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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under IFRS)

August 7, 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
 Dividend payable date (as planned) —
 Supplemental material of results: Yes
 Convening briefing of results: None

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

1. Consolidated financial results for the three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Revenue		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	9,569	(23.0)	(1,345)	—	(759)	—	(673)	—	(1,000)	—
June 30, 2024	12,436	(5.7)	4,744	(23.2)	3,157	(21.8)	3,170	(22.6)	4,238	(11.8)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	(14.69)	(14.69)
June 30, 2024	67.04	66.31

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Equity attributable to owners of parent to total assets ratio
As of	Millions of yen	Millions of yen	Millions of yen	%
June 30, 2025	212,004	74,277	72,088	34.0
March 31, 2025	226,344	77,695	75,417	33.3

2. Cash dividends

	Annual dividend				
	First quarter	Second quarter	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	0.00	—	53.00	53.00
Fiscal year ending March 31, 2026	—				
Fiscal year ending March 31, 2026 (Forecast)		0.00	—	47.00	47.00

Note: Revisions to the forecast of cash dividends most recently announced : None

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 period end (including treasury stock)

As of June 30, 2025	47,654,600 shares	As of March 31, 2025	47,650,900 shares
As of June 30, 2025	1,813,438 shares	As of March 31, 2025	1,818,338 shares
Three months ended June 30, 2025	45,835,678 shares	Three months ended June 30, 2024	47,284,938 shares

② Number of treasury stock at the period end

③ Average number of shares (quarterly period-YTD)

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

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

(Method of obtaining supplementary financial results materials)

The supplementary materials of results will be published on the Company's website.

Condensed quarterly consolidated financial statements

(1) Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and cash equivalents	56,354	50,288
Trade and other receivables	30,538	25,976
Inventories	376	385
Operational investment securities	54,940	52,219
Other financial assets	292	291
Income taxes receivable	575	968
Other current assets	1,370	1,414
Total current assets	144,446	131,541
Non-current assets		
Property, plant and equipment	13,163	12,609
Goodwill	8,030	8,024
Intangible assets	7,316	8,237
Investment property	1,872	1,813
Investments accounted for using equity method	37,643	36,077
Other financial assets	12,896	13,067
Deferred tax assets	517	187
Other non-current assets	461	449
Total non-current assets	81,899	80,463
Total assets	226,344	212,004

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	27,676	27,483
Trade and other payables	62,532	54,555
Other financial liabilities	1,787	1,762
Income taxes payable	1,001	249
Other current liabilities	4,562	4,814
Total current liabilities	97,558	88,863
Non-current liabilities		
Bonds and borrowings	33,956	32,951
Other financial liabilities	5,976	5,562
Retirement benefit liability	372	375
Provisions	519	519
Deferred tax liabilities	9,737	8,938
Other non-current liabilities	531	519
Total non-current liabilities	51,091	48,864
Total liabilities	148,649	137,727

Equity		
Share capital	7,888	7,893
Capital surplus	5,229	5,223
Treasury shares	(5,108)	(5,095)
Other components of equity	1,112	872
Retained earnings	66,296	63,195
Total equity attributable to owners of parent	<u>75,417</u>	<u>72,088</u>
Non-controlling interests	<u>2,278</u>	<u>2,189</u>
Total equity	<u>77,695</u>	<u>74,277</u>
Total liabilities and equity	<u><u>226,344</u></u>	<u><u>212,004</u></u>

(2) Condensed quarterly consolidated statements of income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Revenue		
Revenue in recurring business	6,714	8,342
Revenue in operational investment securities	3,713	—
Other income	283	313
Finance income	384	53
Share of profit of investments accounted for using equity method	1,341	861
Total	12,436	9,569
Expenses		
Cost of sales	2,895	3,137
Loss in operational investment securities	—	1,866
Selling, general and administrative expenses	4,638	5,613
Other expenses	84	78
Finance costs	74	221
Total	7,691	10,914
Profit (loss) before tax	4,744	(1,345)
Income tax expense	1,587	(586)
Profit (loss)	3,157	(759)
Profit (loss) attributable to		
Owners of parent	3,170	(673)
Non-controlling interests	(13)	(86)
Earnings (loss) per share		
Basic earnings (loss) per share	67.04	(14.69)
Diluted earnings (loss) per share	66.31	(14.69)

(3) Condensed quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Profit (loss)	3,157	(759)
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	279	207
Share of other comprehensive income of investments accounted for using equity method	7	(1)
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	794	(448)
Share of other comprehensive income of investments accounted for using equity method	1	1
Other comprehensive income, net of tax	1,082	(241)
Comprehensive income	4,238	(1,000)
Comprehensive income attributable to		
Owners of parent	4,246	(911)
Non-controlling interests	(8)	(89)

(4) Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			Total
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Remeasurements of defined benefit plans	
Balance at beginning of period	7,846	5,385	(975)	(1,124)	2,737	(0)	1,613
Profit (loss)							—
Other comprehensive income				286	790		1,076
Comprehensive income	—	—	—	286	790	—	1,076
Issuance of new shares	3	3					—
Changes in ownership interest in subsidiaries							—
Dividends							—
Share-based payment transactions		52					—
Purchase of treasury shares			(500)				—
Disposal of treasury shares		(1)	19				—
Transfer from other components of equity to retained earnings				1			1
Total	3	54	(481)	1	—	—	1
Balance at end of period	7,849	5,439	(1,456)	(836)	3,527	(0)	2,691

(Millions of yen)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance at beginning of period	75,382	89,251	2,887	92,138
Profit (loss)	3,170	3,170	(13)	3,157
Other comprehensive income		1,076	5	1,082
Comprehensive income	3,170	4,246	(8)	4,238
Issuance of new shares		6		6
Changes in ownership interest in subsidiaries		—	8	8
Dividends	(1,895)	(1,895)		(1,895)
Share-based payment transactions		52		52
Purchase of treasury shares		(500)		(500)
Disposal of treasury shares		18		18
Transfer from other components of equity to retained earnings	(1)	—		—
Total	(1,896)	(2,319)	8	(2,311)
Balance at end of period	76,656	91,178	2,887	94,065

Three months ended June 30, 2025 (from April 1, 2025 to June 30, 2025)

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			Total
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Remeasurements of defined benefit plans	
Balance at beginning of period	7,888	5,229	(5,108)	(1,500)	2,561	51	1,112
Profit (loss)							—
Other comprehensive income				206	(444)		(238)
Comprehensive income	—	—	—	206	(444)	—	(238)
Issuance of new shares	5	5					—
Change in scope of consolidation							—
Dividends							—
Share-based payment transactions		29					—
Disposal of treasury shares		9	13				—
Transfer from other components of equity to retained earnings				(2)			(2)
Other		(50)					—
Total	5	(6)	13	(2)	—	—	(2)
Balance at end of period	7,893	5,223	(5,095)	(1,296)	2,117	51	872

(Millions of yen)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance at beginning of period	66,296	75,417	2,278	77,695
Profit (loss)	(673)	(673)	(86)	(759)
Other comprehensive income		(238)	(4)	(241)
Comprehensive income	(673)	(911)	(89)	(1,000)
Issuance of new shares		10		10
Change in scope of consolidation		—	0	0
Dividends	(2,429)	(2,429)		(2,429)
Share-based payment transactions		29		29
Disposal of treasury shares		22		22
Transfer from other components of equity to retained earnings	2	—		—
Other		(50)		(50)
Total	(2,427)	(2,418)	0	(2,418)
Balance at end of period	63,195	72,088	2,189	74,277

(5) Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from operating activities		
Profit before tax	4,744	(1,345)
Depreciation and amortization	983	970
Interest and dividend income	(27)	(30)
Interest expenses on borrowings and bonds	73	156
Share of loss (profit) of investments accounted for using equity method	(1,341)	(861)
Loss (gain) on investment securities	(312)	62
Loss (gain) on sales of shares of subsidiaries and associates	—	10
Decrease (increase) in trade and other receivables	5,634	4,338
Decrease (increase) in investment securities for sale	(1,373)	2,520
Decrease (increase) in inventories	(8)	(9)
Increase (decrease) in trade and other payables	8,120	(6,995)
Increase (decrease) in accrued consumption taxes	(126)	89
Other	(620)	165
Subtotal	15,745	(932)
Interest and dividends received	865	1,975
Interest paid	(69)	(152)
Income taxes refund (paid)	(348)	(605)
Net cash provided by (used in) operating activities	16,193	287
Cash flows from investing activities		
Purchase of property, plant and equipment	(133)	(79)
Purchase of intangible assets	(793)	(1,463)
Purchase of investment securities	(986)	(906)
Proceeds from sale of investment securities	1	13
Proceeds from dividend of investment partnership	—	6
Purchase of investments accounted for using equity method	(1,503)	(500)
Proceeds from sale of investments accounted for using equity method	—	587
Payments for acquisition of businesses	(642)	—
Other	(70)	21
Net cash provided by (used in) investing activities	(4,125)	(2,320)

(Millions of yen)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(600)	(150)
Proceeds from long-term borrowings	500	300
Repayments of long-term borrowings	(1,038)	(1,311)
Repayments of lease liabilities	(438)	(452)
Capital contribution from non-controlling interests	8	0
Purchase of treasury shares	(500)	—
Proceeds from disposition of treasury shares	18	22

Dividends paid	(1,877)	(2,411)
Other	2	5
Net cash provided by (used in) financing activities	<u>(3,924)</u>	<u>(3,997)</u>
Effect of exchange rate changes on cash and cash equivalents	131	(36)
Net increase (decrease) in cash and cash equivalents	8,275	(6,066)
Cash and cash equivalents at beginning of period	49,571	56,354
Cash and cash equivalents	<u><u>57,846</u></u>	<u><u>50,288</u></u>