, 2026 (Forecast)	—	0.00	—	47.00	47.00		—	

(Note) 1. Breakdown of year-end dividend for the fiscal year ended March 31, 2025: Ordinary dividend: 43.00 yen

Special/commemorative dividend: 10.00 yen

2. The total dividend paid includes amounts paid to the trust for Digital Garage Employee Stock Ownership Plan (9 million yen for the fiscal year ended March 2025).

3. Consolidated financial forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

The Platform Solutions segment, which serves as the Company Group's earnings base, is expected to show more than 20% growth in profit before tax compared to the previous fiscal year. This increase comes from the expanding payment business, particularly driven by increased QR code payments and strategic business partnerships with alliance partners.

The Company does not disclose consolidated financial results forecasts due to the difficulty of reasonably estimating the fair value of securities—particularly its investments in startup companies—at period end.

* Notes

(1) Significant changes in the scope of consolidation during the period : None

(2) Changes in accounting policies and changes in accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

① Number of issued and outstanding shares at the end of fiscal year (including treasury stock)	As of March 31, 2025	47,650,900 shares	As of March 31, 2024	47,619,100 shares
② Number of treasury stock at the end of fiscal year	As of March 31, 2025	1,818,338 shares	As of March 31, 2024	239,371 shares
③ Average number of shares	Fiscal year ended March 31, 2025	46,301,868 shares	Fiscal year ended March 31, 2024	45,798,803 shares

(Note) Treasury shares include the Company shares held by the trust for the Digital Garage Employee Stock Ownership Plan.

[Reference] Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended March 31, 2025 [Japanese GAAP] (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2025	8,833	8.9	(7,666)	—	1,482	(49.0)	(715)	—
March 31, 2024	8,114	6.2	(6,576)	—	2,905	(37.8)	2,655	(62.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Fiscal year ended March 31, 2025	(15.44)	—
March 31, 2024	57.96	57.30

(Note) Diluted earnings per share for the fiscal year ended March 31, 2025 are not stated because a net loss per share was recorded, despite the existence of potential shares.

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2025	93,542	24,566	24.3	496.27
March 31, 2024	101,387	31,844	29.8	638.13

(Reference) Owner's equity As of March 31, 2025 22,745 million yen
As of March 31, 2024 30,235 million yen

< Reasons for Differences in Non-consolidated Operating Results from the Previous Fiscal Year >

Ordinary income (loss) decreased during the current fiscal year, mainly due to higher selling, general and administrative expenses, particularly personnel costs. Additionally, profit (loss) declined following valuation losses on both affiliate shares and investment securities.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Supplementary Materials and Financial Results Briefing Information)

A recording of the financial results briefing will be available in both Japanese and English on the Company's website (<https://ir.garage.co.jp/en/>). The presentation materials from the financial results briefing will be published on TDnet and the Company's website on the same day.

Condensed consolidated financial statements

(1) Condensed consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	49,571	56,354
Trade and other receivables	30,154	30,538
Inventories	428	376
Operational investment securities	69,569	54,940
Other financial assets	279	292
Income taxes receivable	1,204	575
Other current assets	890	1,370
Total current assets	152,094	144,446
Non-current assets		
Property, plant and equipment	14,990	13,163
Goodwill	6,964	8,030
Intangible assets	5,625	7,316
Investment property	1,912	1,872
Investments accounted for using equity method	33,965	37,643
Other financial assets	14,974	12,896
Deferred tax assets	509	517
Other non-current assets	397	461
Total non-current assets	79,337	81,899
Total assets	231,431	226,344

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	55,706	27,676
Trade and other payables	42,568	62,532
Other financial liabilities	1,669	1,787
Income taxes payable	365	1,001
Other current liabilities	4,092	4,562
Total current liabilities	104,401	97,558
Non-current liabilities		
Bonds and borrowings	11,633	33,956
Other financial liabilities	7,426	5,976
Retirement benefit liability	460	372
Provisions	479	519
Deferred tax liabilities	14,312	9,737
Other non-current liabilities	582	531
Total non-current liabilities	34,892	51,091
Total liabilities	139,293	148,649

Equity		
Share capital	7,846	7,888
Capital surplus	5,385	5,229
Treasury shares	(975)	(5,108)
Other components of equity	1,613	1,112
Retained earnings	75,382	66,296
Total equity attributable to owners of parent	89,251	75,417
Non-controlling interests	2,887	2,278
Total equity	92,138	77,695
Total liabilities and equity	231,431	226,344

(2) Consolidated statements of income and statements of comprehensive income
(Consolidated statements of income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Revenue		
Revenue in recurring business	26,620	32,201
Revenue in operational investment securities	4,758	—
Other income	1,079	1,706
Finance income	1,740	83
Share of profit of investments accounted for using equity method	3,657	4,317
Total	37,853	38,306
Expenses		
Cost of sales	10,676	12,948
Loss in operational investment securities	—	7,290
Selling, general and administrative expenses	17,861	21,643
Other expenses	2,773	1,954
Finance costs	245	4,689
Total	31,555	48,523
Profit (loss) before tax	6,298	(10,216)
Income tax expense	747	(2,740)
Profit (loss)	5,551	(7,476)
Profit (loss) attributable to		
Owners of parent	5,806	(7,190)
Non-controlling interests	(255)	(286)
Earnings (loss) per share		
Basic earnings (loss) per share	126.77	(155.29)
Diluted earnings (loss) per share	125.31	(155.29)

(Consolidated statements of comprehensive income)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	5,551	(7,476)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	15	(376)
Remeasurements of defined benefit plans	(8)	52
Share of other comprehensive income of investments accounted for using equity method	(2)	(1)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	631	(180)
Share of other comprehensive income of investments accounted for using equity method	1	0
Other comprehensive income, net of tax	636	(504)
Comprehensive income	6,187	(7,981)
Comprehensive income attributable to		
Owners of parent	6,436	(7,692)
Non-controlling interests	(249)	(288)

Consolidated statement of changes in equity

(Millions of yen)

	Equity attributable to owners of parent						
				Other components of equity			
	Share capital	Capital surplus	Treasury shares	Financial assets measured at fair value through other comprehensive income	Exchange difference s on translation of foreign operations	Remeasur ements of defined benefit plans	Total
Balance at April 1, 2023	7,830	6,229	(6,293)	(469)	2,111	8	1,650
Profit (loss)							—
Other comprehensive income				13	625	(8)	630
Comprehensive income	—	—	—	13	625	(8)	630
Issuance of new shares	16	16					—
Changes in ownership interest in subsidiaries		(3)					—
Change in scope of consolidation							—
Dividends							—
Share-based payment transactions		228	137				—
Purchase of treasury shares		(57)	(5,000)				—
Disposal of treasury shares		(1,031)	10,181				—
Transfer from other components of equity to retained earnings				(668)			(668)
Other		4					—
Total	16	(844)	5,318	(668)	—	—	(668)
Balance at March 31, 2024	7,846	5,385	(975)	(1,124)	2,737	(0)	1,613
Profit (loss)							—
Other comprehensive income				(377)	(175)	51	(502)
Comprehensive income	—	—	—	(377)	(175)	51	(502)
Issuance of new shares	42	42					—
Changes in ownership interest in subsidiaries		(337)					—
Change in scope of consolidation							—
Dividends							—
Share-based payment transactions		164	299				—
Purchase of treasury shares		(9)	(4,500)				—
Disposal of treasury shares		16	68				—
Transfer from other components of equity to retained earnings				1			1
Other		(32)					—
Total	42	(155)	(4,133)	1	—	—	1
Balance at March 31, 2025	7,888	5,229	(5,108)	(1,500)	2,561	51	1,112

(Millions of yen)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance at April 1, 2023	70,614	80,030	1,942	81,972
Profit (loss)	5,806	5,806	(255)	5,551
Other comprehensive income		630	6	636
Comprehensive income	5,806	6,436	(249)	6,187
Issuance of new shares		31		31

Changes in ownership interest in subsidiaries		(3)	853	850
Change in scope of consolidation		—	362	362
Dividends	(1,705)	(1,705)	(21)	(1,726)
Share-based payment transactions		365		365
Purchase of treasury shares		(5,057)		(5,057)
Disposal of treasury shares		9,150		9,150
Transfer from other components of equity to retained earnings	668	—		—
Other		4		4
Total	(1,037)	2,785	1,194	3,979
Balance at March 31, 2024	75,382	89,251	2,887	92,138
Profit (loss)	(7,190)	(7,190)	(286)	(7,476)
Other comprehensive income		(502)	(2)	(504)
Comprehensive income	(7,190)	(7,692)	(288)	(7,981)
Issuance of new shares		84		84
Changes in ownership interest in subsidiaries		(337)	(320)	(657)
Change in scope of consolidation		—	6	6
Dividends	(1,895)	(1,895)	(7)	(1,902)
Share-based payment transactions		463		463
Purchase of treasury shares		(4,509)		(4,509)
Disposal of treasury shares		84		84
Transfer from other components of equity to retained earnings	(1)	—		—
Other		(32)		(32)
Total	(1,896)	(6,141)	(321)	(6,462)
Balance at March 31, 2025	66,296	75,417	2,278	77,695

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit (loss) before tax	6,298	(10,216)
Depreciation and amortization	3,760	4,155
Impairment losses	2,392	1,549
Interest and dividend income	(50)	(83)
Interest expenses on borrowings and bonds	232	397
Share of loss (profit) of investments accounted for using equity method	(3,657)	(4,317)
Loss (gain) on investment securities	(782)	4,116
Loss (gain) on sales of shares of subsidiaries and associates	(1)	—
Decrease (increase) in trade and other receivables	(9,492)	4,168
Decrease (increase) in investment securities for sale	(2,054)	14,384
Decrease (increase) in inventories	(70)	52
Increase (decrease) in trade and other payables	(6,429)	16,790
Increase (decrease) in accrued consumption taxes	348	(302)
Other	(1,319)	(153)
Subtotal	(10,825)	30,539
Interest and dividends received	1,550	1,779
Interest paid	(158)	(376)
Income taxes refund (paid)	(1,598)	(215)
Net cash provided by (used in) operating activities	(11,032)	31,726
Cash flows from investing activities		
Purchase of property, plant and equipment	(697)	(595)
Purchase of intangible assets	(2,216)	(4,008)
Purchase of investment securities	(413)	(2,421)
Proceeds from sale of investment securities	1,683	1
Proceeds from dividend of investment partnership	808	46
Payments for acquisition of subsidiaries	(883)	(1,008)
Purchase of investments accounted for using equity method	(7,047)	(2,316)
Proceeds from sale of investments accounted for using equity method	58	—
Payments for acquisition of businesses	—	(642)
Other	(57)	940
Net cash provided by (used in) investing activities	(8,763)	(10,003)

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	16,640	(6,175)
Proceeds from long-term borrowings	26,100	29,300
Repayments of long-term borrowings	(3,345)	(29,193)
Redemption of bonds	(25,000)	—
Repayments of lease liabilities	(1,718)	(1,775)
Capital contribution from non-controlling interests	899	10

Payments for acquisition of interests in subsidiaries from non-controlling interests	—	(667)
Purchase of treasury shares	(5,076)	(4,512)
Proceeds from disposition of treasury shares	9,150	84
Dividends paid	(1,704)	(1,894)
Other	(14)	(93)
Net cash provided by (used in) financing activities	15,931	(14,914)
Effect of exchange rate changes on cash and cash equivalents	100	(26)
Net increase (decrease) in cash and cash equivalents	(3,764)	6,783
Cash and cash equivalents at beginning of period	53,335	49,571
Cash and cash equivalents at end of period	49,571	56,354