

Financial Report

1Q of FY26.3



2025.8.7

I. Introduction





PURPOSE

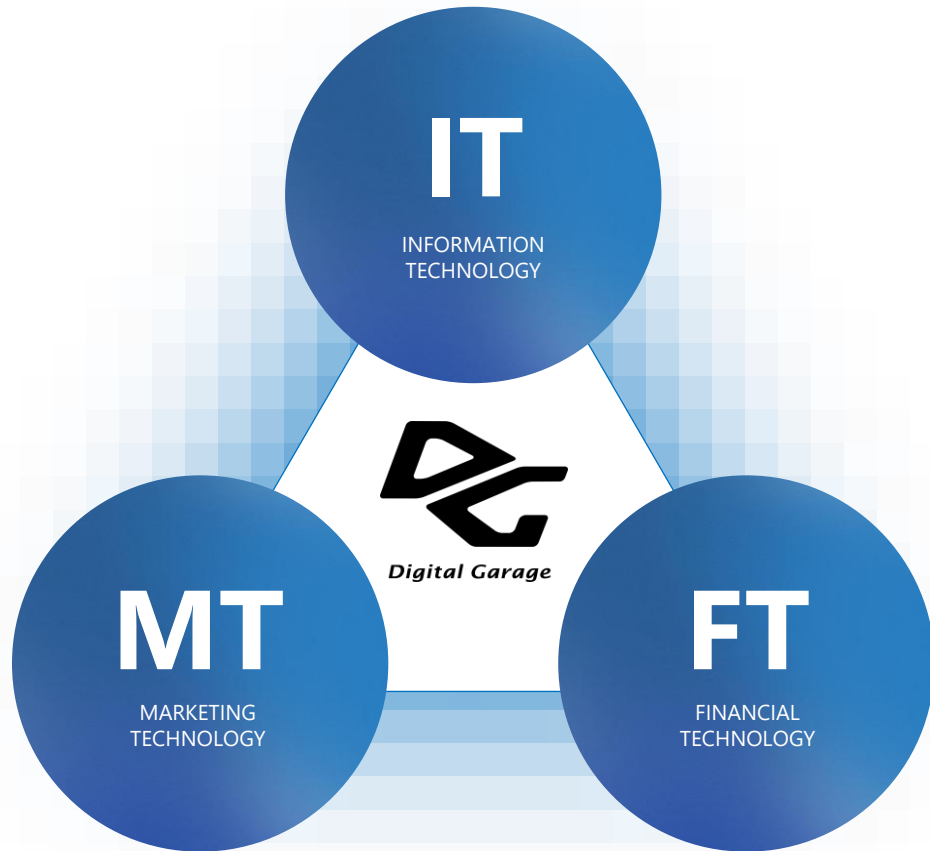
Designing 'New Context' for a sustainable society
with technology

<VALUES>

First Penguin Spirit

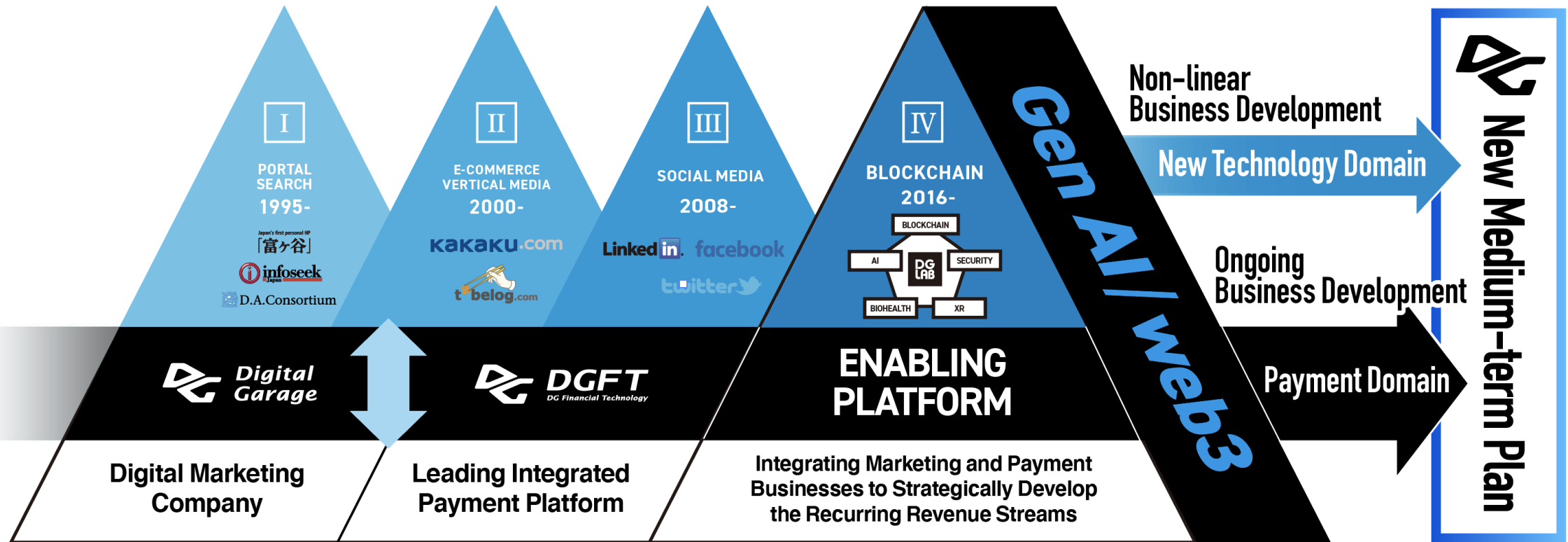
<CORPORATE SLOGAN>

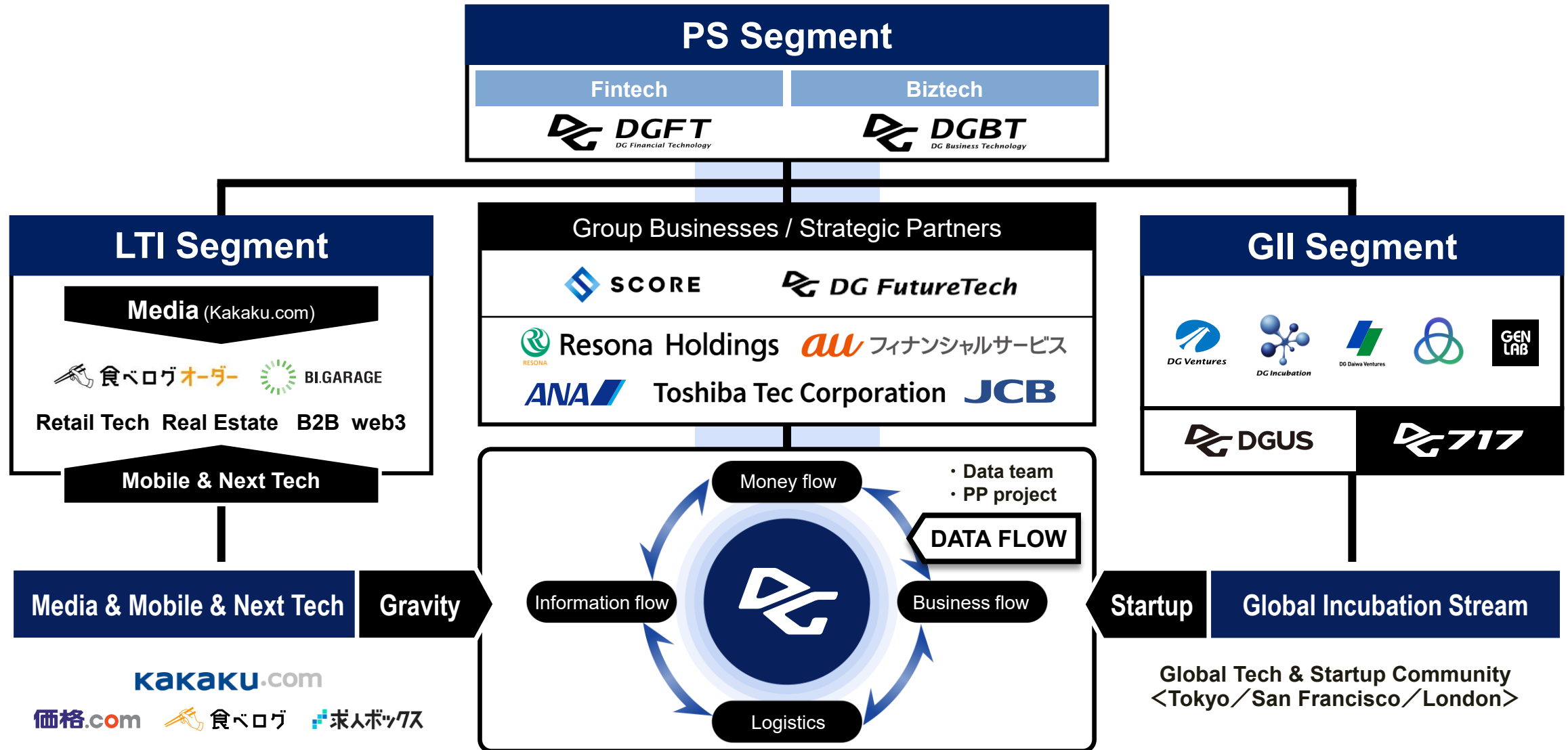
New Context Designer DG



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.





Medium-Term Plan (FY24.3 - FY28.3): Targets & Progress

- FY25.3 – Several initiatives bore fruit, driving a significantly higher growth rate vs. FY24.3 and allowing us to meet the targets on a single FY basis
- We continue working on partnerships with strategic partners in various areas, toward further improving growth rates over the remaining 3-year period

	5-year KPIs	FY25.3	Initiatives
Growth Rate of Pre-tax Profit*	5-year CAGR 20% Over	+22.2% (Single FY basis)	<ul style="list-style-type: none"> ■ Scale up operations through <u>monetization initiatives in new businesses & by growing payment transaction volume</u> ■ Initiate operations at DG Business Technology (DGBT) – founded to offer general digital business support solutions – will allow us to <u>monetize to the entire payment value chain</u>
Payment Transaction Volume	FY28.3 ¥15 T Over	¥7.5 T (Single FY basis)	<ul style="list-style-type: none"> ■ Further accelerate growth in payment transaction volumes through <u>business collaboration with alliance partners</u> including Resona Group, Toshiba Tec Corporation, JCB, ANA Group, KDDI Group, and Square, with the potential to exceed the 15 trillion yen target ■ Expand the offline payment domain with the “Cloud Pay” unified QR code payment solution
Investment Business Income	5-year total ¥30.0 B Over	¥13.8 B (5-year total)	<ul style="list-style-type: none"> ■ Finished moving investments off balance sheet by transferring portfolio to joint fund with Resona Group (approx. ¥10 B) ■ Continued <u>focus on asset sales</u> coupled with the pursuit of <u>returns from collaboration</u>/joint ventures with companies we have invested in
Shareholder Returns (dividend)	5-year total ¥10.0 B Over	¥4.3 B (5-year total)	<ul style="list-style-type: none"> ■ <u>Progressive dividend policy</u> driven by expected sustainable growth in the payment business ■ Increasing ordinary dividend growth rate with the acceleration of strategic businesses ■ Active use of investment business income for additional shareholder returns (¥9.0 B in share buybacks completed in 2 years)

*Excluding Investment Business and equity-method profit from Kakaku.com, Inc.

FINTECH SHIFT 2.0

Expanding into the **Fintech** × **Intelligent Data** business domain based on the PS segment

- I** Entering the data-driven BaaS/digital finance business in addition to the Fintech business
- II** Deepening alliances with strategic partners | Resona Group, KDDI Group, Kakaku.com, JCB, Toshiba Tec Corp., ANA Group, etc.
- III** Strengthening the payment ecosystem with Business Wing/strategic synergy with newly formed DGBT
- IV** Launching the ProbComp (joint research with MIT) project, which is considered a promising next-generation AI

II. Capital and Business Alliance with Resona HD



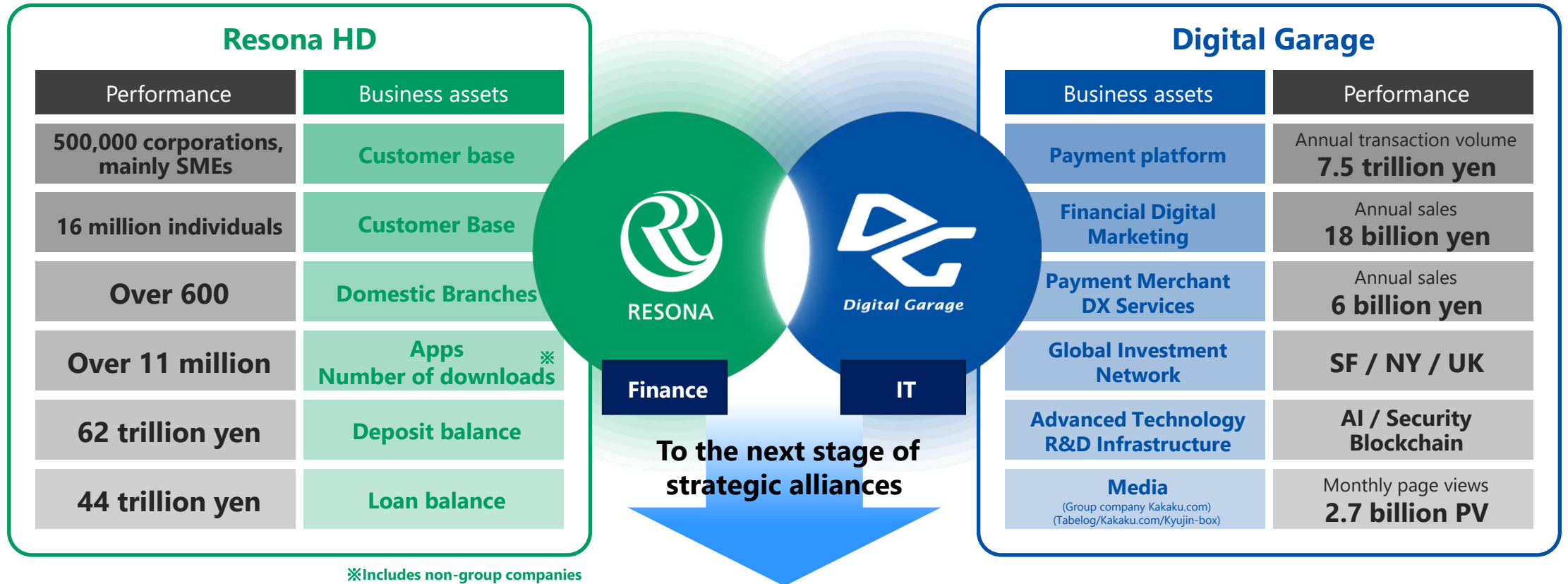
- 2022: Entered capital & business alliance with Resona Holdings and continue expanding the scope of the alliance
- In addition to our business in payments/Fintech, we will enter in earnest the BaaS/digital finance business for SMEs through a joint venture

< Initiatives thus far >

- 2022/11 **Signed capital & business alliance**
 - Enhance and expand efforts in the domain of payments and grow our next-gen Fintech business.
 - Resona HD acquires approx. 2% of DG shares.
- 2023/10 **Joint planning and development of online payment service for the medical industry**
 - Joint development of next-gen Fintech business built on capital & business alliance with Resona HD.
- 2023/12 **Enhance capital & business alliance**
 - New startup investment partnership.
 - Resona HD acquires additional stake of approx. 10% in DG.
- 2024/04 **Create joint CVC fund/enhance payment business**
 - Enhance & expand presence in the payments domain and advance the next-gen Fintech business.
 - DG acquires Resona Kessai Service as an equity-method associate.
- 2025/05 **Agreement on Intelligent Data business alliance**
 - Entered the BaaS/digital finance business for SMEs.
 - Reach PMT TXN vol. of ¥1 T through development of next-gen payment app.

< Capital & Business Alliance – Domains/Measures >

- | | | |
|---|--|---|
| 1 | Enhance joint sales infrastructure | <ul style="list-style-type: none">• Offer DGFT's payment solutions & dispatch sales personnel.• Enhance joint sales infrastructure, giving us access to the Resona Group's client base of 500,000 companies. |
| 2 | Joint development of next-gen payment app | <ul style="list-style-type: none">• Joint development of next-gen payments app allowing for the seamless integration of payment/finance solutions• Leverage these efforts and aim for PMT TXN vol. of ¥1 T ASAP. |
| 3 | BaaS/digital finance business for SMEs | <ul style="list-style-type: none">• Develop digital finance services tailored for SMEs.• Work to create a second profit pillar for the DG Group. (After payments) |
| 4 | Enhance development of new businesses | <ul style="list-style-type: none">• Joint development of online payment service optimized for the medical industry.• Continue advancing new business development in the domain of payments & DX. |
| 5 | Investment in startups (CVC) | <ul style="list-style-type: none">• Leverage the joint operation of investment funds and the ability to incorporate startups' cutting-edge technologies/business models to accelerate growth.• 2024: Established DG Resona Ventures Fund I Investment Limited Partnership. |



Forming the core of alliances in the rapidly changing Fintech field through technology

✓ BaaS/digital financial services for SMEs ✓ AI × Data Consortium (Japan × Silicon Valley)

III. Consolidated Financial Highlights



Results Summary

Consolidated loss before tax of ¥1.3 B due to a non-cash valuation loss on investees, resulting from forex fluctuations

PS	Profit before tax +27%	Large-scale projects in financial marketing driving profit growth while we continue upfront investment in the payment business.
	Payment TXN volume +14%	While growth rates were less pronounced on account of a slowdown in inbound consumption, we continue efforts in preparation for a large-scale project in 2H.
LTI	Profit before tax +23%	Several strategic businesses grew; Reduction in upfront investment losses; Growing PMT TXN vol.
GII	Inv. business. income ¥710 M	Progress moving investments off balance sheet through shift to fund-type investment.

Segment Highlights

- 【PS】 Strategic alliances for medium-to-long-term growth & Inroads into new areas
- Enhance alliance with **Resona Holdings**. Advance efforts in next-gen payment applications & digital finance business for SMEs
 - 2025 launch expected for [NESTA], a next-gen payments platform jointly developed with the **KDDI Group**
 - New developments in our unified QR code payment solutions series **[Cloud Pay]**; Expand into IoT market for things like automated fare collection machines
- 【LTI】 Growth in several strategic businesses / Move to monetization phase; Strong results from Kakaku.com, Inc.
- Growth from **[Musubell]** (real estate DX), **[AppPay]** (third-party PMT service), and **[DGFT Invoice Card Payment]** (B2B Payment)
- 【GII】 Accelerating sales to achieve our 5-year MTP KPI of ¥30B in investment business income
- Continue sale of direct investments & focus on unlocking synergies through business co-creation efforts with investees

Consolidated Financial Highlights – Segment Profit

(Unit: M JPY)	FY25.3 1Q	FY26.3 1Q	YoY	Change (%)	Summary
Consolidated profit before tax	4,744	-1,345	-6,089	-	<ul style="list-style-type: none"> Recorded a consolidated loss before tax, primarily on account of forex headwinds in the GII segment
PS	1,736	2,205	+470	+27.1%	<ul style="list-style-type: none"> Segment profit growth exceeded 20% thanks to a strong performance from the Marketing business
Payment	1,560	1,770	+210	+13.4%	<ul style="list-style-type: none"> A slowdown in inbound consumption weighed down on PMT TXN vol., which grew by 14% We will be carrying out initiatives to grow TXN vol. and profits in 2H, when large-scale projects in this business become operational
Marketing	214	436	+222	+103.7%	<ul style="list-style-type: none"> Profits grew significantly thanks to the contribution from large-scale projects secured LFY, in the financial domain
LTI	506	625	+119	+23.5%	<ul style="list-style-type: none"> Steady results in terms of equity-method profits from Kakaku.com, Inc. Several strategic businesses have entered the growth phase, leading to a reduction in operating losses
GII	3,542	-2,617	-6,159	-	<ul style="list-style-type: none"> Decrease in the fair value of operational securities due to JPY appreciation against other world currencies
HQ/Adjustments	-1,040	-1,559	-519	-	<ul style="list-style-type: none"> We recorded a foreign exchange gain in 1Q LFY associated with DG's direct stake in Blockstream. This gain did not recur this year

Basic Business Revenue and Profit*

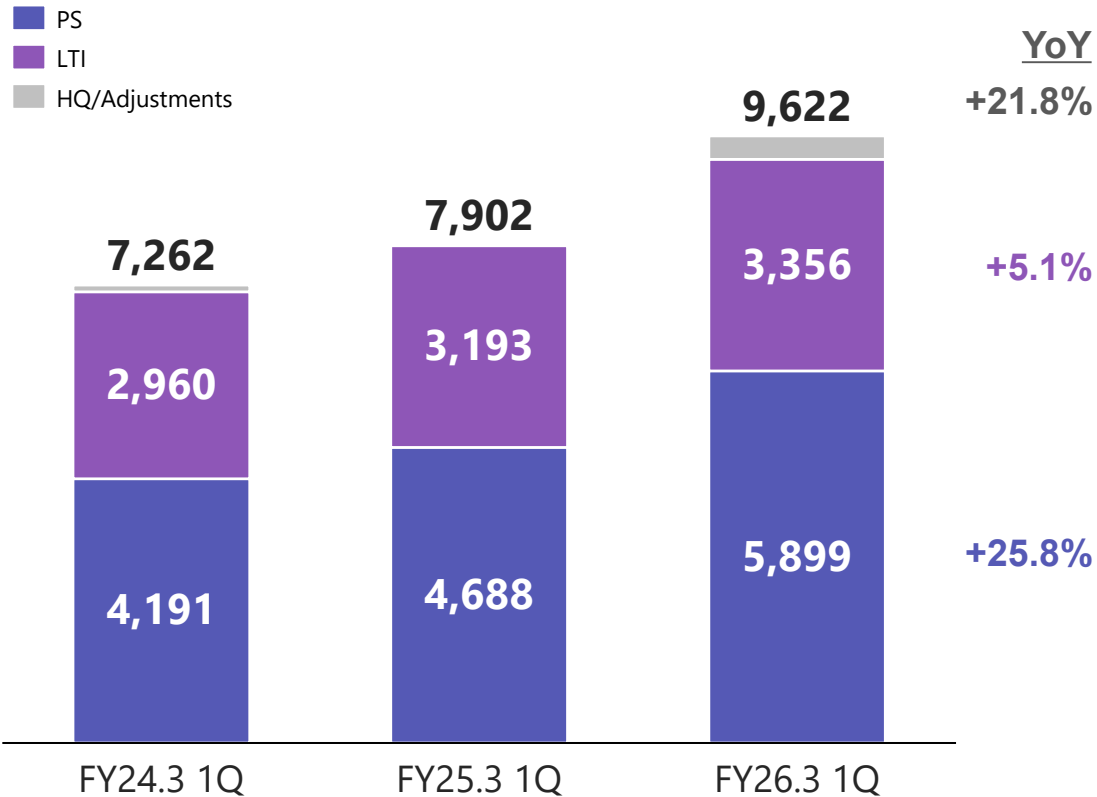
*Recurring business revenue and profit excluding investment-related and one-time gains/losses



- PS segment, centered around the payment business, continued to expand, accelerating growth in basic business revenue
- Basic business profit continued growing, offsetting investment costs in technology and human resources to drive future business growth and strengthen our management foundation

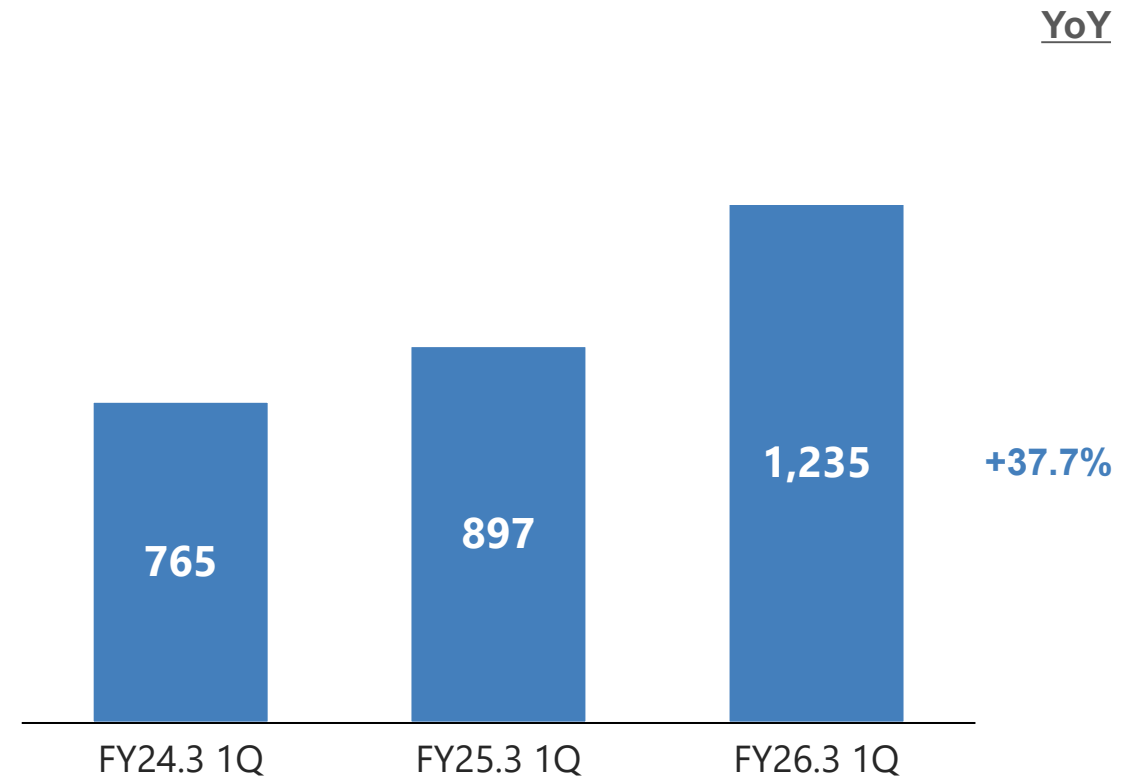
Basic Business Revenue

(Unit: M JPY)



Basic Business Profit

(Unit: M JPY)



IV. Segment Performance Highlights



II LTI segment

<KPI>

New businesses
revenue growth

+61%

Pre-tax profit growth

+24%

Business Highlights

- Steady results
 - Record payment volumes processed through DGFT
 - Several businesses now in growth phase
- Strategic businesses
- DGFT** 請求書カード払い
- App Pay** **AppPay**
- Pangaea** **Gumary**
- Musubell**

Group Synergy

- Payment TXN volume from Kakaku.com Group continued growing at a rapid clip and was up 20% YoY
- Payment TXN volumes from new businesses also showed strong continued growth and were up more than 100% YoY

I PS segment

<KPI>

Payment TXN volume
(TTM)

¥7.8 T

Payment TXN vol. growth

+14%

Pre-tax profit growth

+27%

Business Highlights

- リソナグループ**
 - Moving to the next stage of strategic alliances through capital and business alliances
 - Plans to fully enter the BaaS/digital finance business for SMEs
- au Financial Service**
 - Joint development of [NESTA], a next-gen payment platform
 - Start providing payment services for the au economic zone in 2025
- DGBT** DG Business Technology
 - Integrated the group's three DX-related companies and launched operations in April 2025
 - Comprehensive support for digital business through a dual-track system with DGFT
- Cloud Pay**
 - Developed [Cloud Pay REGI], which enables cashless payments as well as cash payments through connection to automated checkout machines.
 - Accelerating expansion in the automated service machine market

III GII segment

<KPI>

Investment
business income

¥710 M

Operational
investment securities
(End of 1Q)

¥52.2 B

Business Highlights

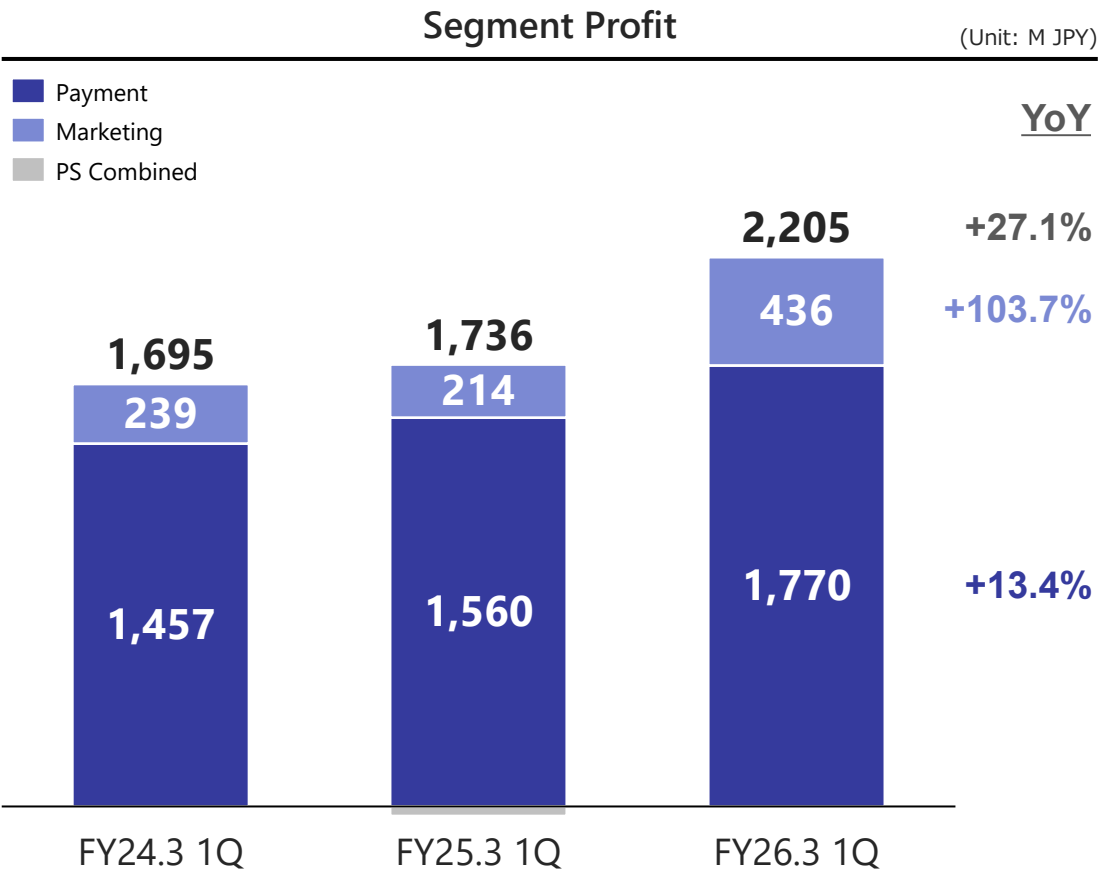
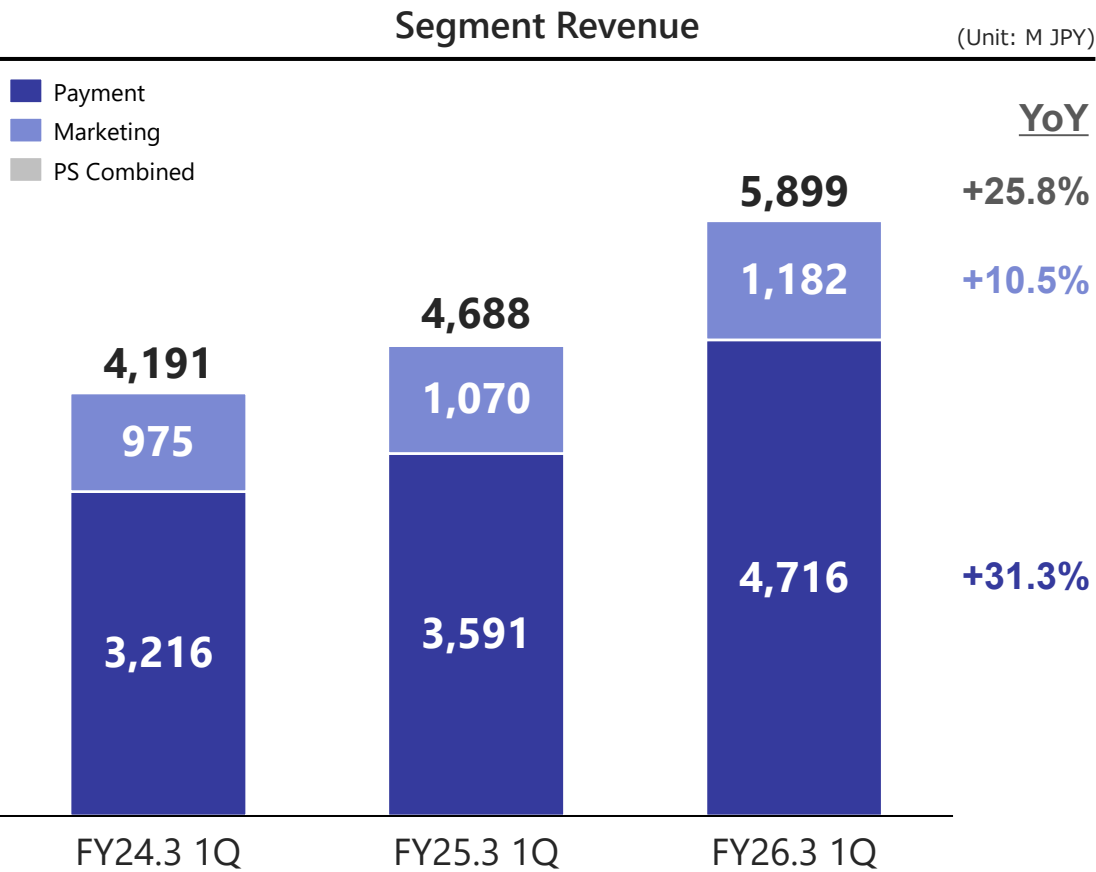
- Valuation losses
- Decreased due to foreign exchange effects
- Recorded cumulative investment business income of ¥14.5 B, incl. migration to joint fund with Resona HD
- Sale of securities

Group Synergy

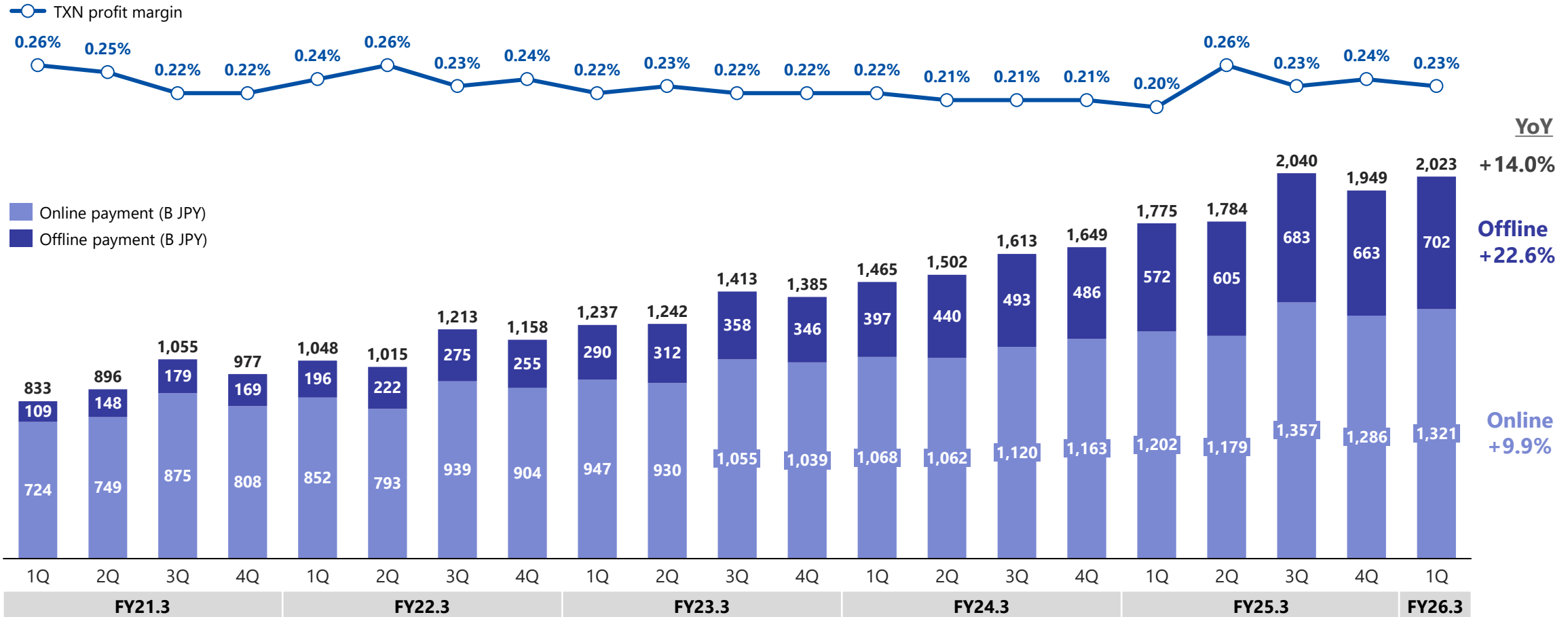
- Established Business Co-Creation Department to strengthen co-creation with global tech startups and implement cutting-edge Fintech
- Invested in SaferData, a U.S. company developing next-gen AI, and advanced strategic partnerships in Japan, as well

*All figures pertain to 1Q FY26.3 results

- Payment business: SCORE (BNPL provider) became a wholly-owned subsidiary in 2Q LFY significantly contributed to revenue growth; Sustained double-digit growth in profit before tax
- Marketing business: Significant profit increase thanks to large-scale projects in the finance domain we secured LFY; Overall segment profit grew by over 20%



- Offline: Strategic alliances with Toshiba Tec, Recruit, and Block (formerly Square), etc., continued driving growth
- Online: Continued growth in the online domain, as well, with LTM transaction payment volume now at ¥7.8 trillion

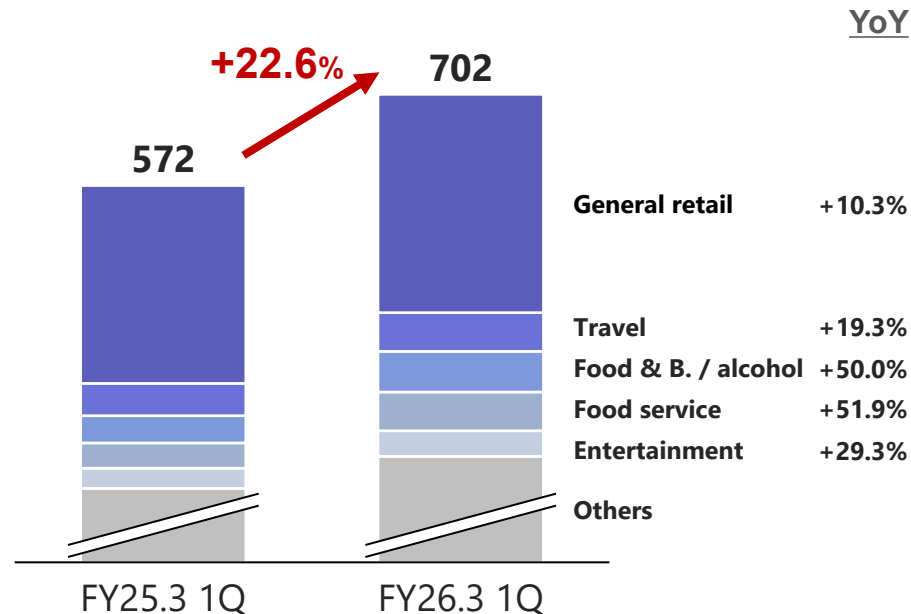


- Offline transaction growth slowed due to inbound consumption plateauing, online transaction growth slowed due to tougher comps from LFY initial surge in new NISA plan-related transactions
- Payment volume growth rate is expected to pick up in 2H, when operations slated to start at large-scale projects

Offline Payments

(Unit: B JPY)

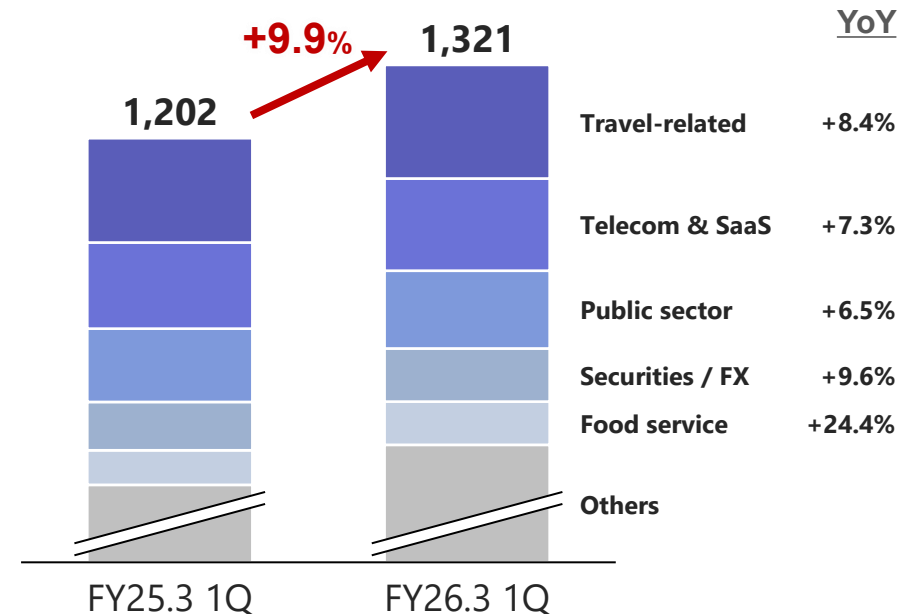
- Growth rate in **[General retail]** slowed down on account of weakness in inbound consumption at department stores, resulting from JPY appreciation against other world currencies
- Strategic alliances with Toshiba Tec, Recruit, and Square, etc., continued driving growth



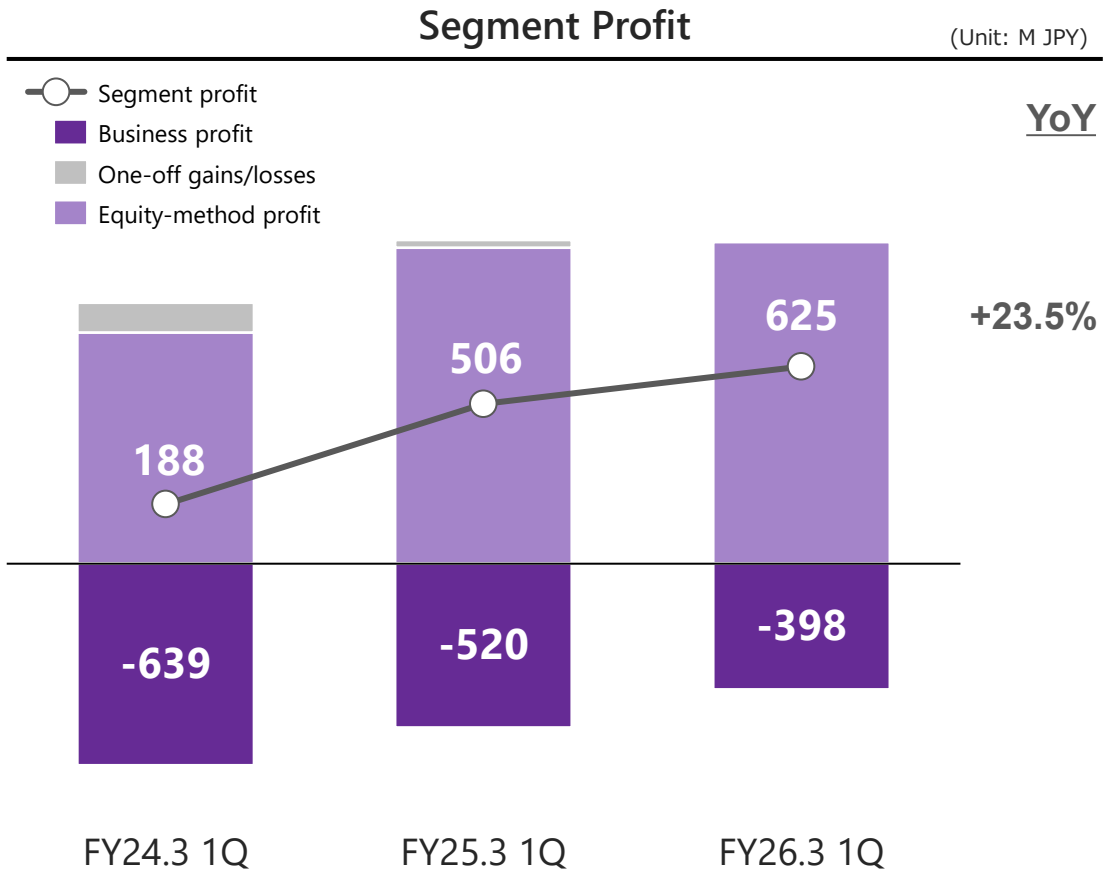
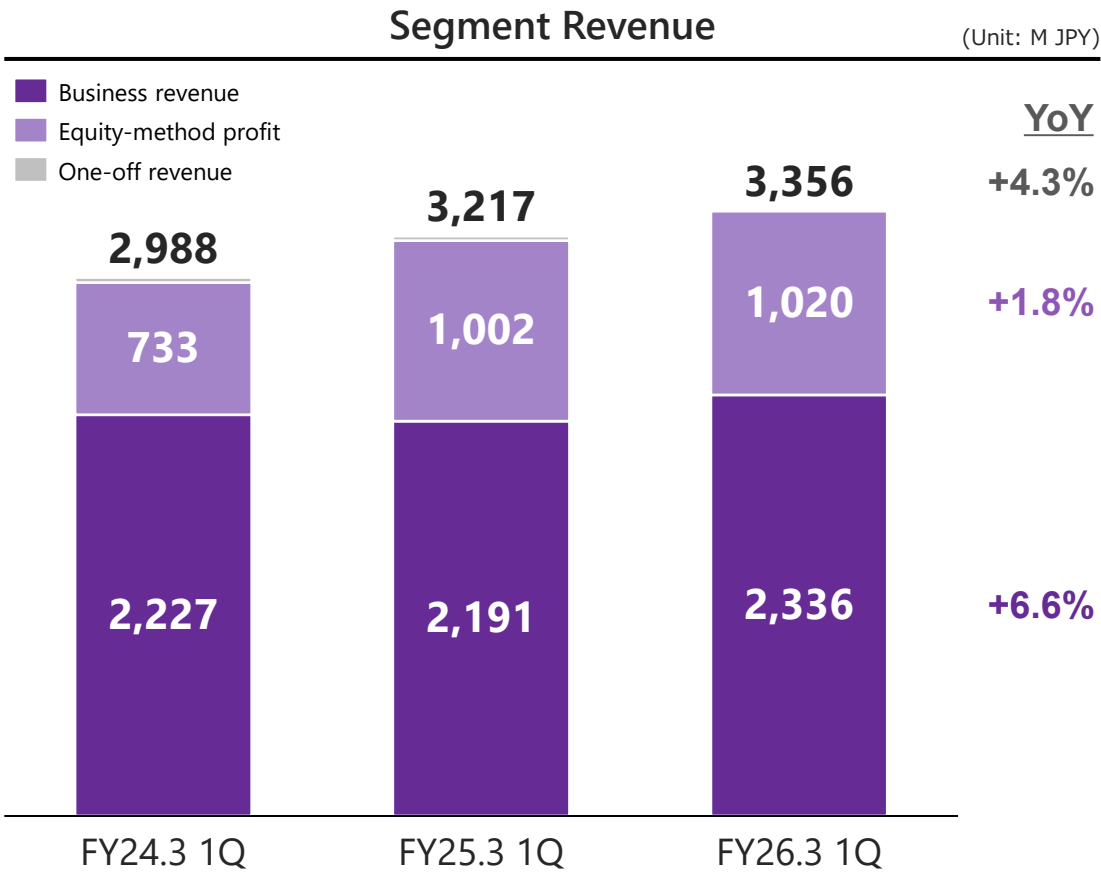
Online Payments

(Unit: B JPY)

- Increase in **[Travel-related]** transaction volume thanks to our alliance with Kakaku.com Group and overseas OTA
- Surge in demand for the new NISA program has subsided somewhat, impacting the category of **[Securities / FX]**
- Strong growth rate in **[Food service]**, due to increase in mobile & table orders



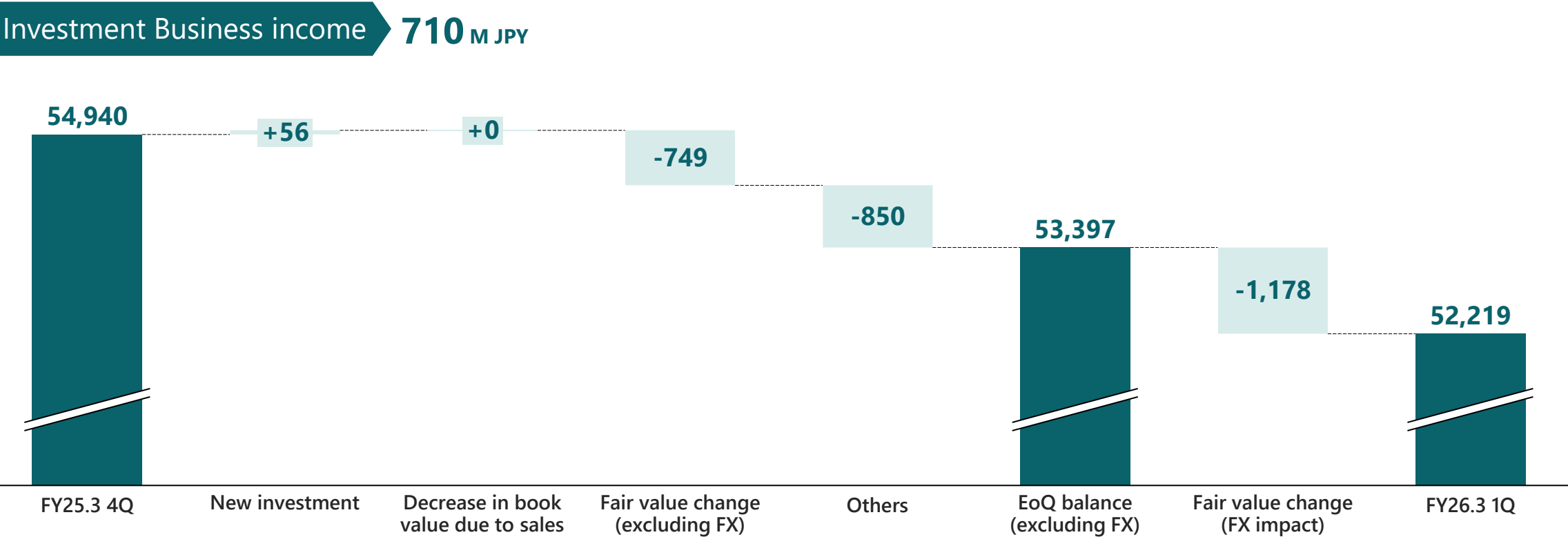
- Several strategic businesses highly-accretive with payments have now entered the growth phase, significantly reducing the scale of operating losses
- Robust results from Kakaku.com translated into an increase in equity-method profits. Payment transaction volume from Kakaku.com also continued on a steady upward trajectory



- Carried out sale of investment portfolio and off-balancing efforts in order to achieve the 5-year MTP KPI target of ¥30 B in investment business income
- Decrease in the fair value of operational securities due to JPY appreciation vs. USD

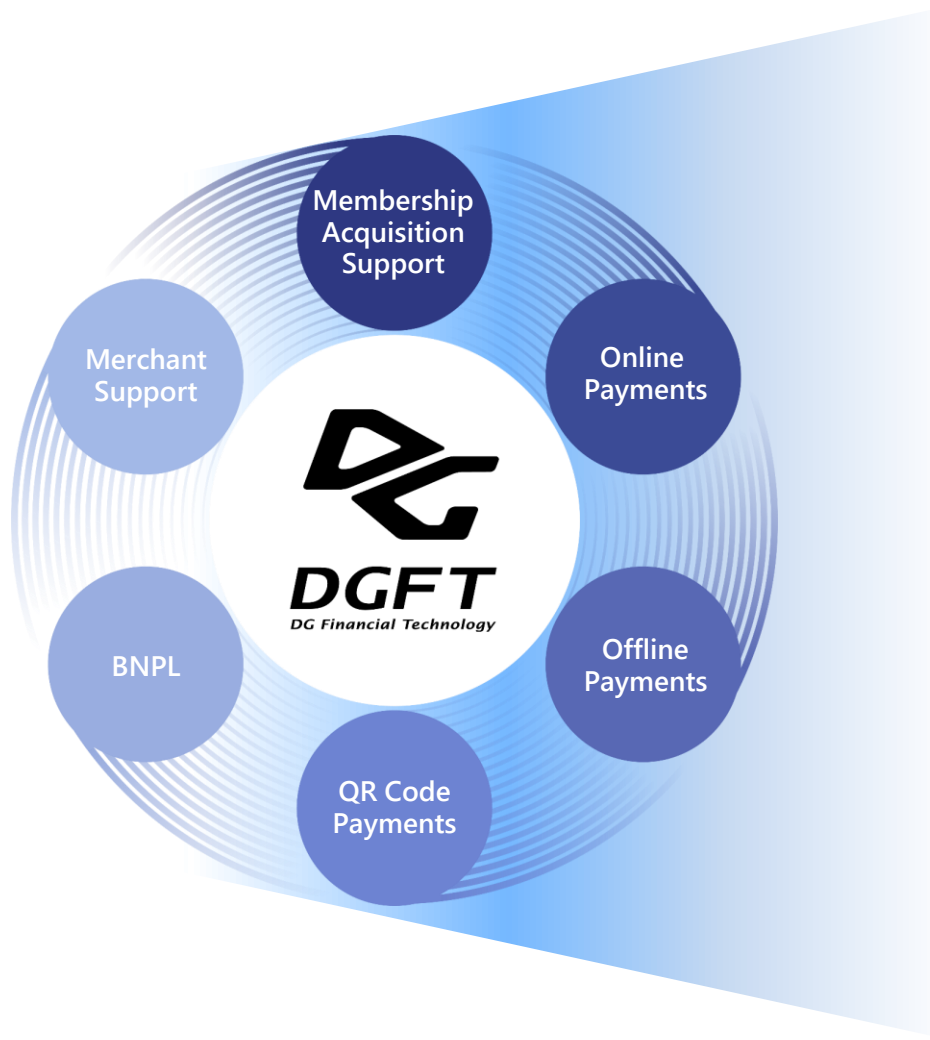
Operational Investment Securities – Waterfall Chart

(Unit: M JPY)



V. Segment Topics





Business Domain	Growth Engine	Results
Membership Acquisition Support	Affiliate advertising consulting capabilities & technology utilization	Annual Revenue ¥18.1 B
Online Payments	Further expansion through collaboration with Resona/KDDI Group, etc.	Annual GMV ¥5.0 T
Offline Payments	Collaboration with Toshiba Tec Corporation, ANA Group, Square & Recruit etc.	Annual GMV ¥2.5 T
QR Code Payments	Growth acceleration by Cloud Pay series	3y CAGR +63%
BNPL (Buy Now Pay Later)	Business growth through SCORE's expansion into the B2B BNPL	3y CAGR +13%
Merchant Support (Website creation, cybersecurity, etc.)	Marketing talents collaboration and unified data infrastructure development	Annual Revenue ¥6.1 B

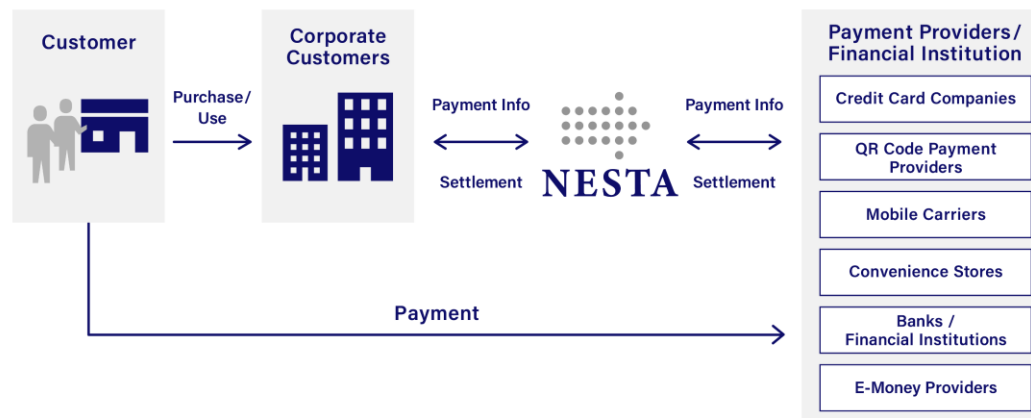
(*Annual results: Apr. 2024 – Mar. 2025; 3Y CAGR: FY22.3 to FY25.3; QR code payment: GMV CAGR; BNPL: PBT CAGR)

- 2025 launch expected for [NESTA], a next-gen payment platform jointly developed with the KDDI Group
- Starting with the use of NESTA for the payment of data charges, we expect to offer this platform for use with numerous services within the KDDI Group, as well as other third-party companies

< Next-gen Payment Platform NESTA - Overview >



- Next-gen platform jointly developed with KDDI Group, with DG's multi payment service as the bedrock
- 2025: Expect this service in KDDI's au/UQ mobile data charge payment processing system
- We will consider expanding this system for use with numerous services within the KDDI Group, as well as other companies outside KDDI



< DG Group's Strategy & Aim >

I Significant increase in DGFT payment transaction volume

We are targeting a significant increase in DGFT payment transaction volume through co-creation alliances. Concurrently, we also seek to grow our share in the market for cashless payments and improve our positioning within this industry.

II Joint development & deployment of new businesses

Through our alliance with au Financial Service Corp, both companies seek to secure new revenue opportunities by integrating their respective management resources toward the joint development of new services.

- Released [Cloud Pay REGI] which connects to automatic payment machines, allowing for a seamless payment experience – whether using cashless or cash payments at automatic payment machines
- Accelerate adoption of the [Cloud Pay] series, including through collaborations with global players in the payments industry

< O2O Payment Service [Cloud Pay REGI] >



QR code payments

+

Credit card payments

+

Cash payments

Connect to automatic payment machines

Connect to light automatic payment machines/ticket machines by AKATSUKI ELECTRIC, allowing the machines to accept cash payments.

Integrated management of payment data

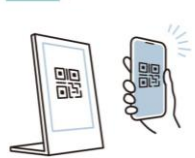
Allows for the integrated management of payment data, helping businesses in a variety of industries in their efforts to reduce labor costs and DX efforts.

Seamless payment experience

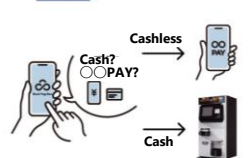
Offer a seamless payment experience – whether using cashless or cash payments at automatic payment machines.

Payment complete in 3 STEPS

STEP.1 Read QR code



STEP.2 Select payment method



STEP.3 Payment complete



■ Use cases

- ① Hotel/rent-a-car front desk (online customer service)
- ② Restaurants (table orders)
- ③ Educational institutions & public facilities (counter)

< Connected to Nayax Payment Terminals >

- [Cloud Pay] is now available at payment terminals by Nayax, which offers over 1.3 million payment terminals, especially in Europe.
- Accelerate adoption of [Cloud Pay] in **the market for automated service machines** like vending machines, coin lockers, claw machines, coin laundry machines, etc.



【O2O Payment Service Cloud Pay REGI launched】

*in Japanese



Past Archive Videos

*in Japanese



【Service Introduction】



【Case Study: IoT Payment Market】



【Case Study: Real Estate/Public Transportation】

- April 2025: Integrated 3 DX-focused Group subsidiaries into a single strategic company – DG Business Technology – to provide comprehensive support to digital businesses
- Through this two-pronged strategy consisting of DGBT and DGFT, we are building a framework to provide comprehensive support for the entire value chain

< New Security Assessment Service >

[Credit Card Security Guidelines ver. 6.0]

METI requests that EC operators have contingency plans to deal with vulnerabilities

We now offer [DGBT Security Assessment Service] to address vulnerabilities

Security measures outlined in Guidelines ver. 6.0 for EC merchants to follow

Protect Card information

Avoid storing card information

Put a system in place that doesn't store, pass through, or process card information



Payment tokenization Hosted Payment Pages

Address vulnerabilities

Put a system in place to address vulnerabilities in e-commerce systems & websites

DGBT Security
Assessment Service

Prevent Unauthorized Use

Prevent unauthorized logins

Implement adequate measures for each prepayment situation to prevent unauthorized



EMV 3-D Secure

Implement system offering user authentication based on risk factors at time of payment



EMV
3-D Secure

Other initiatives

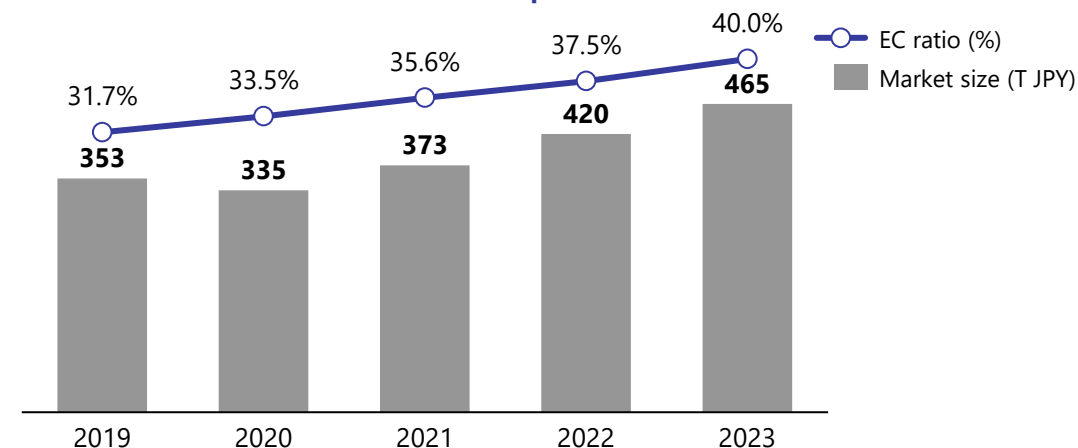
Implement adequate payment and post-payment measures



Comprehensive solutions to protect card information and prevent unauthorized use

< Expand Presence in Online Payments Domain >

Size of the BtoB e-commerce market in Japan

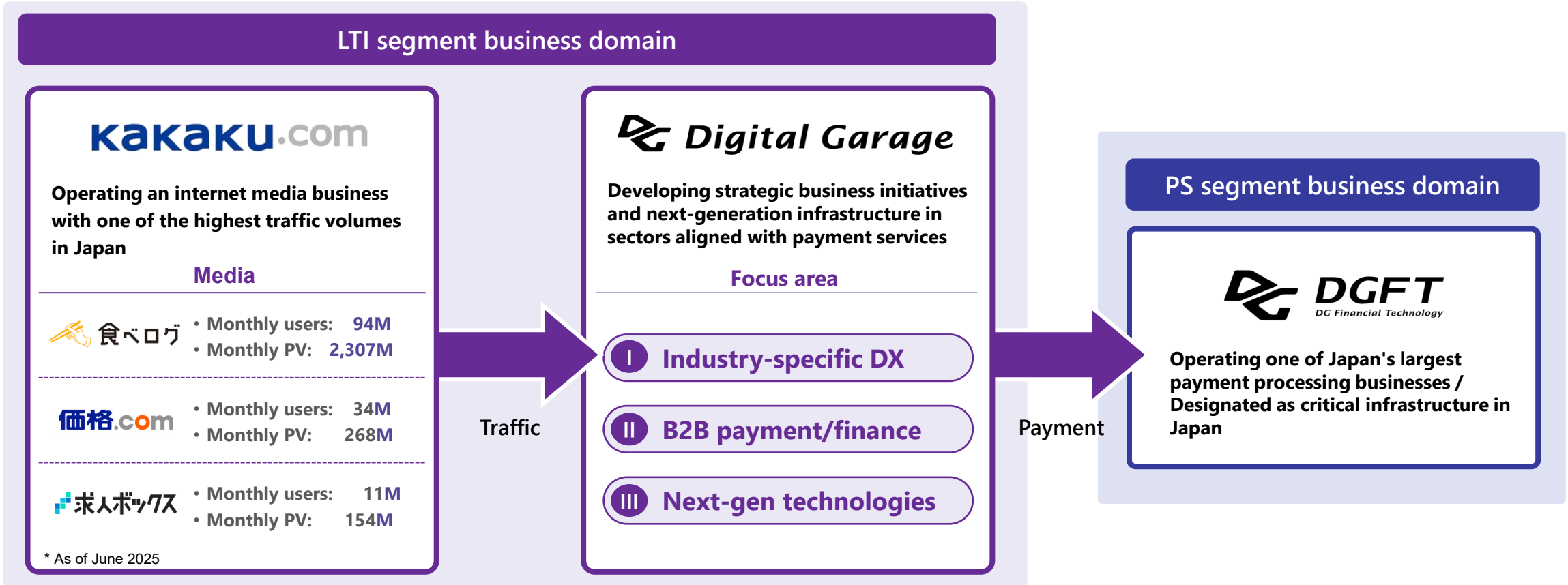


In addition to legacy merchandise e-commerce, through our alliance with JMAS Systems Corp's Sekai Cart, we are growing the domains of Cloud BtoB and cross-border EC

Help SMEs in their digital transformation efforts


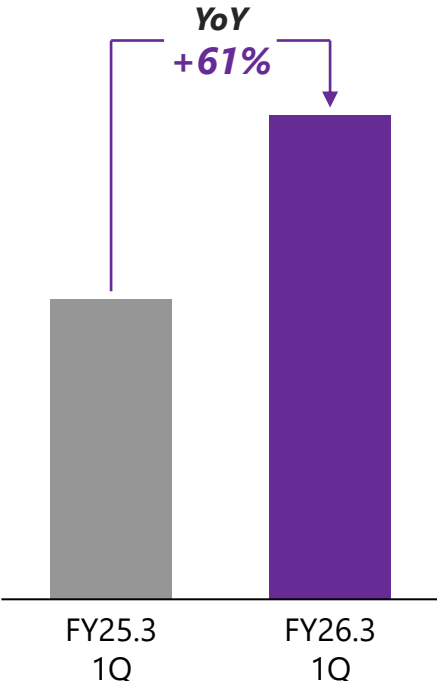
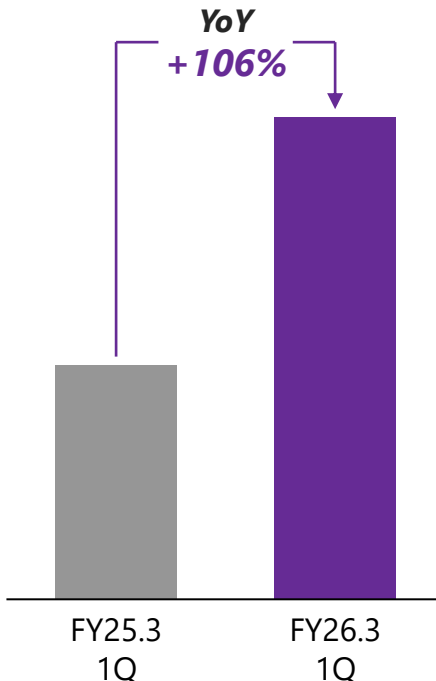


Development & nurturing of strategic businesses to drive payment platform expansion for medium to long-term growth

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



Efforts to build new strategic businesses in 3 domains that are highly compatible with payment business:
 industry-specific DX solutions, B2B PMTs & finance, and next-gen technologies

Several projects are now in the growth phase, leading to an overall YoY sales increase of +61% in our strategic businesses.
 Payment transaction volume from strategic businesses increased by +106% YoY and continues showing steady growth, contributing to higher payment transaction volumes in the PS segment.

Key Business Topics	Strategic Businesses Revenue Trends	Strategic Businesses PMT TXN vol.
<div> <div>  <div> <div>請求書カード払い</div> </div> </div> <div> <div> Collaboration with Visa & SAP's new B2B payment service </div> <ul style="list-style-type: none"> • Visa & SAP have entered a partnership with Sumitomo Mitsui Card Company and the DG Group to offer embedded finance solutions, starting in 2025 • We offer invoice card payment solutions and help clients implement them </div> </div>	<div>  </div>	<div>  </div>
<div> <div>  </div> <div> <div> Strong growth in AppPay instances / contract agreements </div> <ul style="list-style-type: none"> • Number of contract titles has grown at a strong clip since this service was launched in June 2024 • We have secured over 70 game titles (including pre-existing orders) • Comprehensive application of Act on Promotion of Competition for Specified Smartphone Software in December 2025 is a tailwind for us </div> </div>		
<div> <div>  <div> <div>Musubell®</div> </div> </div> <div> <div> Offer Musubell Insurance as embedded insurance solution </div> <ul style="list-style-type: none"> • Started offering this service in June 2025 • Purchase & activate fire insurance at time of purchase of real estate property, all done online • Collaboration with Tokio Marine & Nichido Fire Insurance Co., Ltd., streamlining the insurance intermediaries business </div> </div>		

Enhance collaboration & initiative framework with Kakaku.com to grow PMT TXN vol. & maximize value for both companies

Create Group synergies through collaboration in strategic sectors like food&beverage, travel, real estate, and HR

PMT TXN vol. from Kakaku.com grew by more than 20% in the last 12 months, reaching a record high.

Besides sustained growth in food&beverage/travel domains, Group collaboration is speeding up in new domains through M&A by Kakaku.com.

Key Business Topics



Digital Garage




kakaku.com

Enhance Group collaboration framework through mutual Board representation

- Starting FY25.3, Kakaku.com now has 1 Board member from DG, and DGFT has 1 Board member from Kakaku.com
- This Board member will be responsible of overseeing the process of unlocking extensive synergies between both companies



ホテペイ



Time Design



食べログ

Sustained growth in Kakaku.com’s strategic collaboration sectors

- Travel: Steady increase in number of hotels/facilities adopting **HotePay** and **Time Design**
- F&B: Strong growth in **Tabelog inbound reservations**

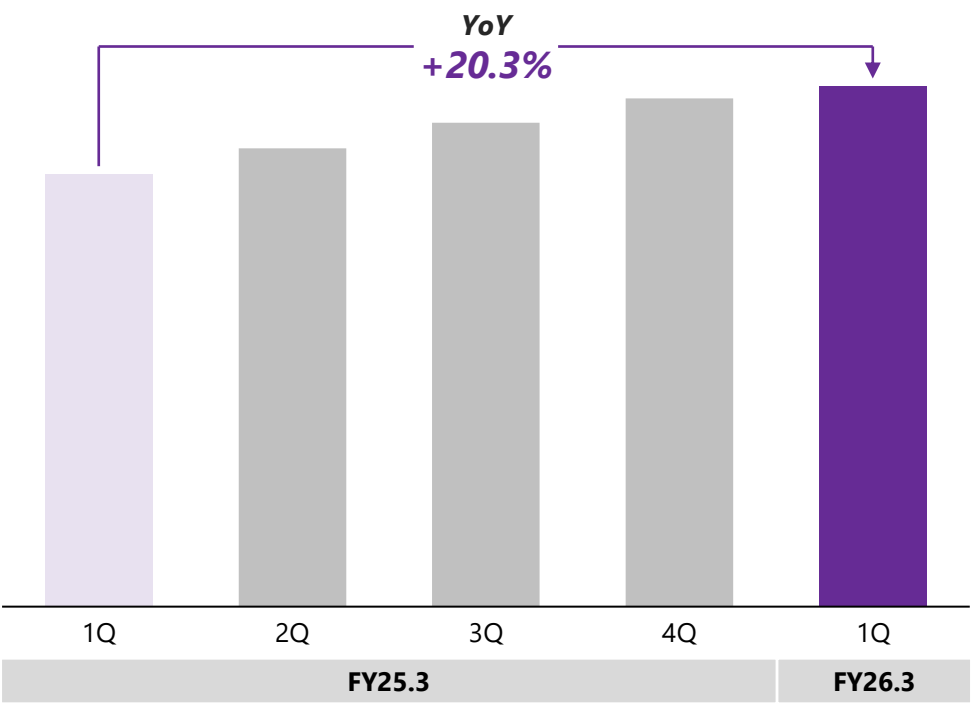


LiPLUS Holdings

Offer payment solutions to LiPLUS Holdings, acquired by the Kakaku.com Group via M&A

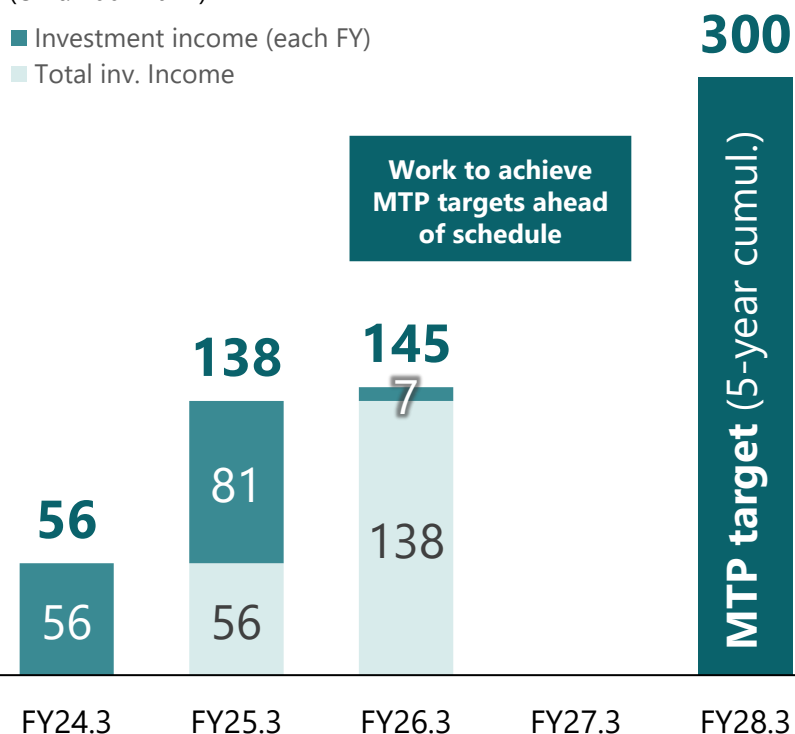
- LiPLUS HD – which runs a platform matching home service providers with customers – became a wholly-owned subsidiary of the Kakaku.com Group
- Discussions ongoing regarding adoption of **Cloud Pay Neo**, which is highly complementary to the home service industry

PMT TXN vol. from Kakaku.com (Last 12 months)



- < Inv. Business Income Targets & Results >**

- Investment income (each FY)
- Total inv. Income

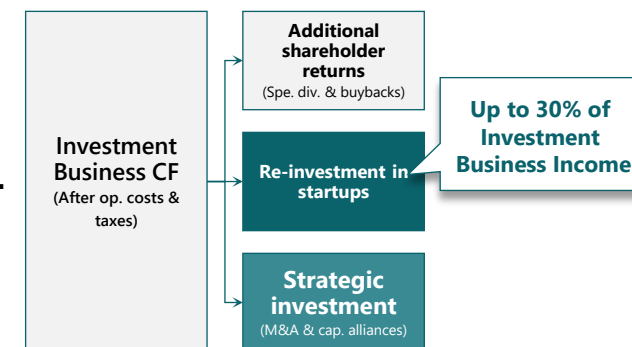


Basic policy*

1. Speed up off-balancing
2. Shift to fund investments
3. On-balance inv. only in business/tech. alliance areas

These investments will continue contributing to DG's corporate growth, all the while we make sure to reduce our operational securities balance and keep the impact on earnings from fair value fluctuations on a quarterly basis to a minimum.

Uses of cash flows from Investment Business



< Business Co-creation – Concept & Examples >



Financial returns



Business returns












- Focus on business returns in addition to financial returns.
- Set up the Business Co-Creation Department to bridge investment & business operations to promote business collaboration between GII segment investees and PS segment. Working to build up a track record of joint projects with startups in fields related to Fintech and AI.
- Invested in SaferData, a U.S. company developing next-gen AI, and advanced strategic partnerships in Japan, as well.

- Open Network Lab – Japan’s first seed accelerator program started in 2010 celebrates its 15th anniversary
- This program has incubated a total of 160 startups over the years, creating a community of entrepreneurs from a wide range of age groups

Open Network Lab 15th Anniversary

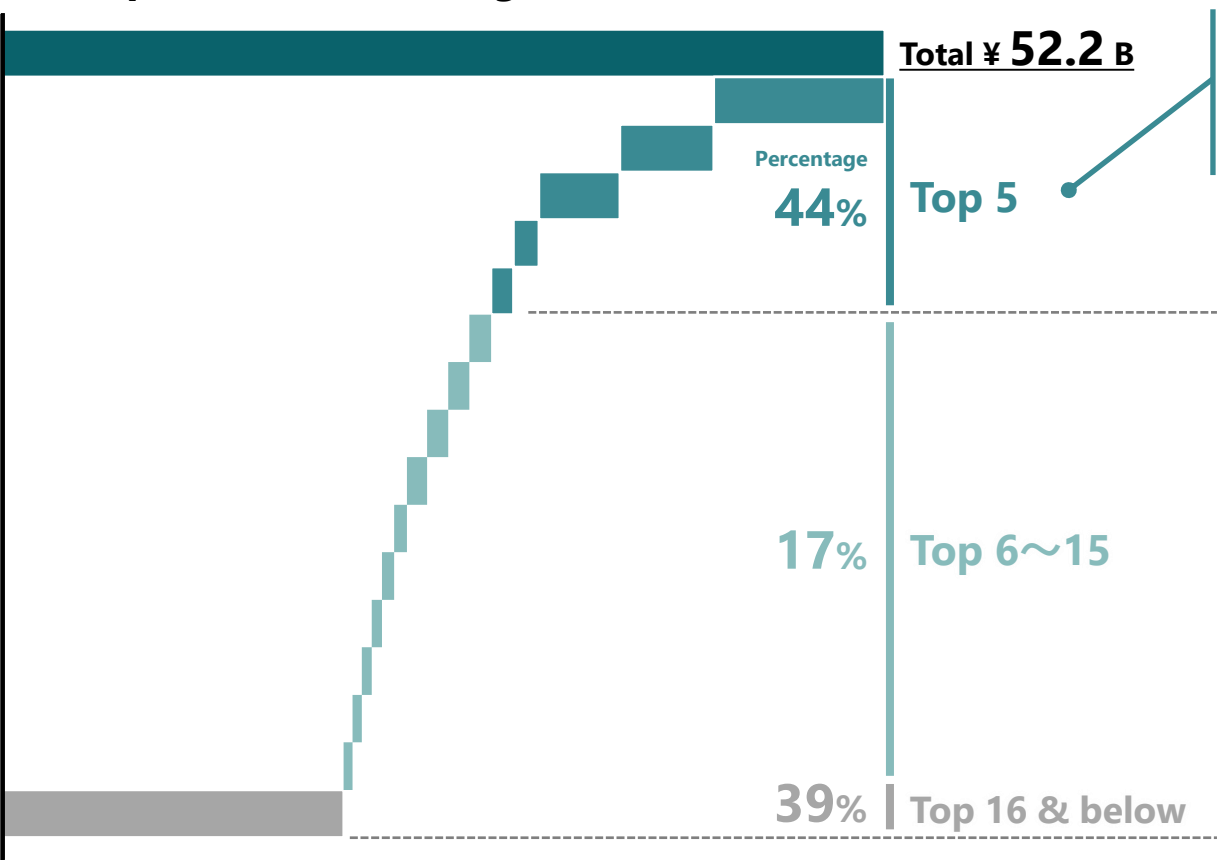


Featured List of Open Network Lab Alumni Startups

Batch 1 giftee*	Batch 2  LOCARI	Batch 3  Pirika	Batch 4 Qiita
Batch 5  WHILL	Batch 7 <i>Viibar</i>	Batch 8  ShouldBee	Batch 9  YUNOMI
Batch 10  SmartHR	Batch 11 <u>Spectee</u>	Batch 12  maricuru	Batch 13  Comiru
Batch 14  cansell	Batch 14 Toreru	Batch 15 fami one	Batch 16 Dr.Fellow
Batch 17  9lione	Batch 18 そうぞくドットコム 不動産	Batch 19  TRICERA	Batch 21 Oh my teeth

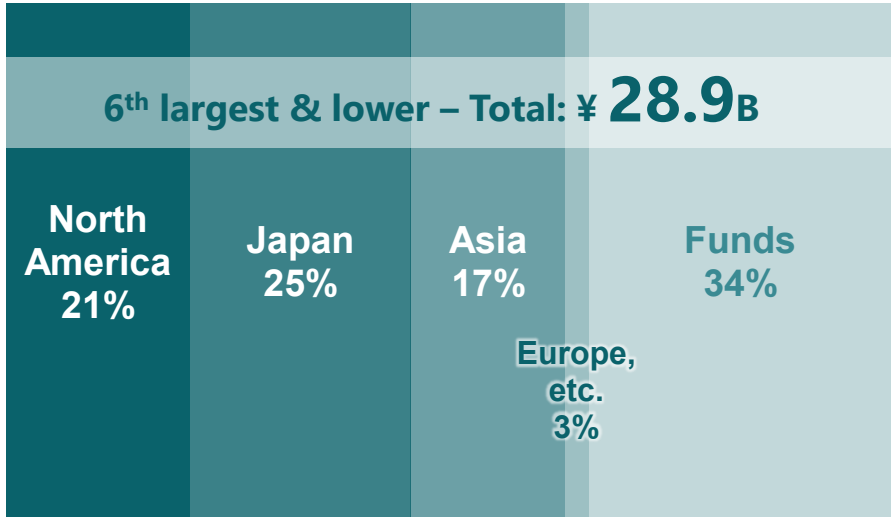
- Our investment portfolio comprises more than 250 companies
- We continue actively monitoring our largest positions while diversifying the rest across multiple companies/areas

■ Companies as Percentage of Portfolio (As of June 30, 2025)



- ✓ MX Technologies (U.S.; Personal finance management tools)
- ✓ GrubMarket (U.S.; Food e-commerce) & others
- ✓ Continue actively monitoring positions and carrying out investment exits when appropriate

■ Geographical composition (6th largest and lower)



VI. Sustainability Initiatives



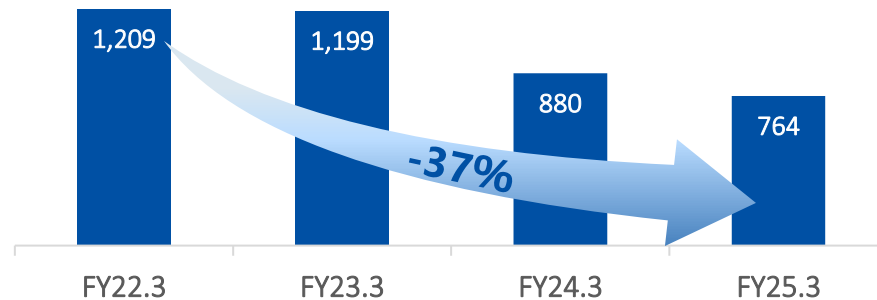
- Emissions from Scope 1 and 2 are steadily decreasing toward greenhouse gas (GHG) reduction targets
- We obtained third-party assurance for GHG emissions in June 2025 to enhance data transparency and reliability and promote initiatives

< GHG Emission Reductions – Target & Progress >

GHG Reduction Targets

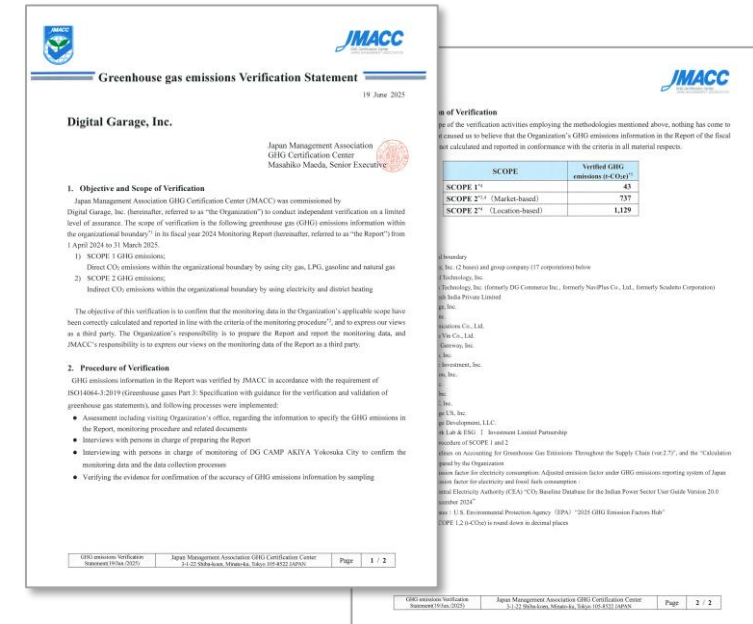
- ~2030** | Scope 1,2 emissions
50% reduction *vs. FY22.3 baseline
- ~2050** | Scope 1~3 emissions
Achieve carbon neutrality
(Achieve net zero GHG emissions)

GHG – Progress made in reducing Scope 1,2 emissions



< Obtained third-party verification of GHG Emissions (First time) >

Japan Management Association was commissioned by Digital Garage to conduct third-party verification of the Company's GHG emissions (Scope 1,2) for FY25.3

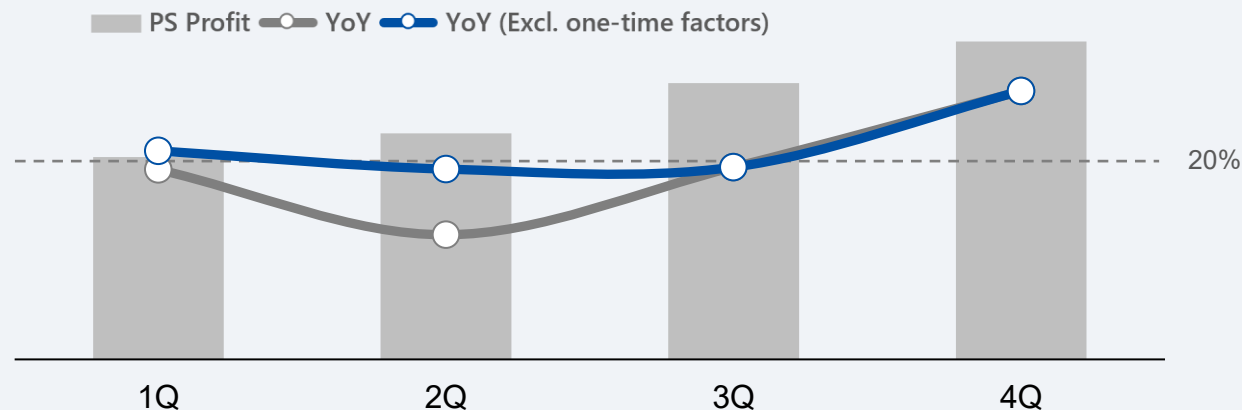


Reference Materials

- While we expect profits to cluster in 2H due to upfront investment to unlock further growth improvements, we are guiding for 20% YoY growth
- We expect annual payment TXN volume to exceed ¥10T thanks to several large-scale projects in the payment business starting in CY2025

	FY25.3 Actual	FY26.3 Forecasts
PS Segment PBT growth rate	+ 22.2 % (Target: 20~25%)	Continued 20%+ growth
Payment TXN volume	¥7.5 T	¥10T Over

< Profit Growth % Forecast (Quarterly) >



< Forecast Assumptions >

We expect lower growth in 2Q, on account of a more competitive YoY baseline resulting from the recording of one-off gains in 1H FY25.3. Excluding one-off factors, we are guiding for strong profit growth numbers.

- We expect to start offering payment solutions within the au ecosystem at some point in 2025, with strategic upfront investment associated with system R&D in 1H.
- Consolidated the BNPL operator SCORE as a wholly-owned subsidiary in FY25.3. Start R&D investment in 1H with an eye toward entering the B2B BNPL business.
- Within the broader market for cashless payments, QR payments grew 38% YoY*. We expect this business to continue delivering strong growth, driven by DG's patented Cloud Pay service, etc.

* Calculated growth % for 2023 on the basis of Payments Japan Association's [Cashless Roadmap 2024]

Dividend Forecast for FY26.3 & Track Record

Dividend/share
(Forecast)

¥47

Dividend policy

Progressive dividends

5-year total div. target
FY24.3~FY28.3

¥10.0B+

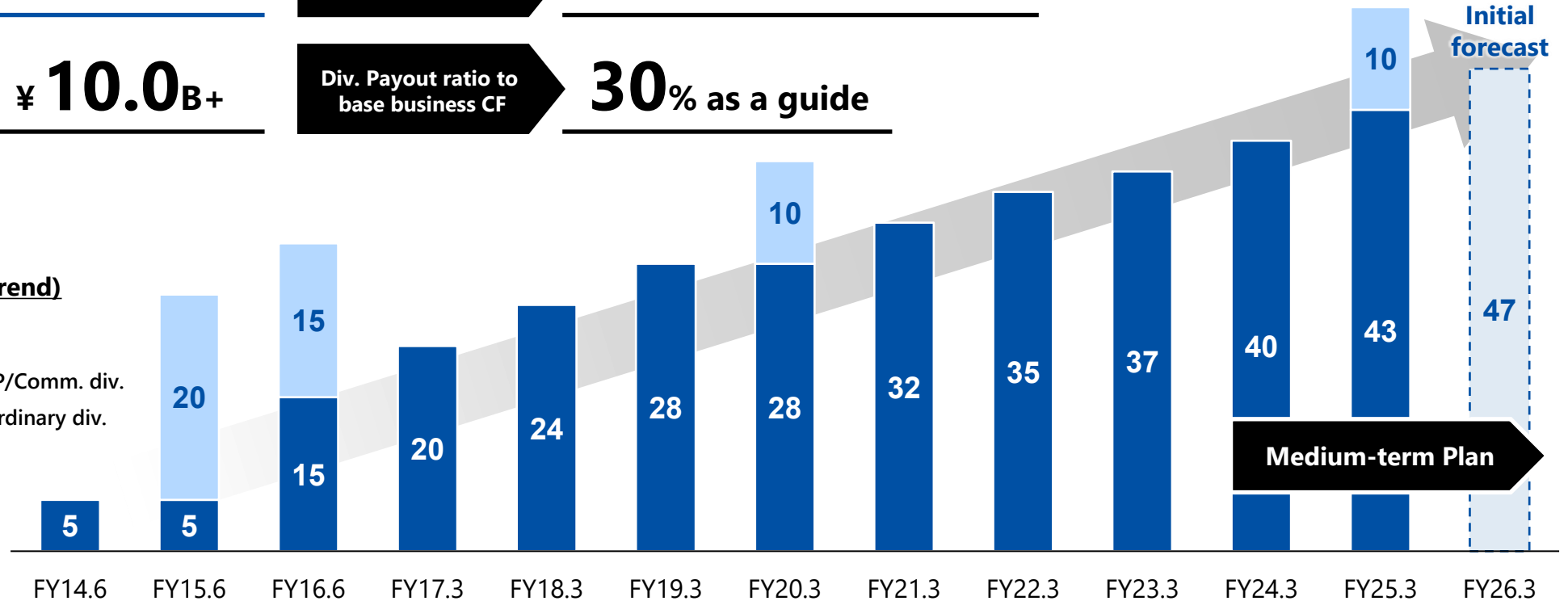
Div. Payout ratio to
base business CF

30% as a guide

Dividend/share (Trend)

(Unit: JPY)

SP/Comm. div.
Ordinary div.



		FY14.6	FY15.6	FY16.6	FY17.3	FY18.3	FY19.3	FY20.3	FY21.3	FY22.3	FY23.3	FY24.3	FY25.3	FY26.3
Total div.	B JPY	0.23	1.17	1.41	0.94	1.13	1.29	1.75	1.47	1.65	1.70	1.90	2.44	-
Share buybacks	B JPY	-	-	-	-	-	5.00	-	-	-	5.00	5.00	4.00	-
Total shareholder returns	B JPY	0.23	1.17	1.41	0.94	1.13	6.29	1.75	1.47	1.65	6.70	6.90	6.44	-
Div. Payout ratio to base business CF	%	-	-	-	-	-	29.1%	41.1%	32.8%	32.6%	28.7%	29.8%	40.8%	-

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  **DGBT** DG Business Technology

 **SCORE**  **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-gen technologies and collaborating with DG Group

- Investment incubation
- Supporting startups
- Fund management

 **DG Ventures**

 **DG Incubation**

 **DG Daiwa Ventures**



 **DGUS**

GEN LAB

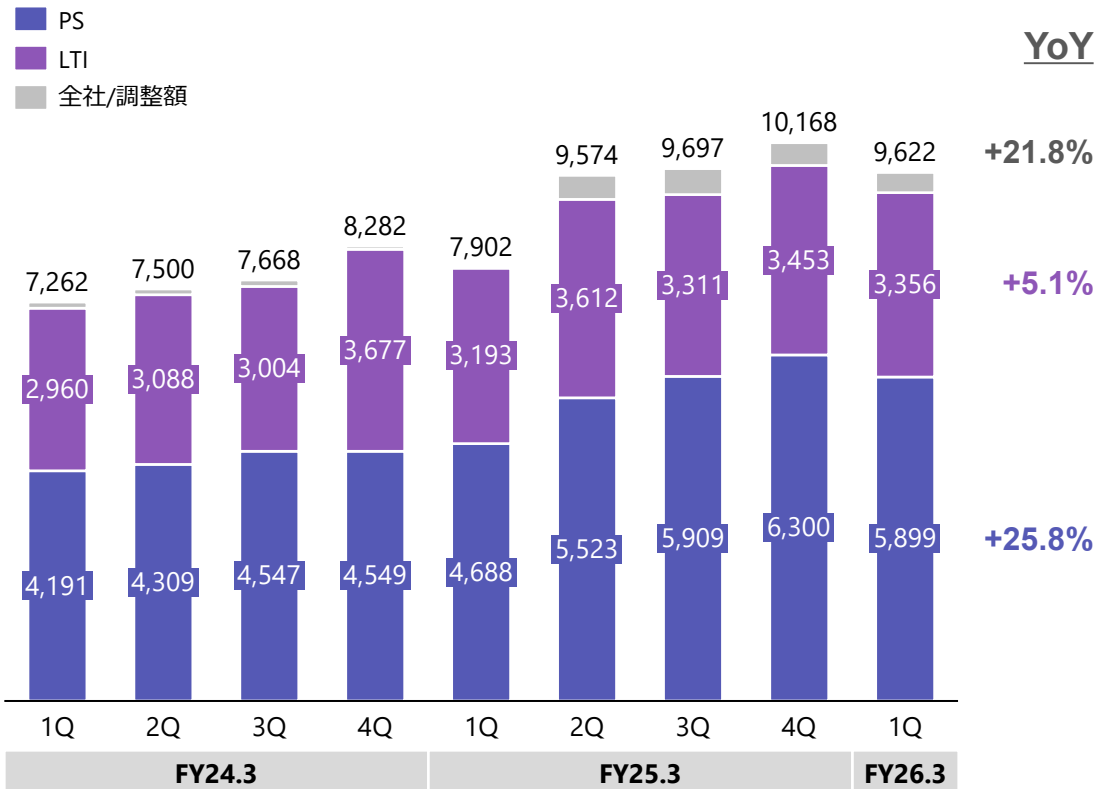
Reference Materials (1): Supplementary Data



- PS segment, centered around the payment business, continued to expand, accelerating growth in basic business revenue
- Basic business profit continued growing, offsetting investment costs in technology and human resources to drive future business growth and strengthen our management foundation

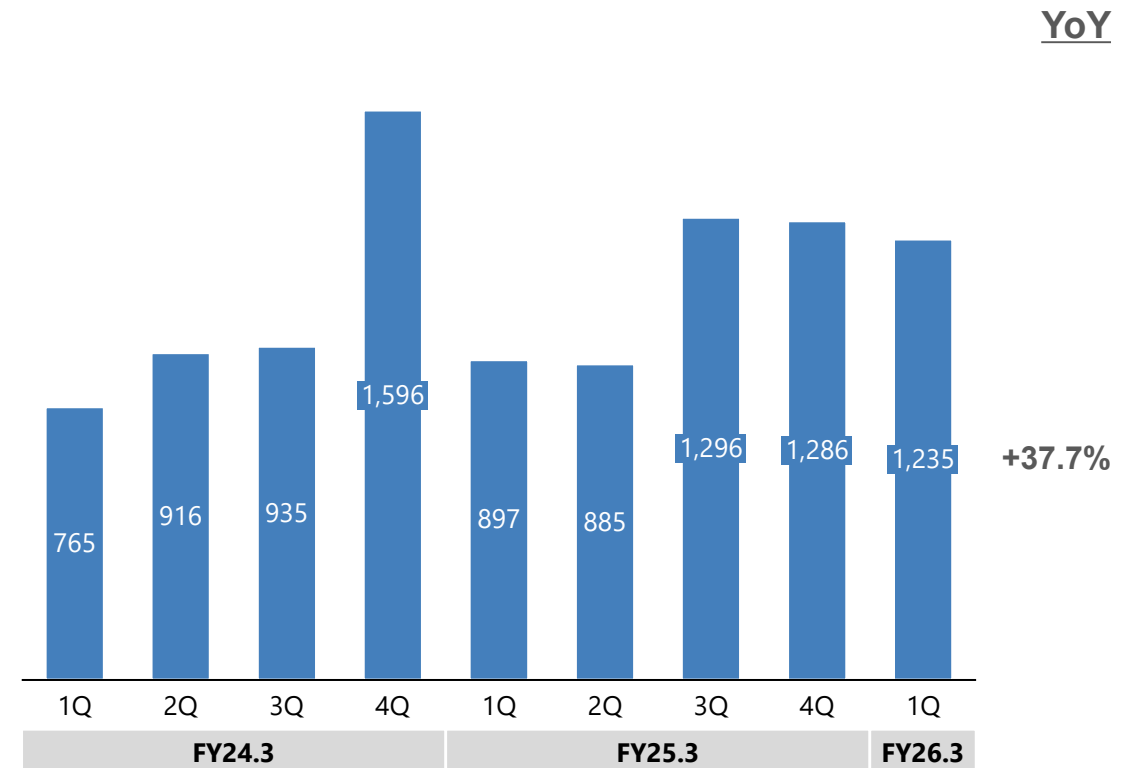
Basic Business Revenue

(Unit: M JPY)



Basic Business Profit

(Unit: M JPY)



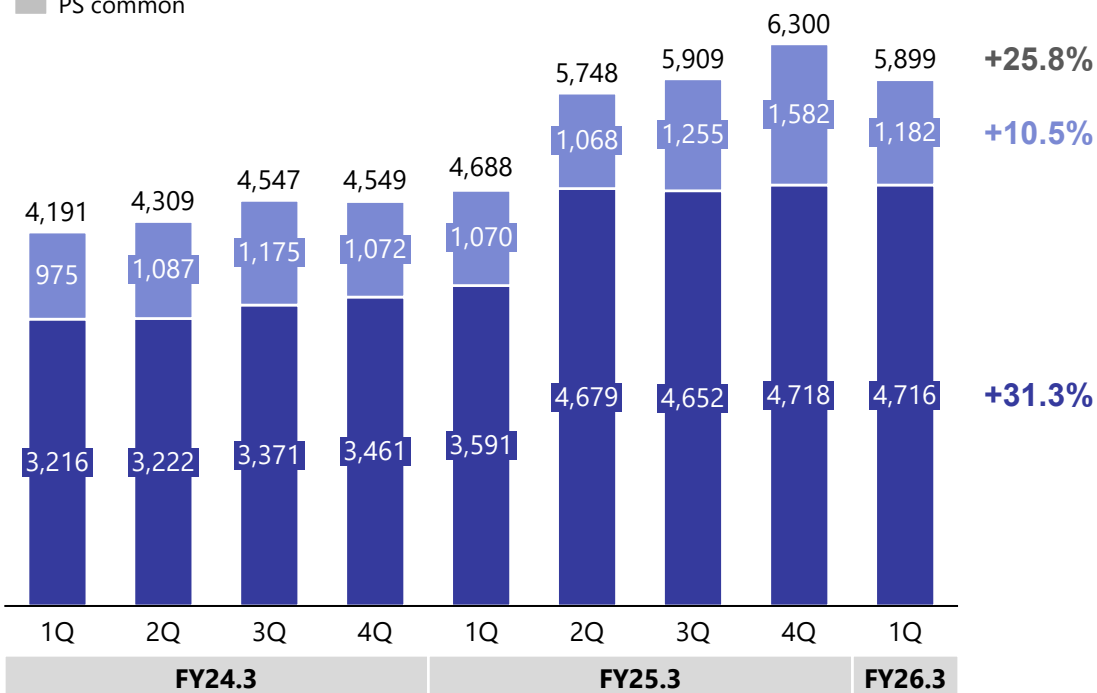
- Payment business: SCORE (BNPL provider) became a wholly-owned subsidiary in 2Q LFY significantly contributed to revenue growth; Sustained double-digit growth in profit before tax
- Marketing business: Significant profit increase thanks to large-scale projects in the finance domain we secured LFY; Overall segment profit grew by over 20%

Segment Revenue

(Unit: M JPY)

■ Payment
■ Marketing
■ PS common

YoY

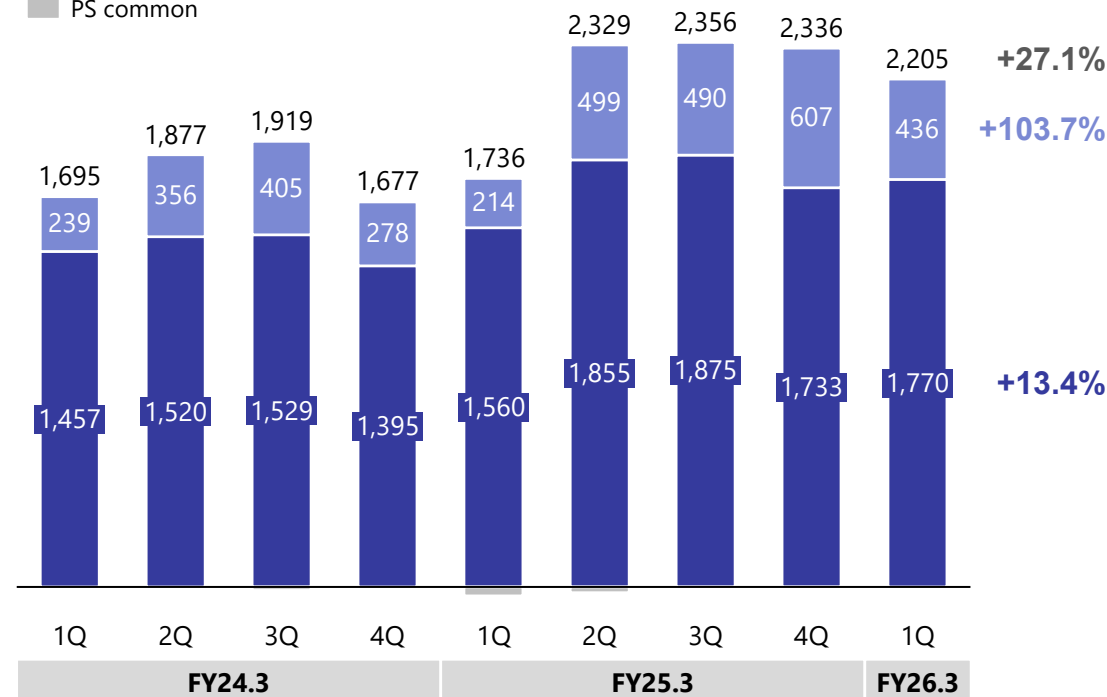


Segment Profit

(Unit: M JPY)

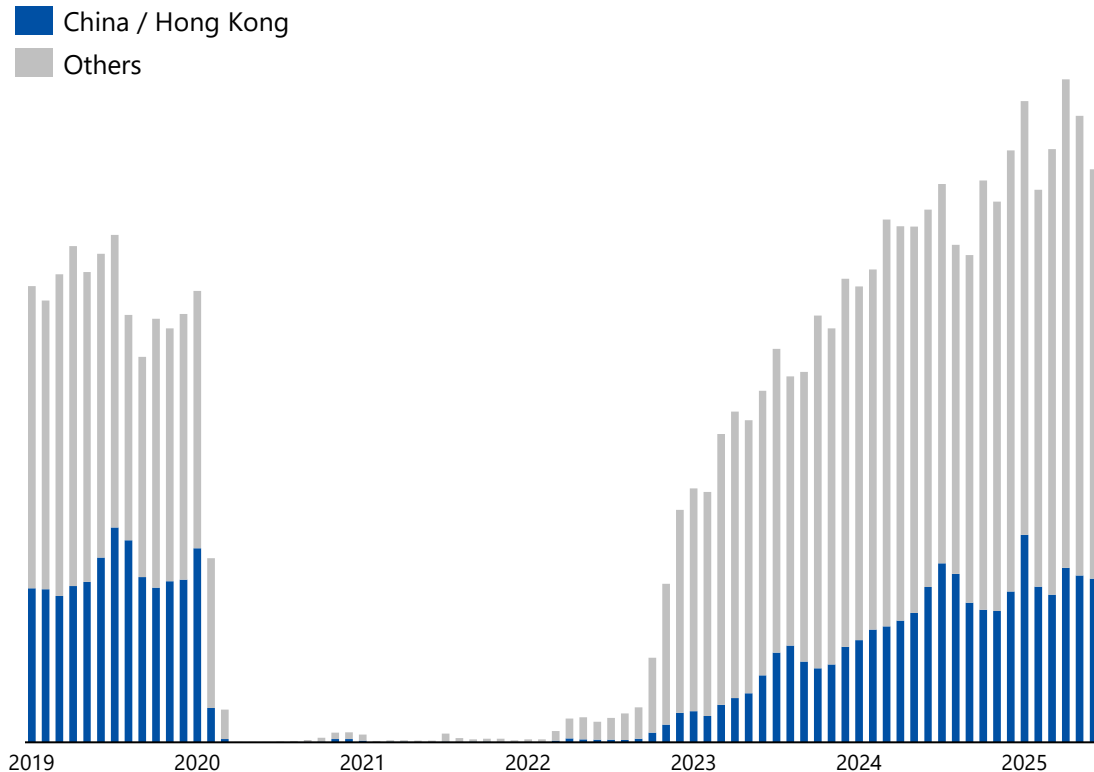
■ Payment
■ Marketing
■ PS common

YoY



- Foreign visitor numbers exceeded pre-COVID levels, but visitors from China decreased slightly compared to the previous quarter
- Inbound-related QR code payments decreased YoY due to the yen's appreciation trend mainly affecting duty-free sales at department stores

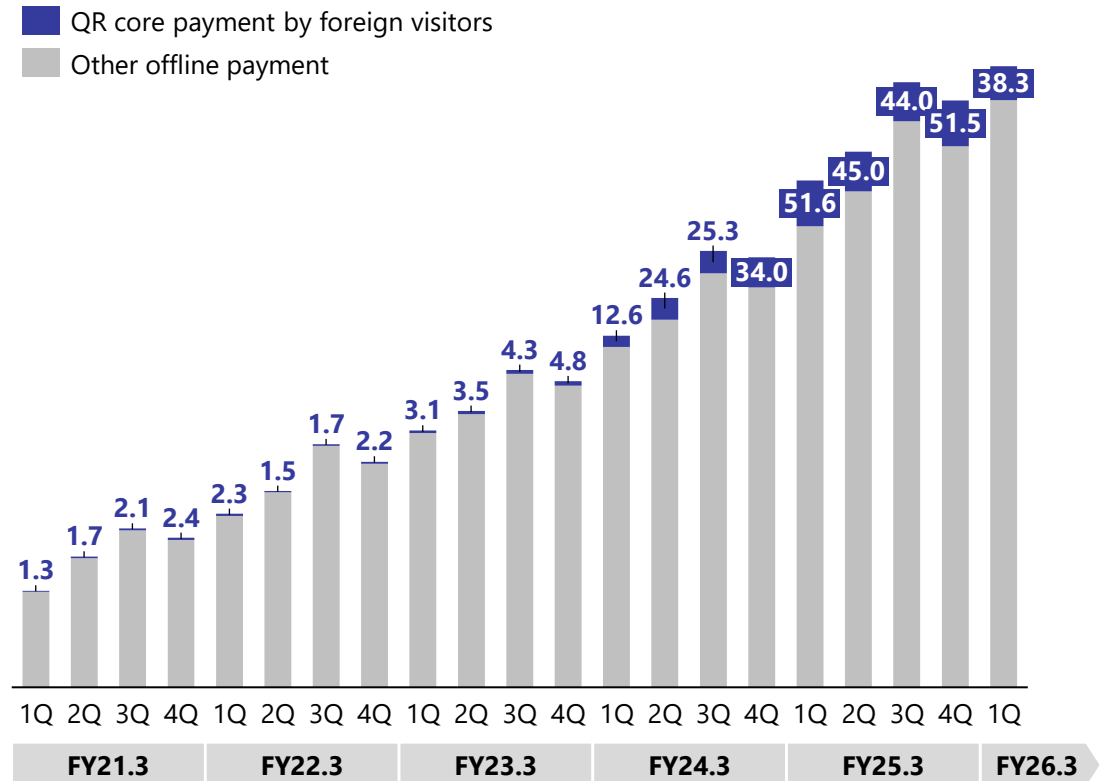
The Number of Foreign Visitors to Japan (by Area)



(Source) Japan National Tourism Organization, "Visitor Statistics"

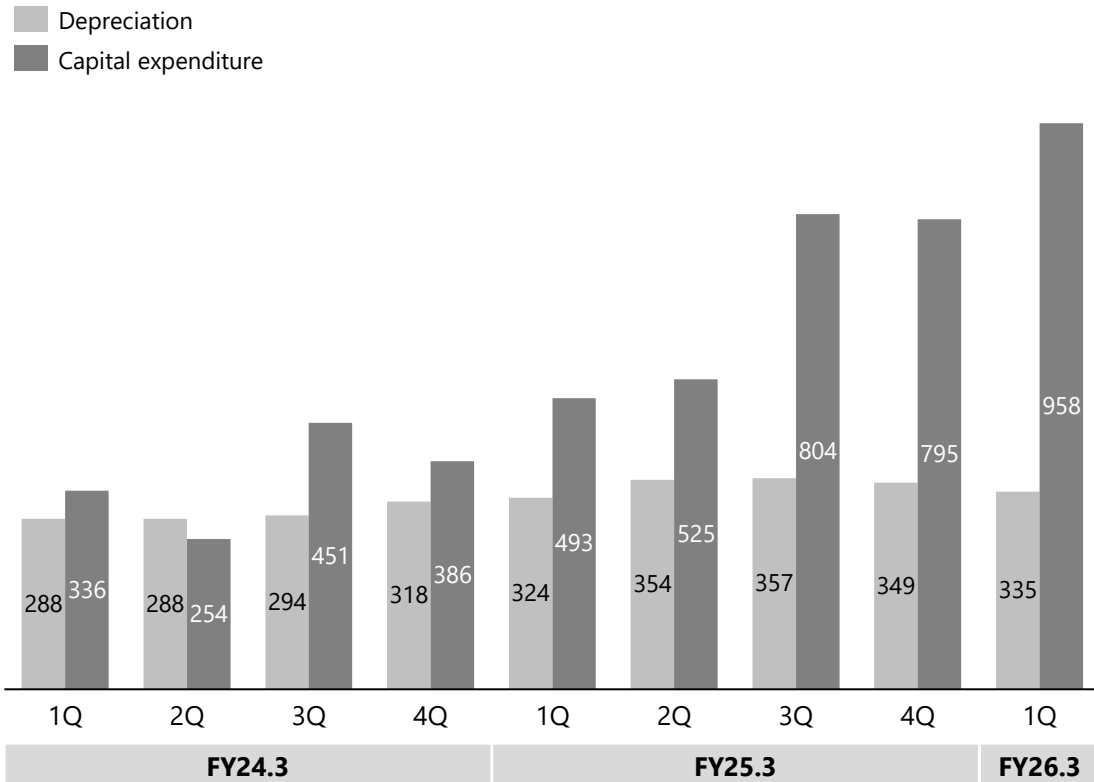
Offline Transaction Volume

(Unit: B JPY)

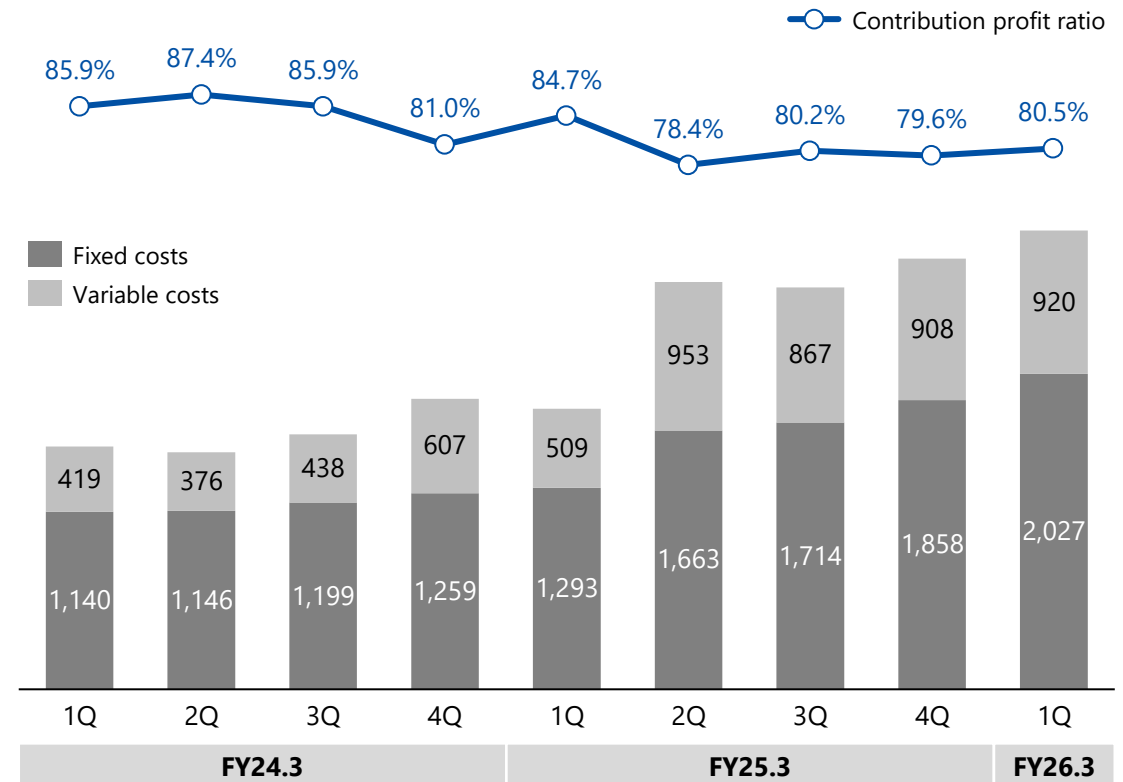


- Capex related to payment system increased with development for large-scale projects in 2H as well as development of BNPL system
- Fixed costs are increasing gradually due to operational redundancies, and the contribution margin ratio is expected to remain at current levels

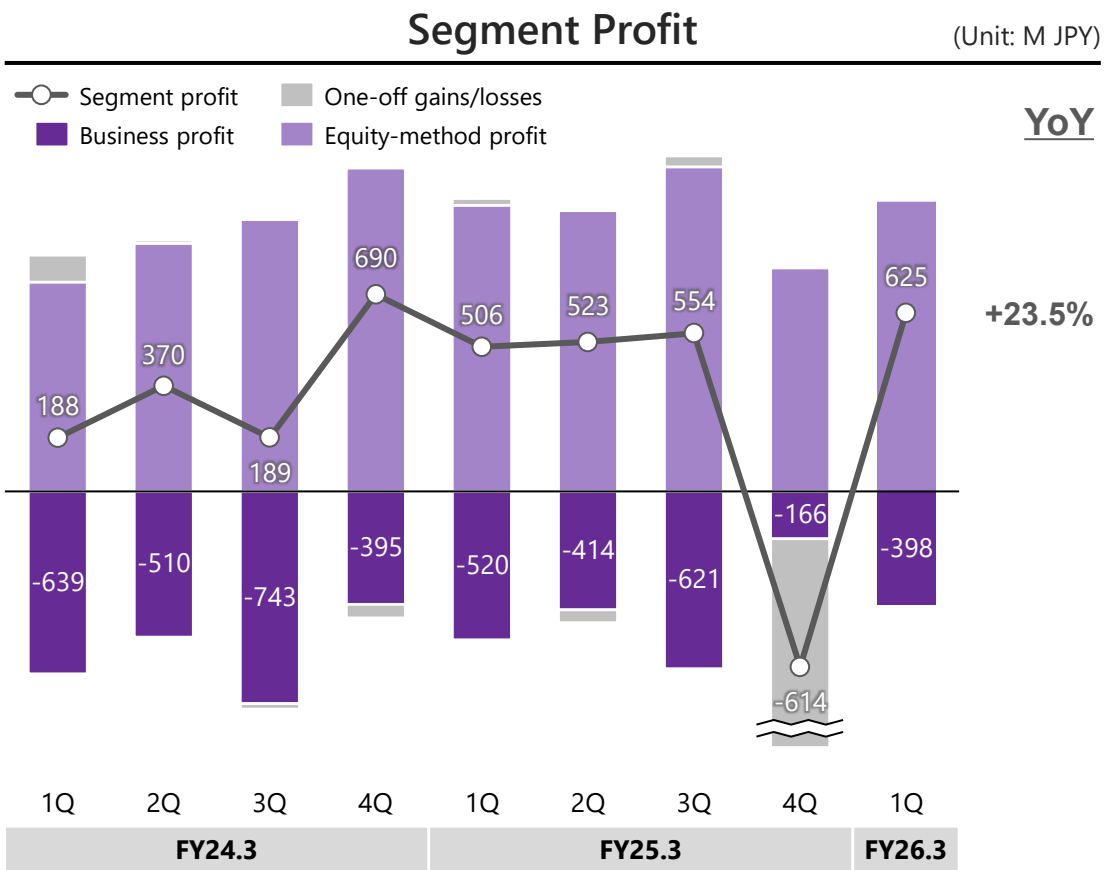
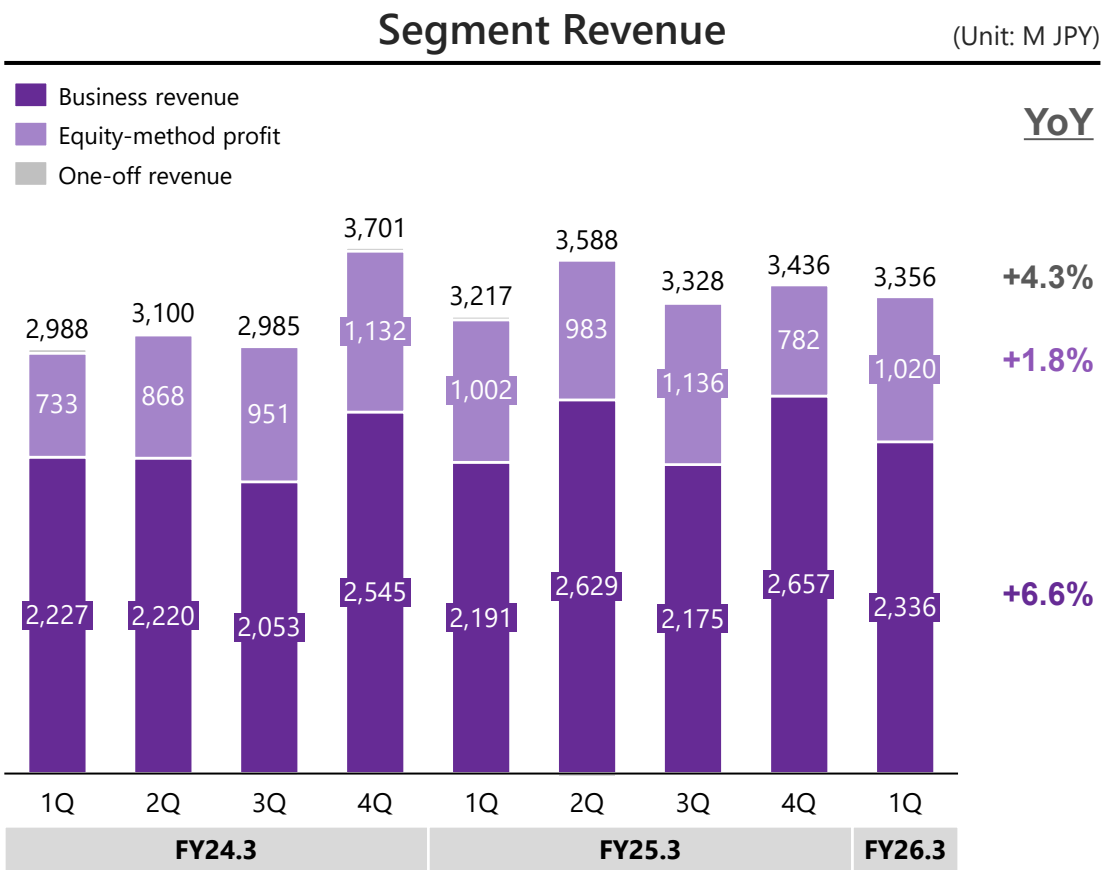
Payment-related Expenditures/Depreciation (Unit: M JPY)



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

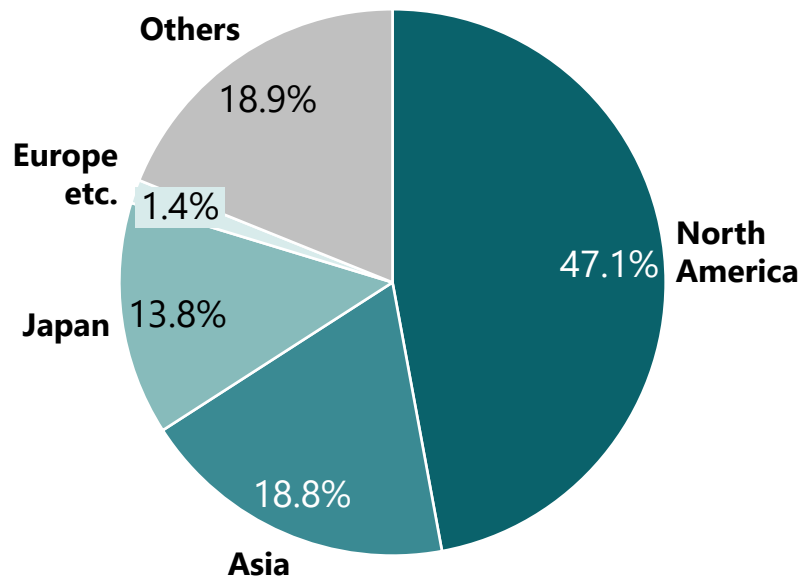


- Several strategic businesses highly-compatible with payments have now entered the growth phase, significantly reducing the scale of operating losses
- Robust results from Kakaku.com translated into an increase in equity-method profits. Payment transaction volume from Kakaku.com also continued on a steady upward trajectory

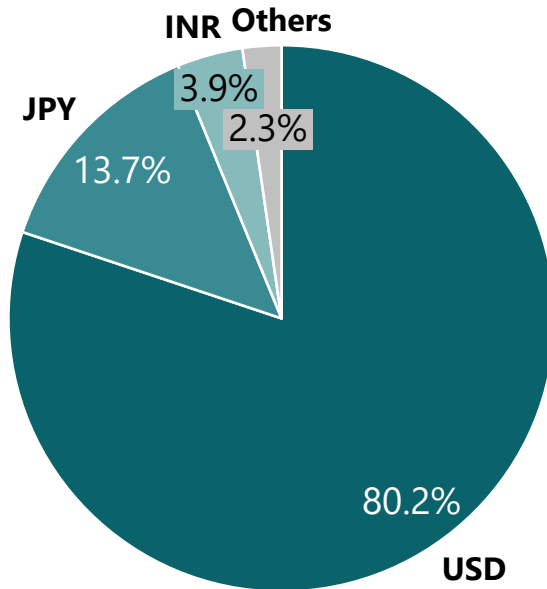


- The investment portfolio is geographically diversified across North America, Asia, and Japan
- As of the end of June 2025, the fair value of operational investment securities was 52.2 billion yen, approx. 1.8 times the investment amount

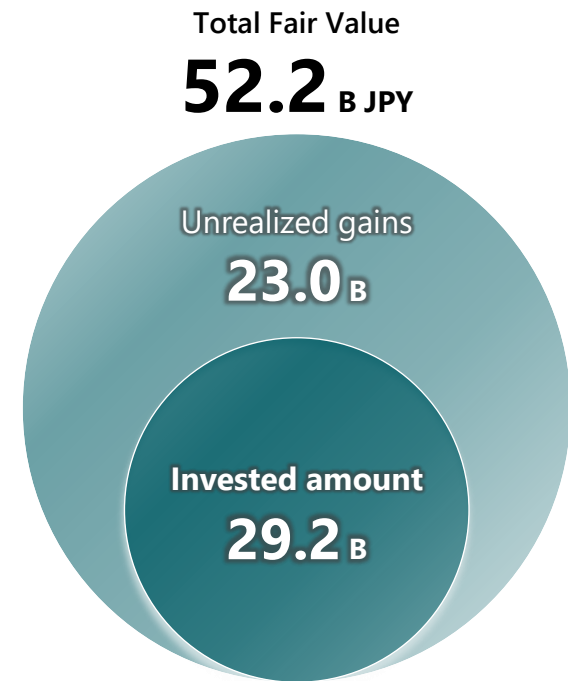
Investments by Area



Investments by Currency



Breakdown



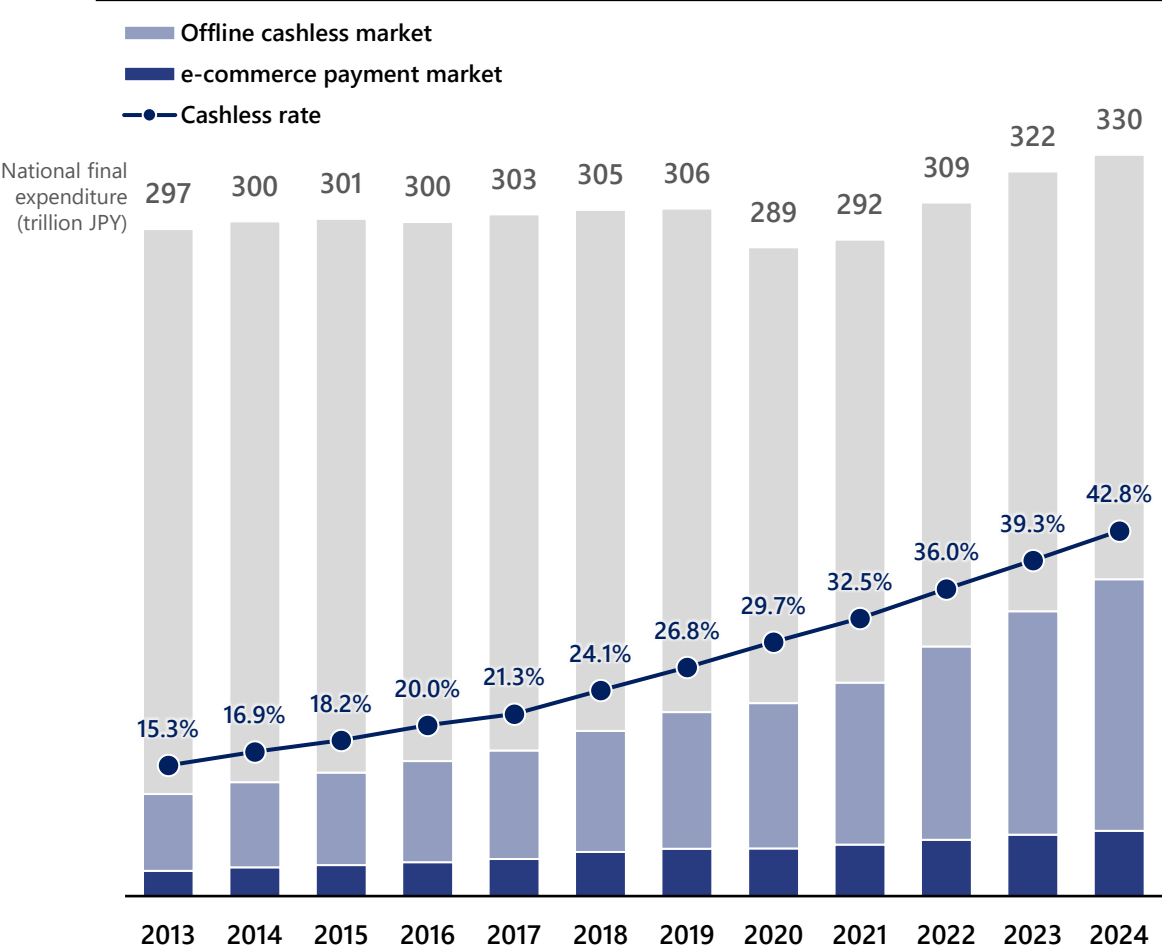
Consolidated Statement of Financial Position (IFRS)

	FY25.3 4Q	FY26.3 1Q	Difference	Reason for change / Remarks
Current assets	144,446	131,541	-12,905	
Cash and cash equivalents	56,354	50,288	-6,066	
Trade and other receivables	30,538	25,976	-4,562	Payment business-related item
Operational investment securities	54,940	52,219	-2,721	Exit and change in fair value of investee companies in GII segment (including FX effects)
Non-current assets	81,899	80,463	-1,436	
Property, plant and equipment	13,163	12,609	-554	
Intangible assets	7,316	8,237	+921	
Investments accounted for using equity	37,643	36,077	-1,566	
Other financial assets	12,896	13,067	+171	Change in fair value of investee companies (including FX effects)
Total assets	226,344	212,004	-14,340	
Current liabilities	97,558	88,863	-8,695	
Bonds and borrowings	27,676	27,483	-193	
Trade and other payables	62,532	54,555	-7,976	Payment business-related item
Non-current liabilities	51,091	48,864	-2,227	
Bonds and borrowings	33,956	32,951	-1,006	
Other financial liabilities	5,976	5,562	-414	
Total liabilities	148,649	137,727	-10,922	
Total equity attributable to owners of paren	75,417	72,088	-3,329	
Share capital	7,888	7,893	+5	
Capital surplus	5,229	5,223	-6	
Treasury shares	-5,108	-5,095	+13	
Retained earnings	66,296	63,195	-3,100	
Non-controlling interests	2,278	2,189	-89	
Total equity	77,695	74,277	-3,418	

Reference Materials (2): Business Model

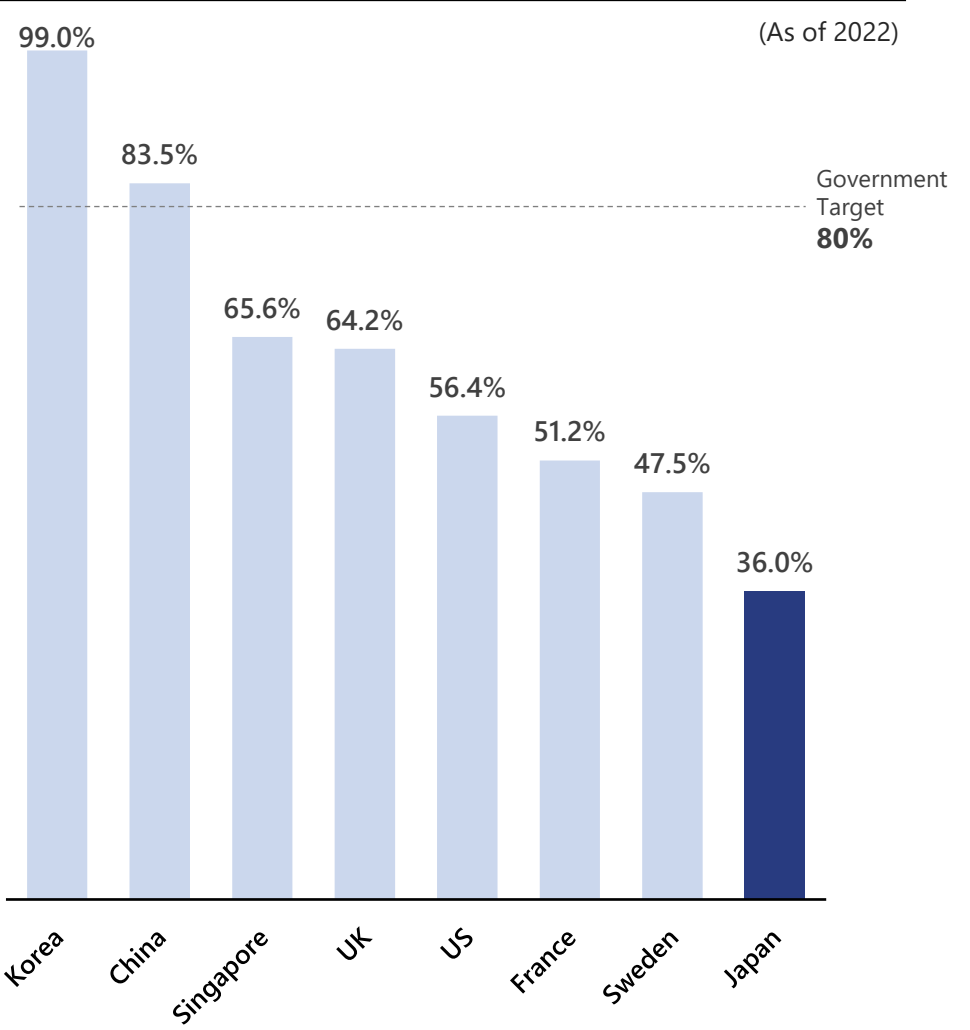


Cashless Market Size

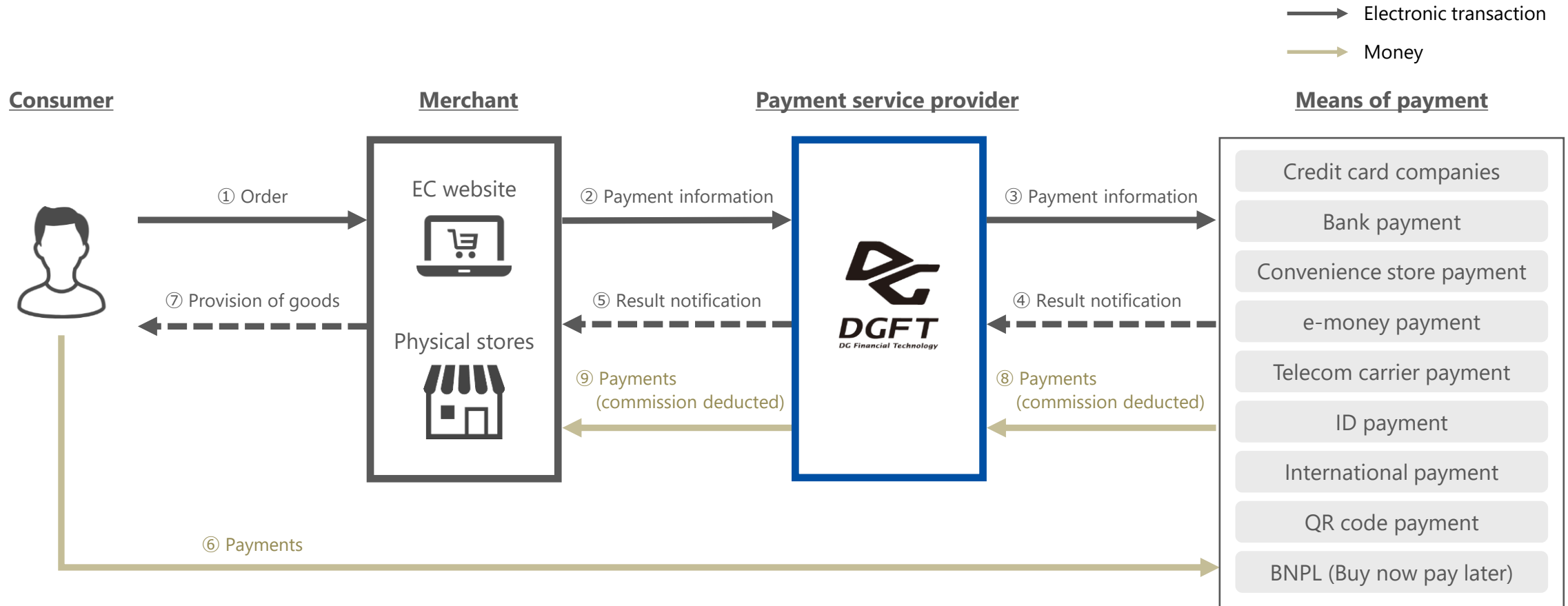


Source: DG estimates based on Cabinet Office "Annual Report on National Accounts", METI "Cashless Roadmap 2023", "Market Survey on Electronic Commerce", "Cashless Vision."

Cashless Rate by Country



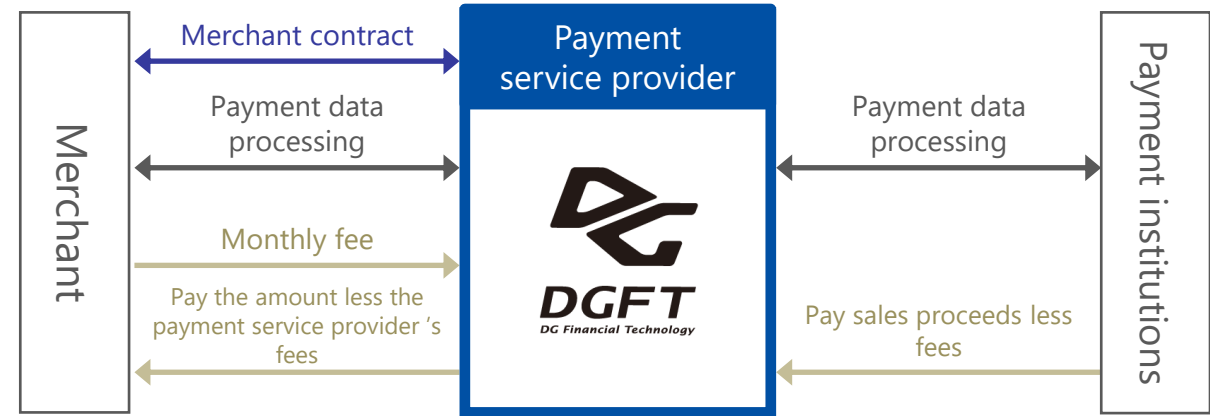
An intermediary service that connects merchants (e-commerce and physical stores) with payment providers (credit card companies, convenience stores, etc.) allowing merchants to implement multiple payment methods through a single contract



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 into the merchant's account in a lump-sum payment from our company
- Single point of contact for payment
- Streamline operations such as payment management and confirmation

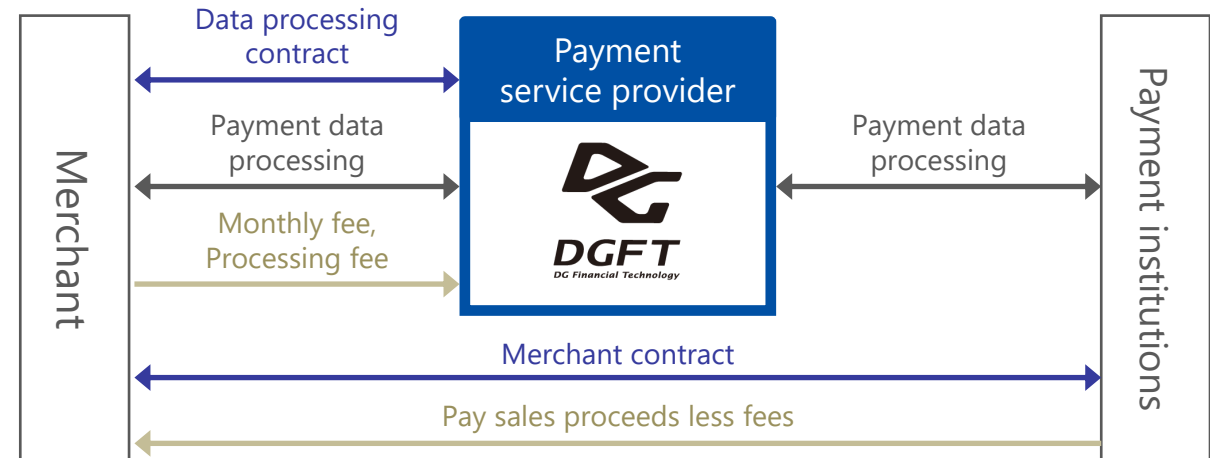


Payment data processing type (Direct contract)

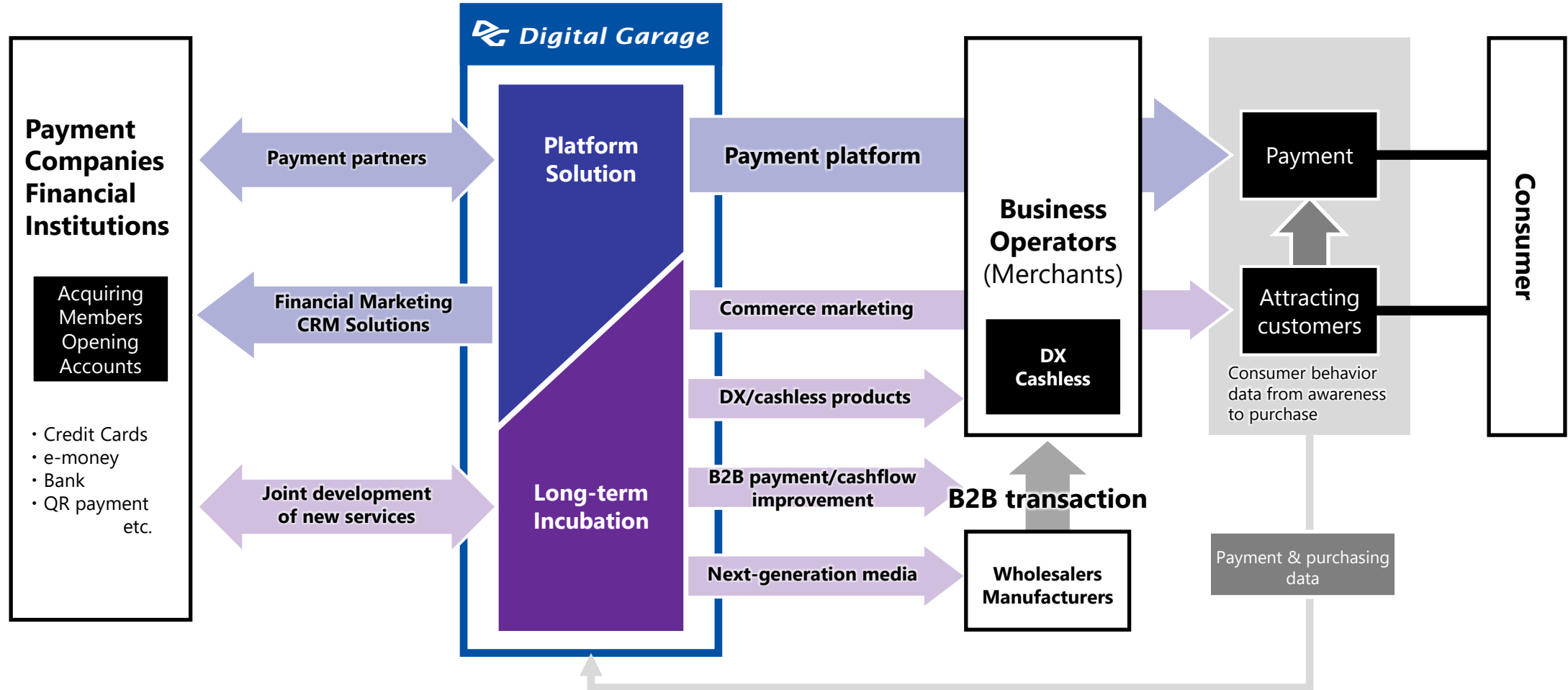
Based on the merchant agreements with credit card companies signed by the merchants, credit card payment processing is automated through the introduction of a payment system provided by PSP

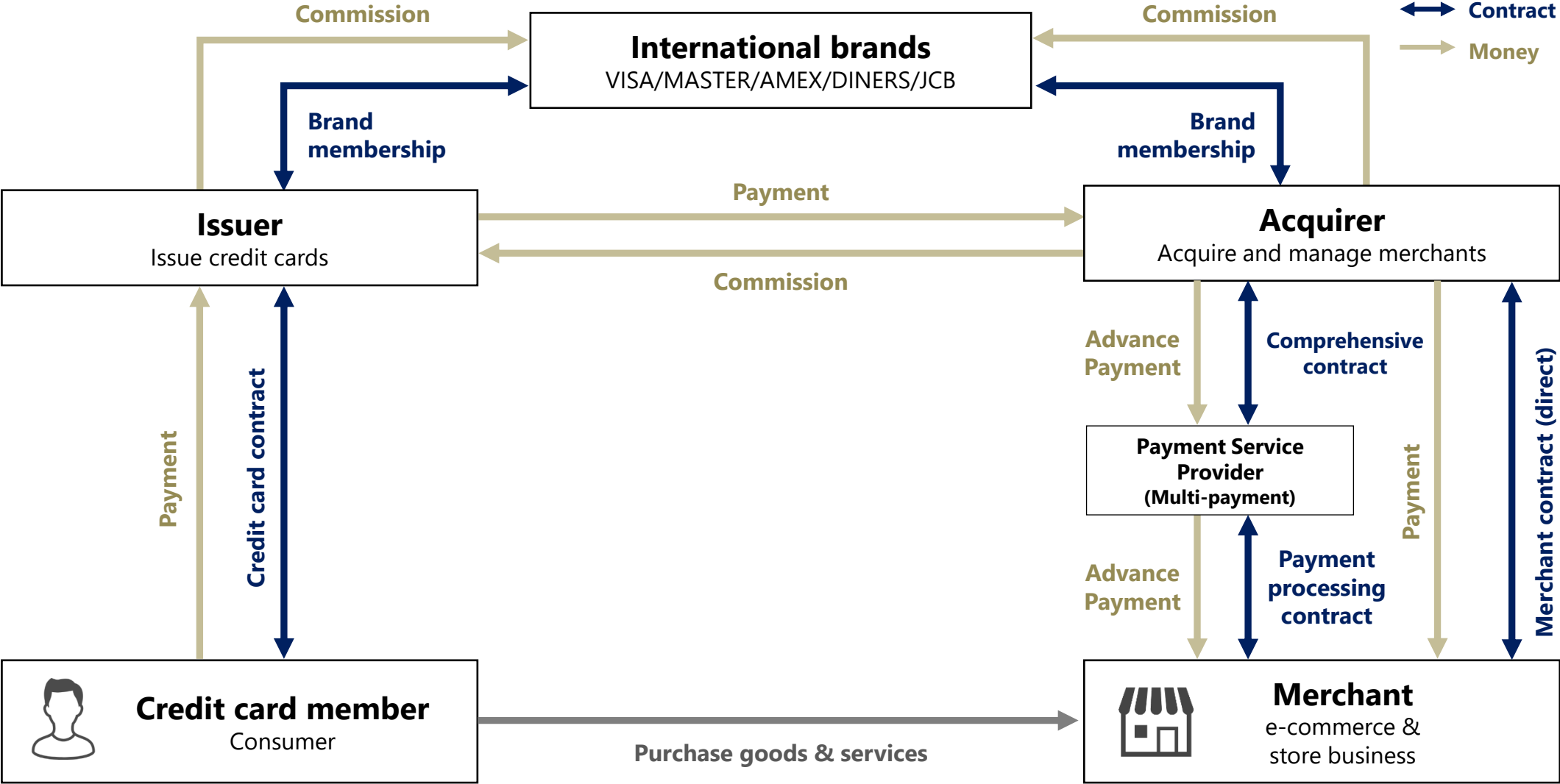
- Provide payment systems and automate card payment processing
- Merchants sign contracts directly with credit card companies
- Provide the necessary software and transaction management tools
- Also provide support for software installation

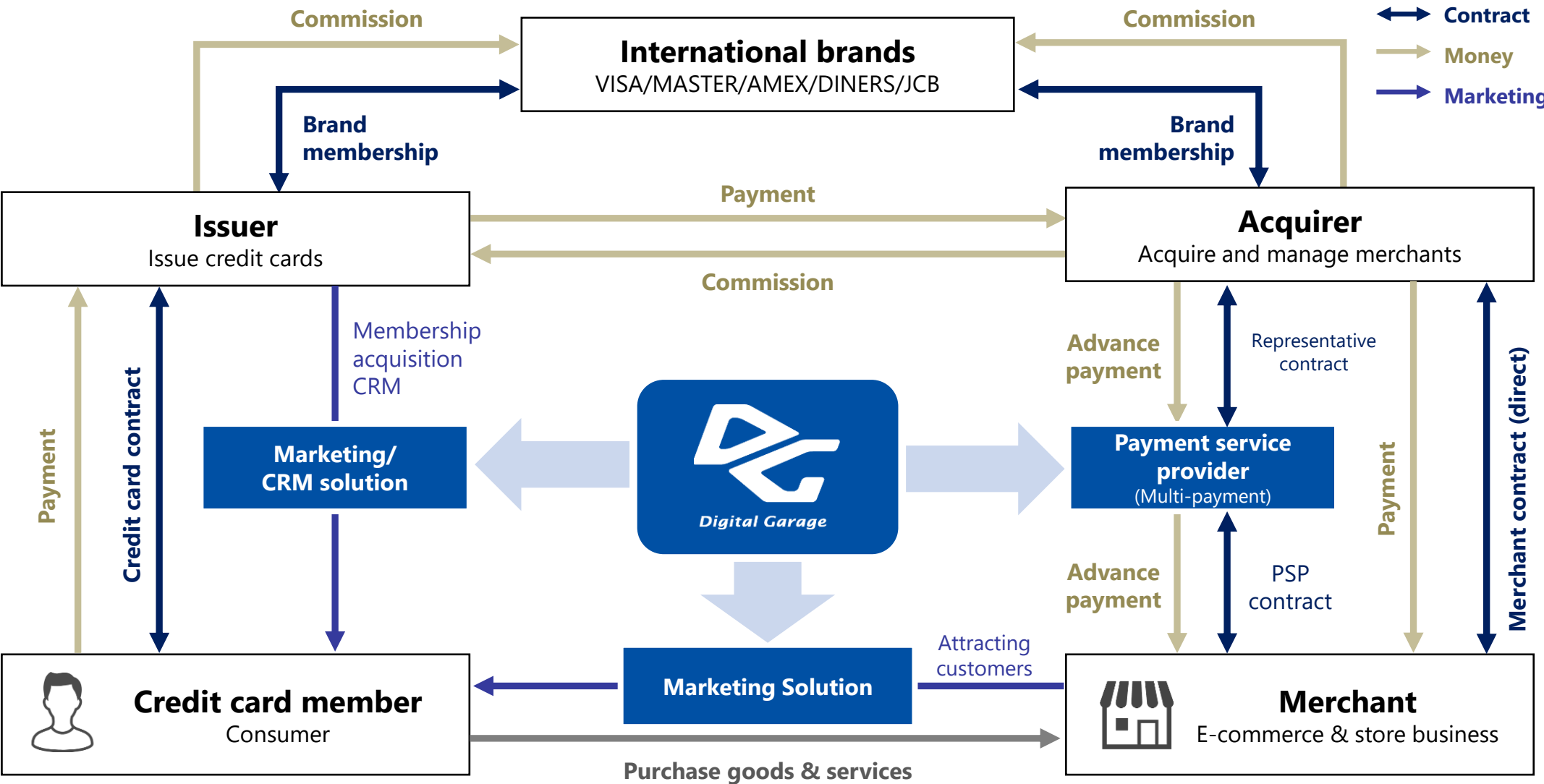
→ Electronic message
→ Money



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

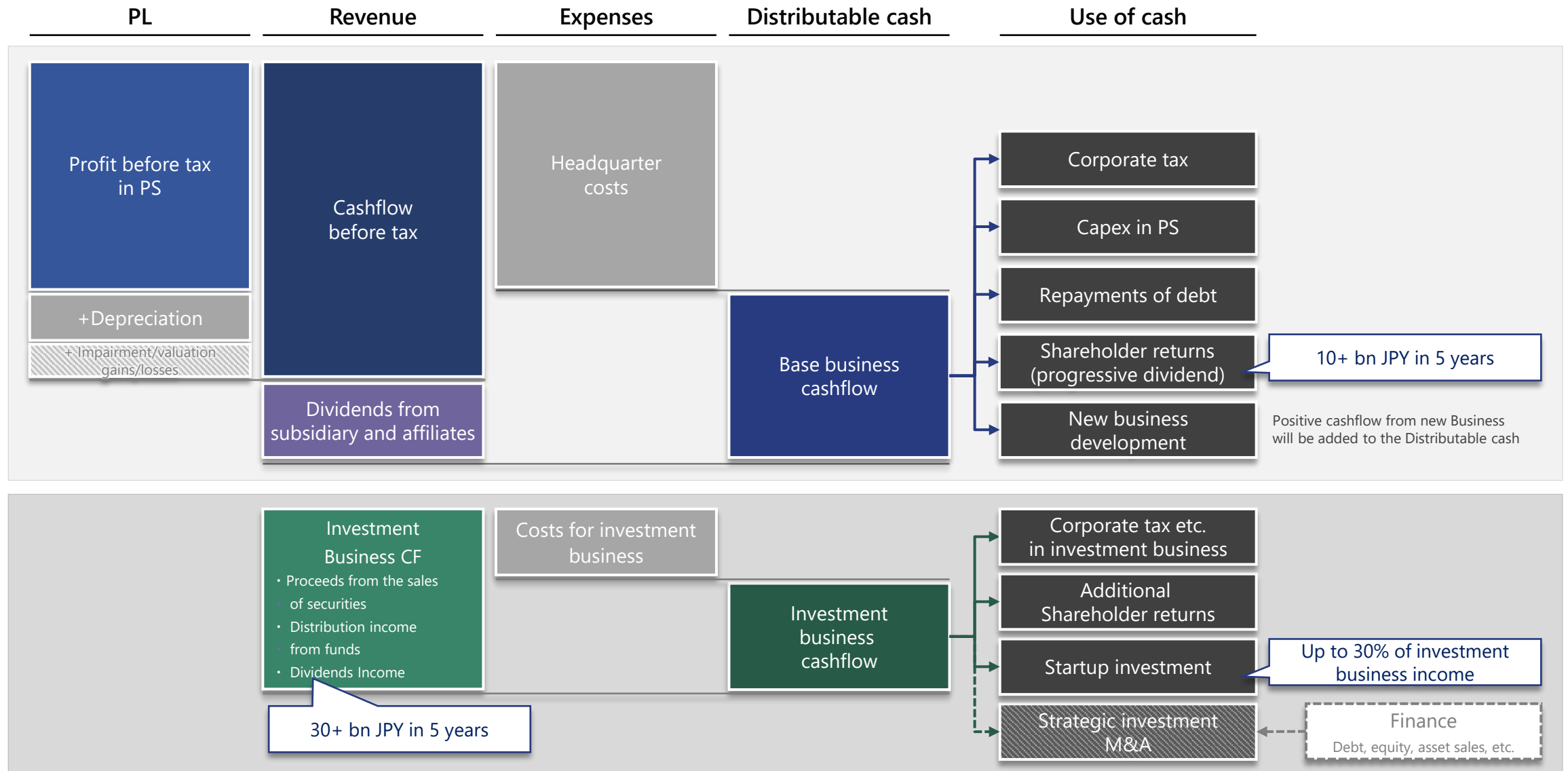






Reference Materials (3): Cashflow Allocation / Shareholder Return

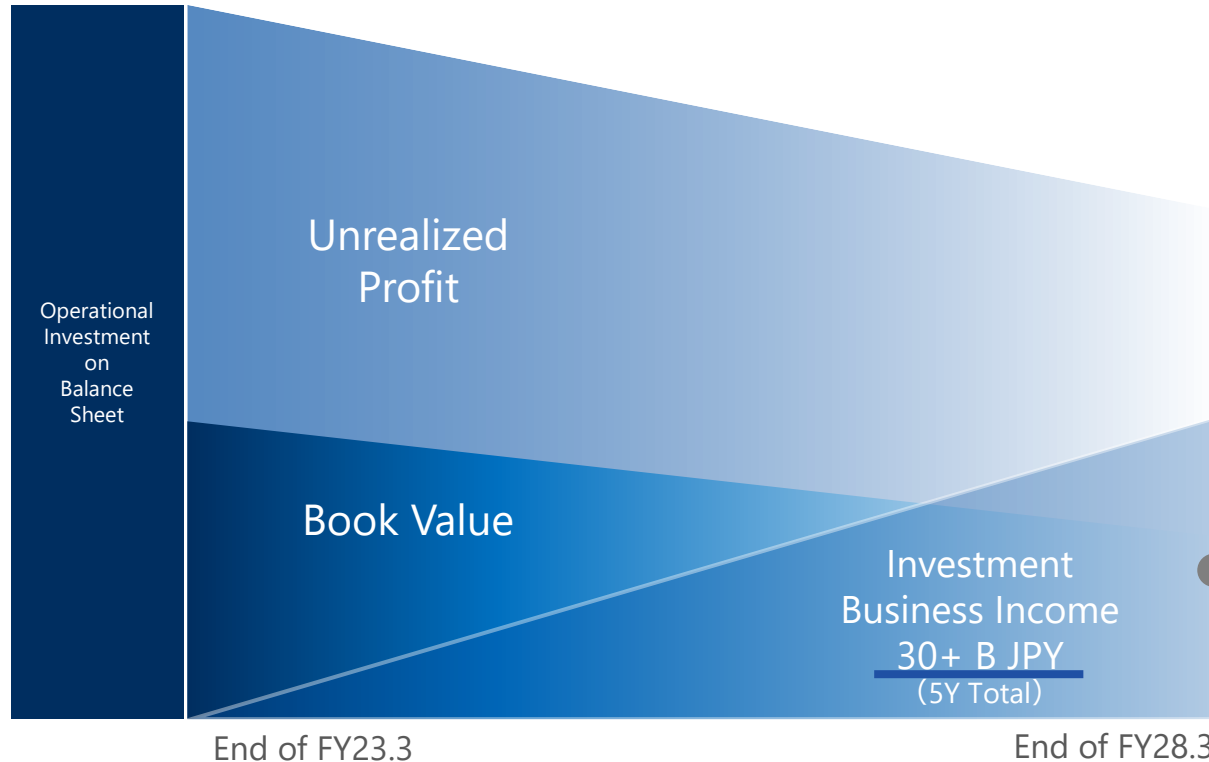




- Promote the sales of shares directly held by DG to generate investment EXIT income (proceeds from sales, etc.)
- Carefully select new investments, and plan for investing through funds for income purposes to diminish the balance
- Clarify the use of investment EXIT income and make strategic decisions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

5Y Picture of Direct Investment and Income from Sales

70 B JPY



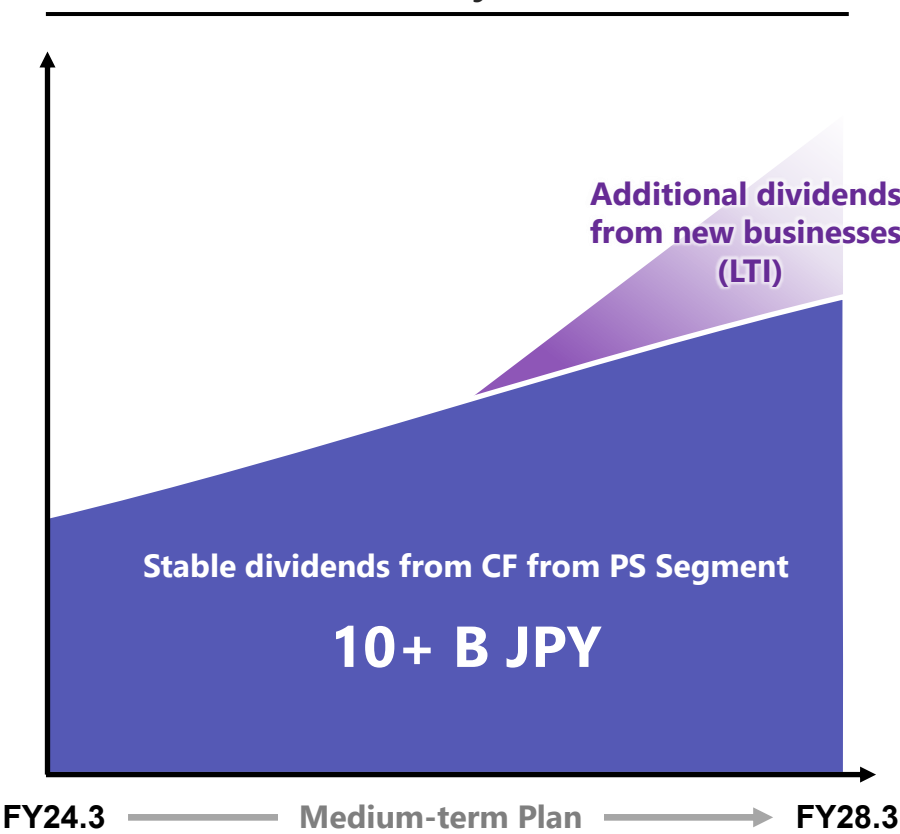
Usage of Investment EXIT Cashflow



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



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.