

Financial Report

3Q of FY26.3



2026.2.12

I. Introduction





PURPOSE

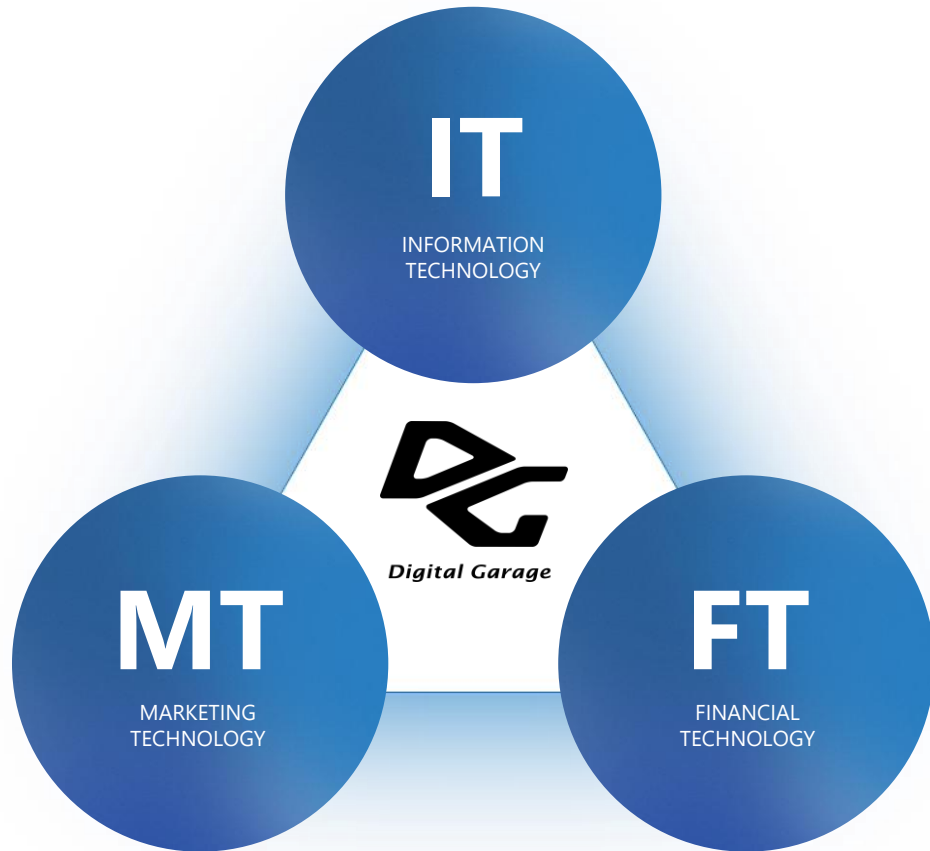
Designing 'New Context' for a sustainable society
with technology

<VALUES>

First Penguin Spirit

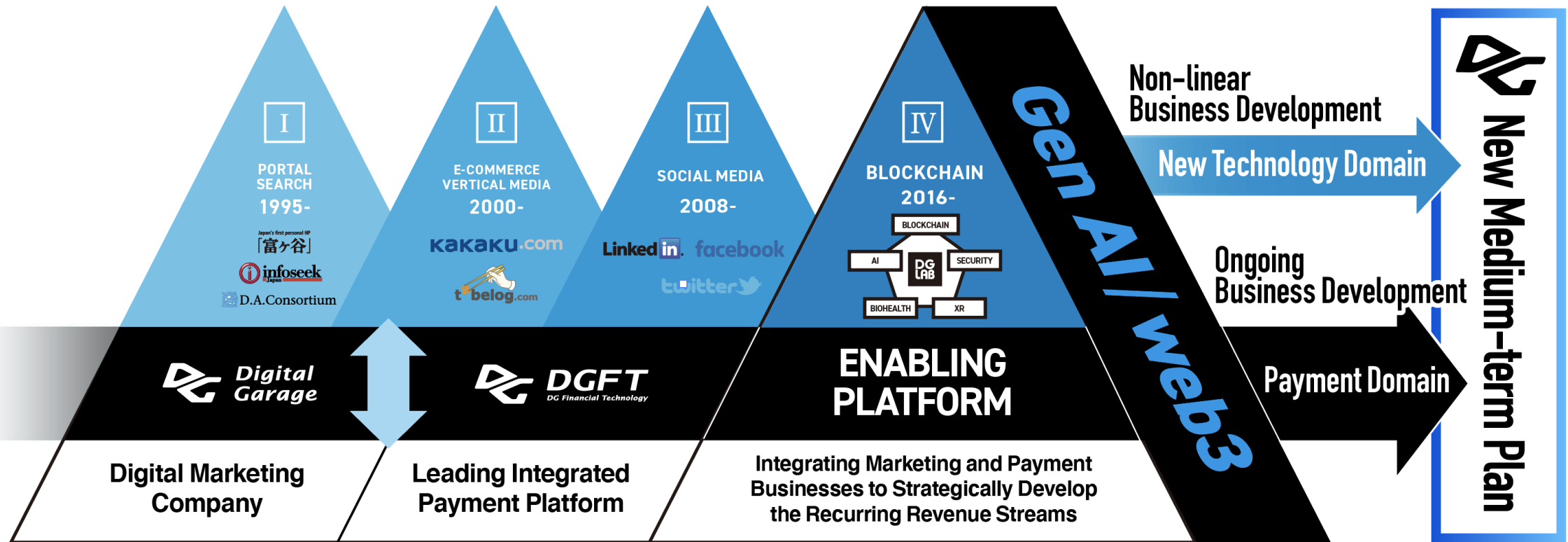
<CORPORATE SLOGAN>

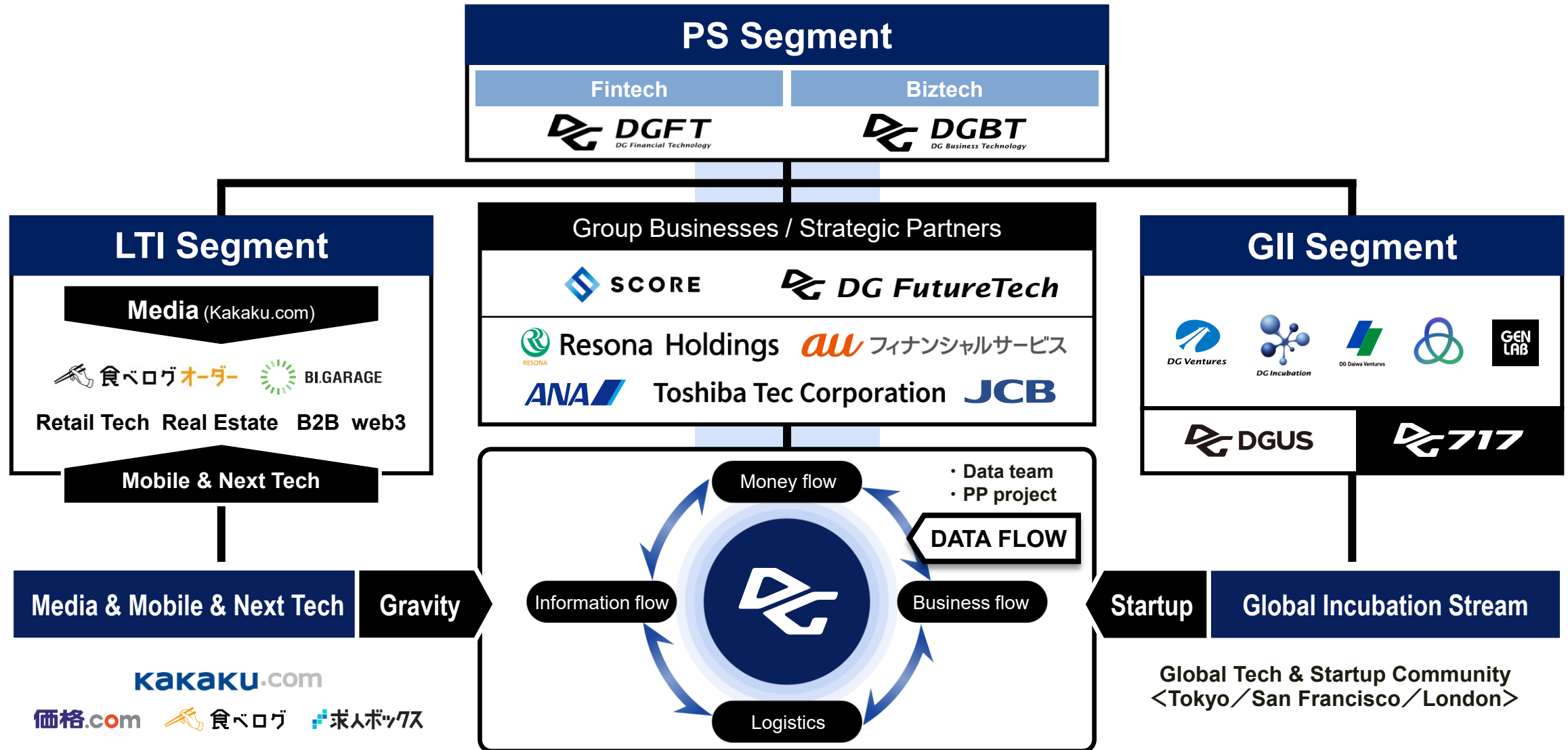
New Context Designer DG



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): Focus on PS KPI's, Accelerate GII Investment Asset Sales Digital Garage

- We remain committed to the growth strategy of the PS segment while simultaneously working to reduce volatility within the GII investment business
- To accelerate growth , we are systematically coordinating with a diverse range of strategic partners to execute key initiatives

	5-year KPIs	Initiatives
Growth Rate of Pre-tax Profit*	5-year CAGR 20% Over	<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 the entire payment value chain</u>
Payment Transaction Volume	FY28.3 ¥15 T Over	<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 Expand the offline payment domain with the “Cloud Pay” unified QR code payment solution
Investment Business Income	5-year total ¥30.0 B Over	<ul style="list-style-type: none"> ■ Completed the transfer of portfolio to the joint fund with the Resona Group (off-balance transaction, approx. ¥10B) ■ 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	<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 (¥9.0B 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. Consolidated Financial Highlights



Results Summary

Consolidated profit before tax of ¥4.6B resulting from easier YoY comps after a non-cash valuation loss recorded on investees LFY

PS

Profit before tax +4.7%

Growth rates slowed down as one-time gains in the prior year made for challenging comparatives; Merchant churn was also up. Excluding one-time factors, underlying growth was +12%

Payment TXN volume +13.5%

Growth decelerated due to a slowdown in inbound consumption and merchant churn
The Large-scale project became operational as planned

LTI

Profit before tax +25.5%

Several strategic businesses grew; Reduction in upfront investment losses; Growing PMT TXN vol.

GII

Inv. business. income ¥1.7B

Progress moving investments off balance sheet through shift to fund-type investment

Segment Highlights

[PS] Strategic alliances and expansion of our Cloud Pay unified QR code payment solutions to drive long-term growth.

- Successfully completed the initial rollout of phase one for [NESTA], our co-developed payment platform with KDDI, starting with mobile telecommunications billing
- [Cloud Pay] has expanded beyond payments to launch a data-driven marketing initiative leveraging customer data, with the AEON Group as its first strategic partner
- DGBT has launched a new AI Generative Engine Optimization (GEO) service through its marketing AI service, DG AI Drive

[LTI] Several new strategic businesses move to growth/monetization phase

- [AppPay], our pioneering out-of-app PMT service, has begun its global expansion and is emerging as a leading service
- Our real estate DX service [Musubell], has surpassed a 100-client milestone, driven primarily by adoption among leading developers

[GII] Accelerating sales to achieve our MTP KPI of ¥30B in investment business income

- Toward achieving our KPI, we have commenced full-scale negotiations with major global funds, following engagement with domestic investment players

Consolidated Financial Highlights – Segment Profit (Year to Date)

(Unit: M JPY)		FY25.3 3Q YTD	FY26.3 3Q YTD	YoY	Change (%)	Summary
Consolidated profit before tax		-7,592	4,559	+12,151	-	<ul style="list-style-type: none"> YoY increase, driven by organic growth in the PS and LTI segments and a recovery from the valuation losses recorded in the GII segment during FY25.3 2Q
PS		6,421	6,725	+303	+4.7%	<ul style="list-style-type: none"> Payment / Marketing continue struggling somewhat after strong comparatives resulting from the recording of one-off gains in 2Q LFY Excluding one-off factors, the growth rate was 12%
	Payment	5,290	5,282	-8	-0.2%	<ul style="list-style-type: none"> Despite a slowdown in inbound consumption and merchant churn, The Large-scale project became operational as planned Excluding one-off factors, the growth rate was 2%
	Marketing	1,203	1,442	+239	+19.9%	<ul style="list-style-type: none"> Financial domain projects continued driving strong results; 55% profit growth after excluding one-off gain in FY25.3 2Q
LTI		1,583	1,988	+404	+25.5%	<ul style="list-style-type: none"> Decrease in equity-method profits from Kakaku.com, Inc., in line with the forecast. Several strategic businesses highly complementary to the Payment business have entered the growth phase, leading to a reduction in operating losses
GII		-6,539	550	+7,089	-	<ul style="list-style-type: none"> Segment rose on easier YoY comps resulting from a valuation loss on investees associated with Blockstream Corporation, Inc. in FY25.3 2Q and a weaker yen
HQ/Adjustments		-9,057	-4,703	+4,354	-	<ul style="list-style-type: none"> Segment rose on easier YoY comps resulting from a valuation loss on investees associated with Blockstream Corporation, Inc. in FY25.3 2Q and other factors

Basic Business Revenue and Profit* (Year to Date)

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



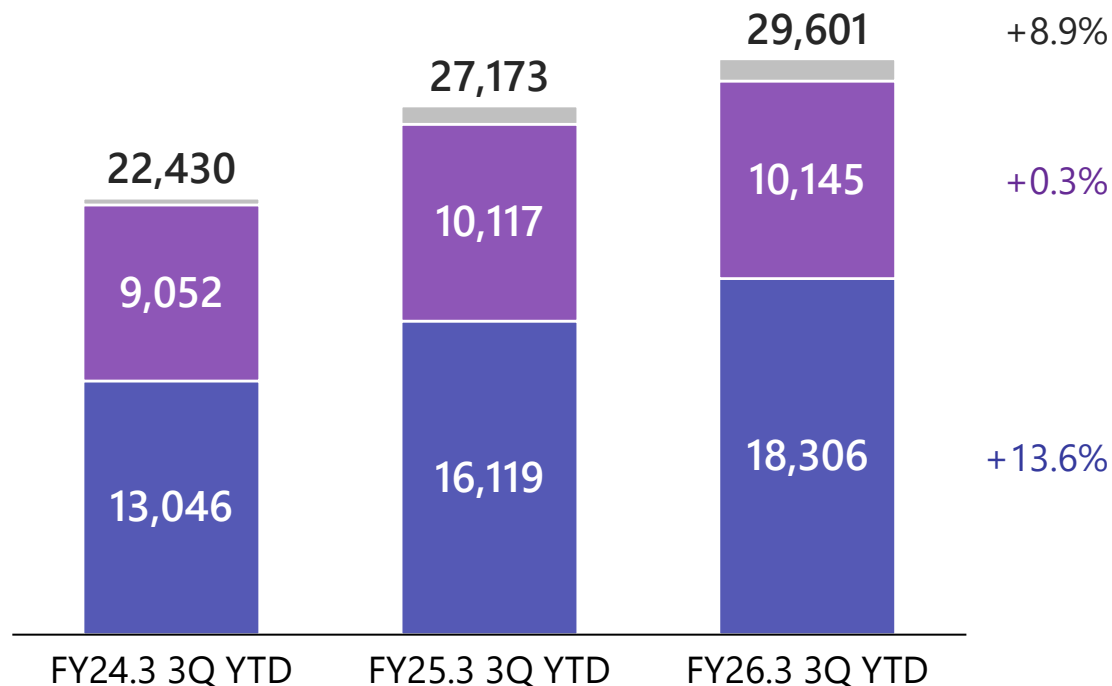
- Basic Business Revenue maintains solid growth momentum, driven by the expansion of the PS segment and revenue growth from new businesses in the LTI segment
- Basic Business Profit also increased, absorbing investments in technical resources, R&D talent, and the strengthening of our management foundation aimed at mid- to long-term growth

Basic Business Revenue

(Unit: M JPY)

■ PS
■ LTI
■ HQ/Adjustments

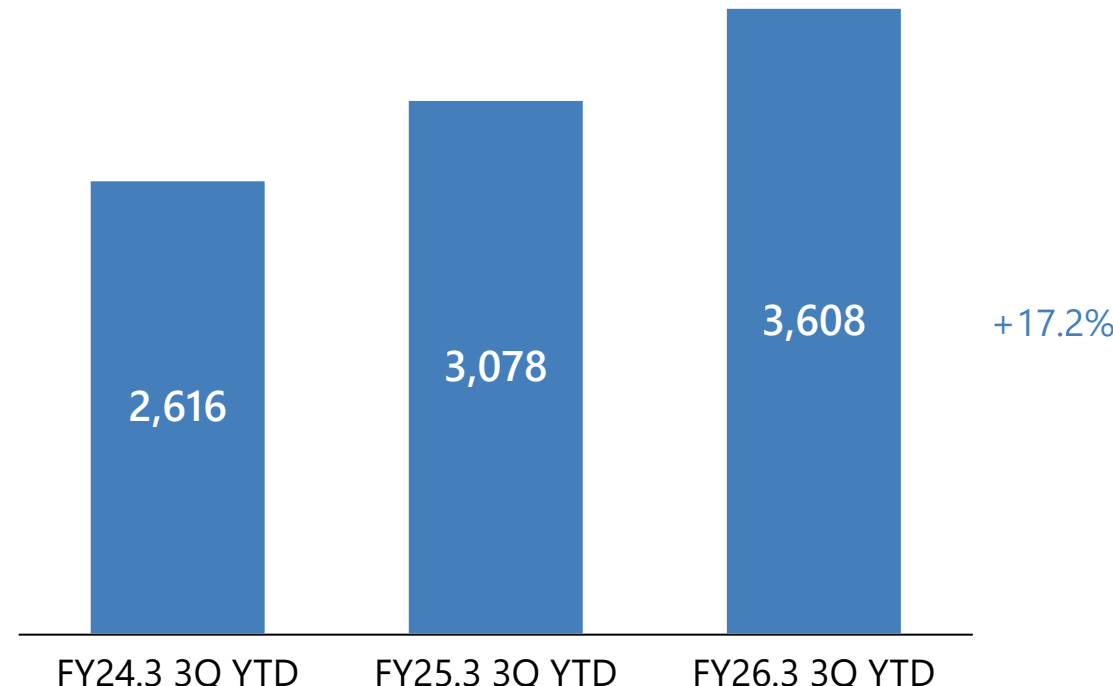
YoY



Basic Business Profit

(Unit: M JPY)

YoY



III. Segment Performance Highlights



II LTI segment

<KPI>

New businesses
revenue growth

+66%

Pre-tax profit
growth

+26%

Business Highlights

- Equity-method profits declined, but payment transaction volume reached a record high
 - Several businesses now in the growth phase
 - Global full-scale rollout of AppPay
- Strategic businesses
-      

Group Synergies

- Payment TXN volume from Kakaku.com Group continues to expand
- Payment TXN volumes from new businesses also showed strong continued growth and were up more than 49% YoY

I PS segment

<KPI>

Payment TXN volume
(TTM)

¥8.3 T

Payment TXN vol. growth

+14%

Pre-tax profit growth

+4.7%

Business Highlights



- Strengthening strategic alliances toward early achievement of ¥1 trillion in payment transaction volume
- Plans to fully enter the BaaS/digital finance business for SMEs



- Launch of the Next-Generation Payment Platform [NESTA]
- Service launched within the KDDI Group, aiming to expand payment offerings to the au Economic Zone



- Comprehensive support for digital business through a dual-track system with DGFT
- Launch of AI Search Optimization (GEO) service as a new feature of [DG AI Drive], a marketing AI platform



- Starting with [Square], one of the world's largest payment platform providers, we are working on accelerating adoption of Cloud Pay in the IoT market, for use in vending machines / automated parking lot checkout machines

III GII segment

<KPI>

Investment business
income

¥1.7 B

Operational
investment securities
(End of 3Q)

¥55.5 B

Business Highlights

Fair
value

- Increased due to foreign exchange effects

Investment
business
income

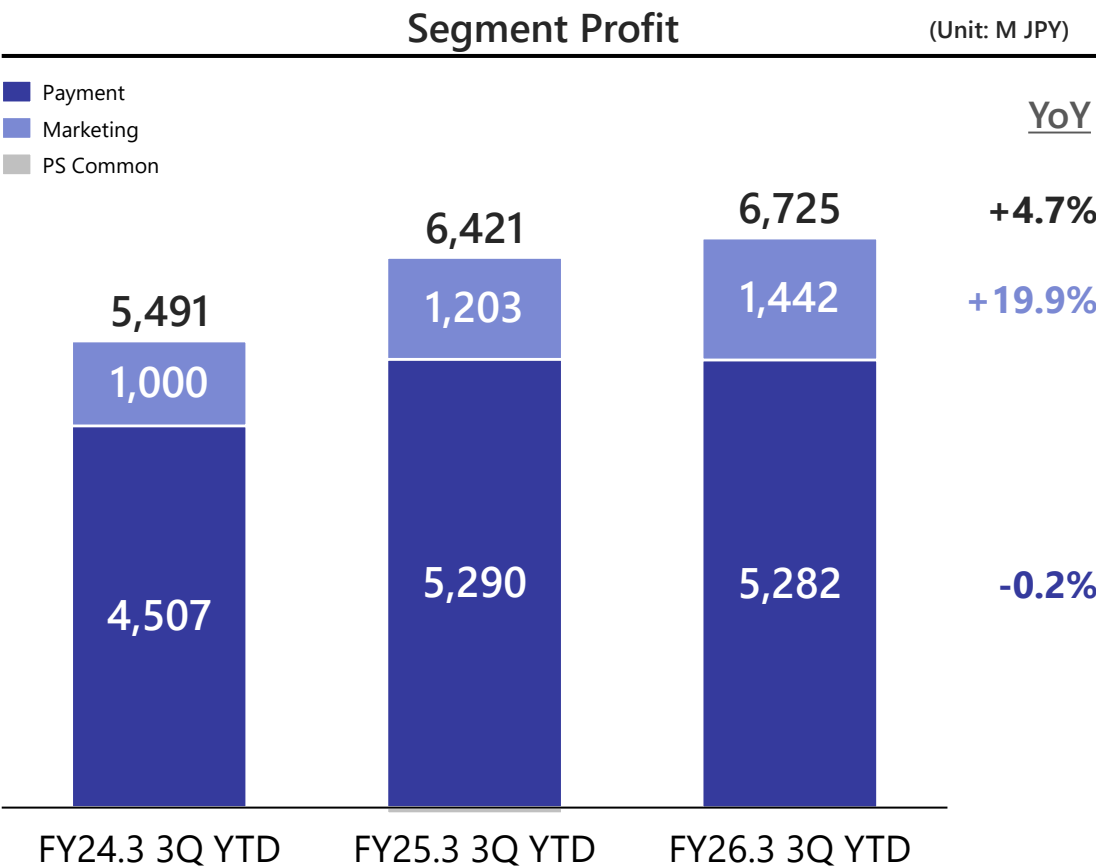
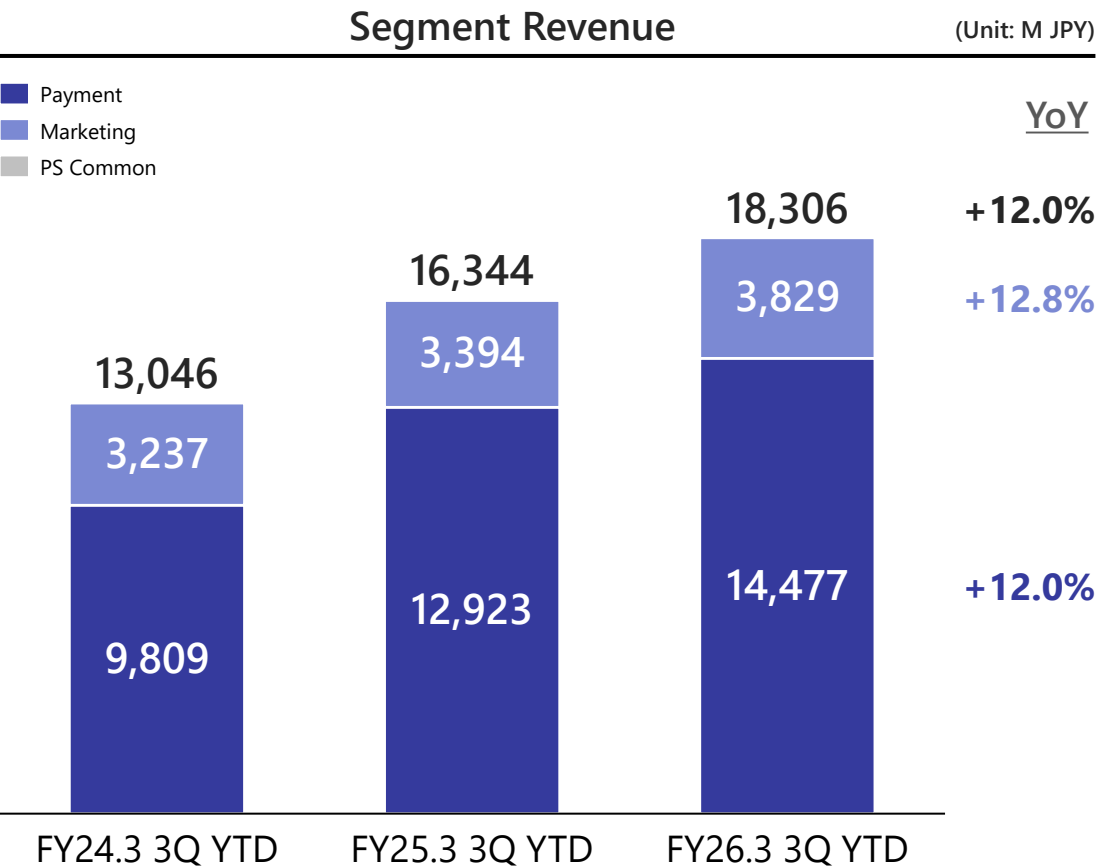
- Recorded cumulative investment business income of ¥15.5 billion, incl. migration to joint fund with Resona HD

Group Synergies

- Established Business Co-Creation Department to strengthen co-creation with global tech startups and implement cutting-edge Fintech
- Partnering with a U.S. investee startup to develop an AI search optimization (GEO) service

*All figures pertain to cumulative 3Q FY26.3 results.

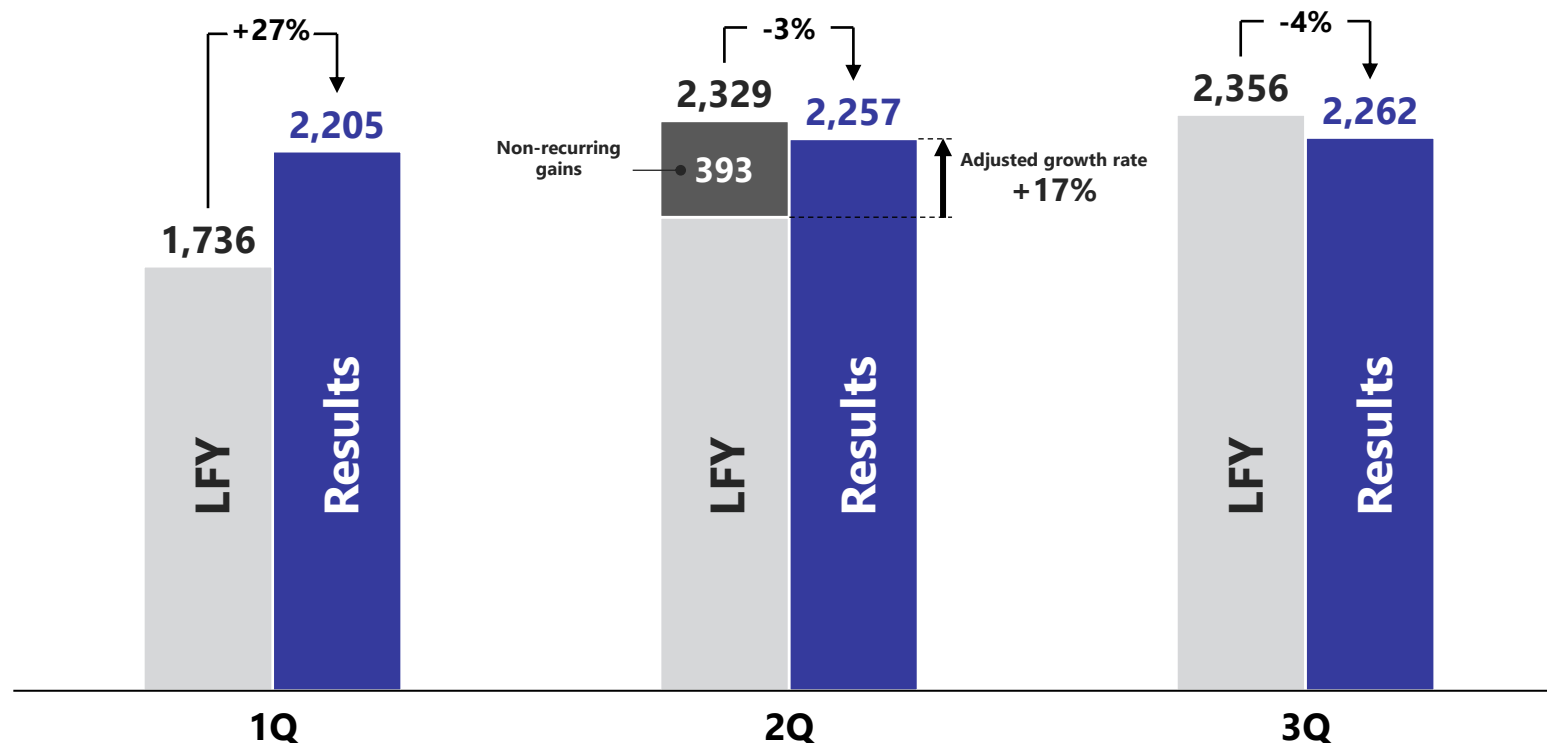
- The Payment business remained flat year-over-year, primarily due to challenging YoY comps from one-time gain associated with the acquisition of SCORE Co., Ltd. (a BNPL business) as a wholly-owned subsidiary in Q2 LFY. Excluding these one-time effects, profit grew by 2%
- The Marketing segment saw an increase in both revenue and profit, fueled by momentum in the financial services sector. Excluding last year's one-time gain, this segment achieved 55% growth



- The payment business underperformed expectations due to factors such as merchant churn, contract renegotiations, a slowdown in inbound spending, and the prioritization of resources for the large-scale project, etc.
- While the marketing business continues to perform well, the slowdown in the payment business is expected to put downward pressure on full-year segment profit growth

PS Segment – Profit Before Tax

(Unit: M JPY)



Outlook by quarter

- 1 Since 1Q
 - **Inbound consumption** in the payment business (primarily from China) declined

This trend became more pronounced, and has continued through the current period
- 2 Since 2Q
 - **Upfront costs** incurred for the development of large-scale project and a BNPL service for corporate clients
 - **Termination of certain large merchants**

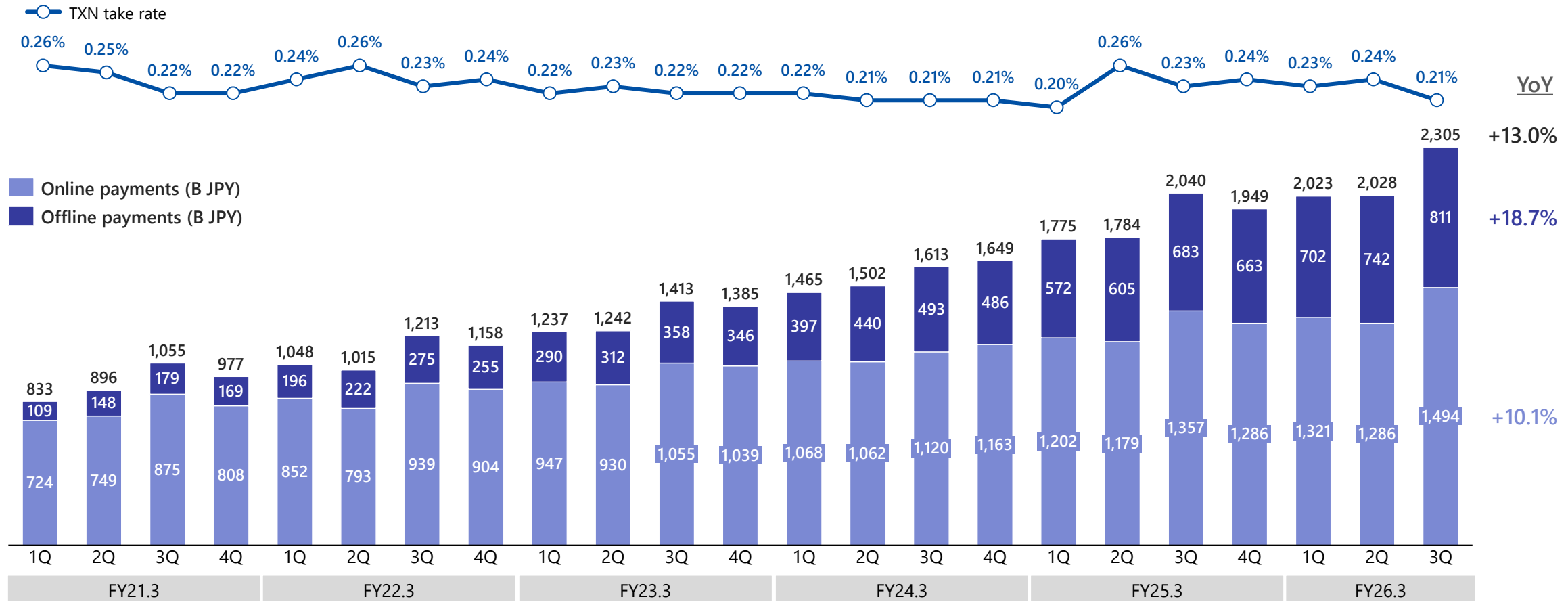
As a result, growth in both profit and transaction volume decelerated
- 3 Throughout the period

Development resources have been concentrated on the large-scale project, resulting in:

 - **A slowdown in the acquisition of new merchants**
 - **Suppression of low-return projects**
 - **Increased costs** associated with strengthening the sales structure not yet being fully absorbed

Payment Transaction Volume (Quarterly)

- Our project with KDDI launched according to plan. While it made a certain contribution to payment transaction volume in 3Q, a full-scale contribution is expected from 4Q onward
- While the TXN take rate declined due to the onset of the large project, excluding this impact, the rate remained generally stable on an underlying basis

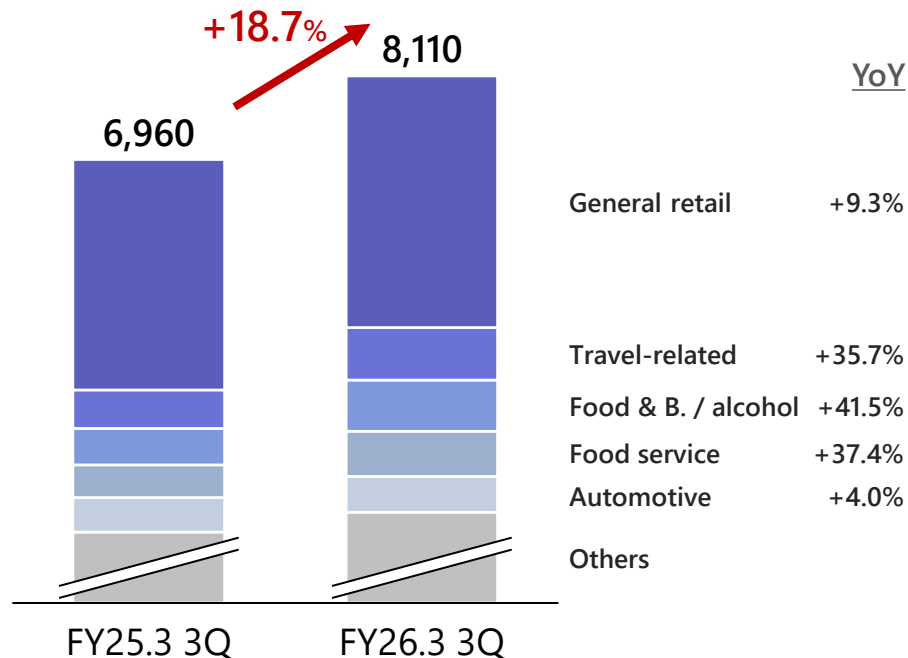


- Growth rates for both online and offline payments softened on account of merchant churn and a slowdown in inbound spending
- We expect growth in online transaction volumes to accelerate starting in 4Q, as the integration of the KDDI Group's mobile telecommunications billing begins to contribute at scale

Offline Payments

(Unit: M JPY)

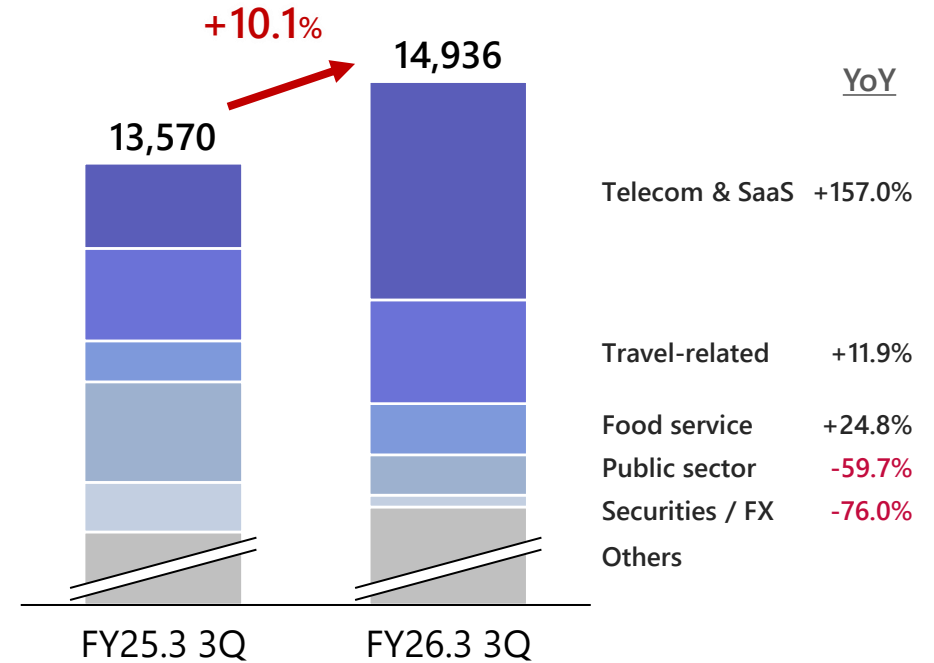
- Growth in **[General Retail]** in the single digits, primarily due to a slowdown in inbound spending, especially as Chinese tourist arrivals nearly halved YoY in December
- Strategic alliances with partners such as Toshiba Tec, Recruit, and Square continue to serve as a growth driver



Online Payments

(Unit: M JPY)

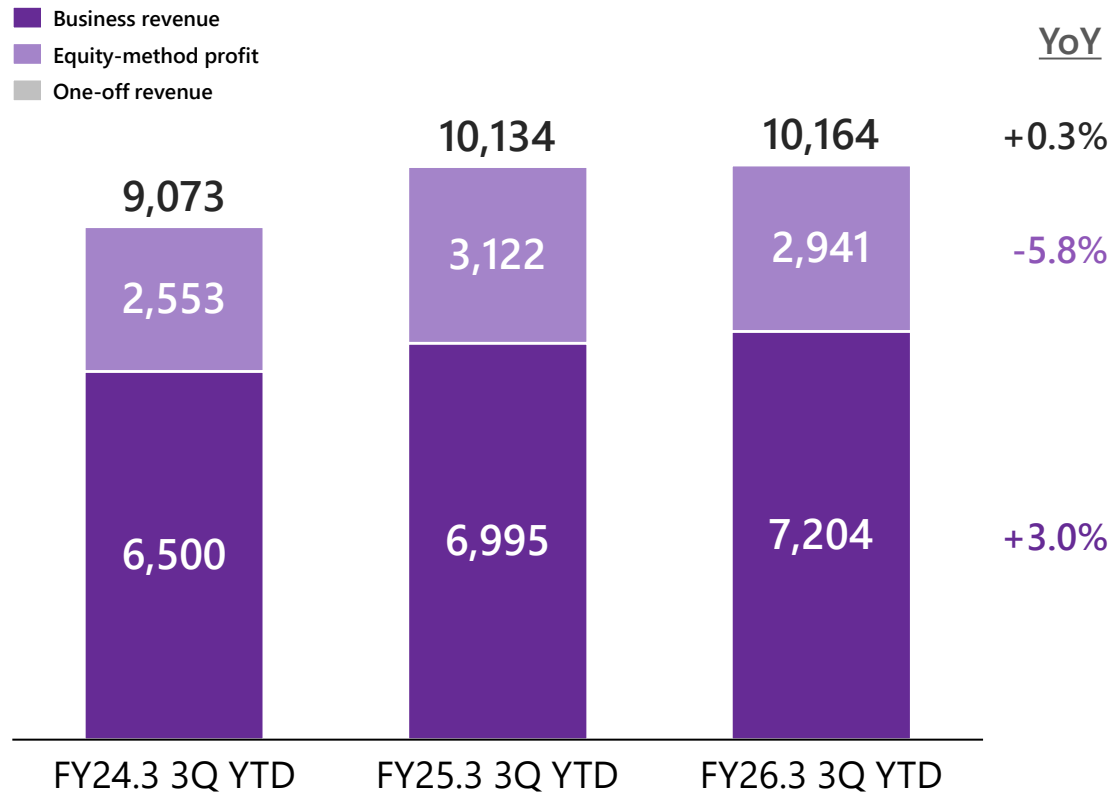
- **[Telecom & SaaS]** saw a large increase thanks to successful roll out of our initiative with the KDDI Group
- **[Securities / FX]** suffered from the lingering effects of 2Q merchant churn and struggled, as did **[Public sector]** category (which includes the Hometown Tax program), leading to declines in both
- **[Food service]** maintained a high growth rate, fueled by the continued adoption of mobile & table orders



- Several strategic businesses highly-accretive with payments have now entered the growth phase, reducing the scale of operating losses
- While equity-method profits from Kakaku.com and other affiliates declined slightly, payment transaction volume via Kakaku.com continued on a steady upward trajectory (Refer to p.31)

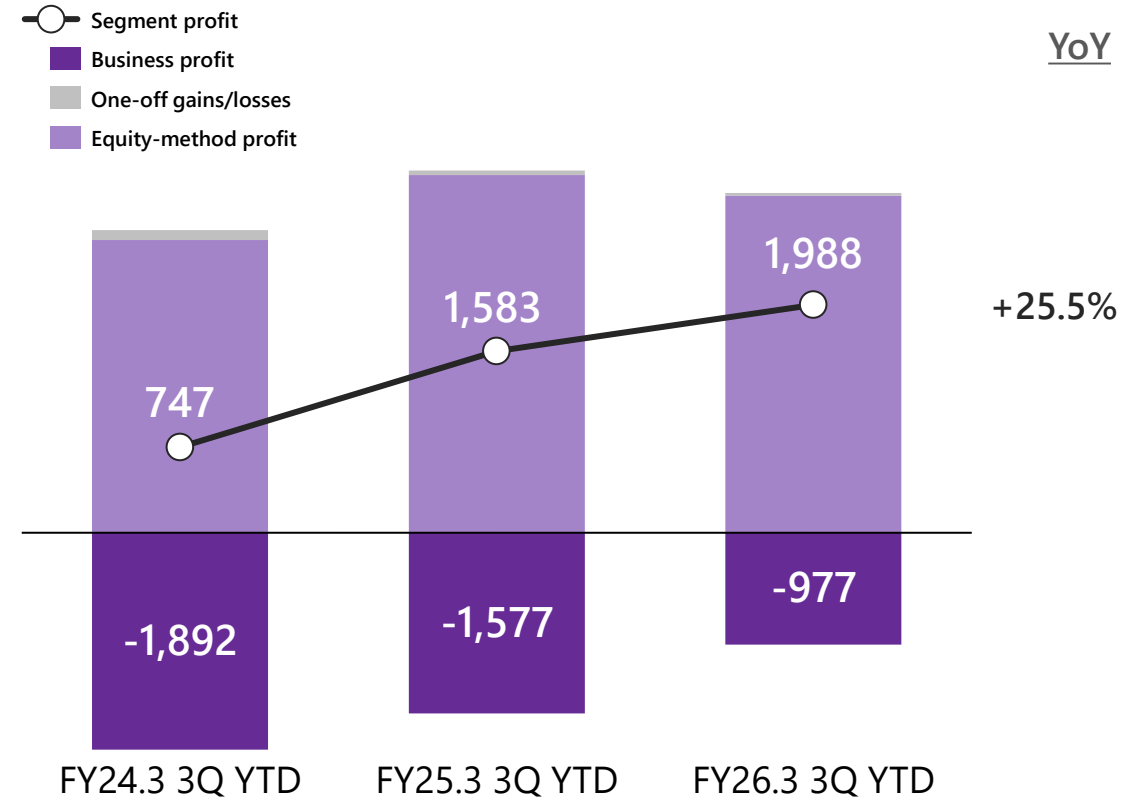
Segment Revenue

(Unit: M JPY)



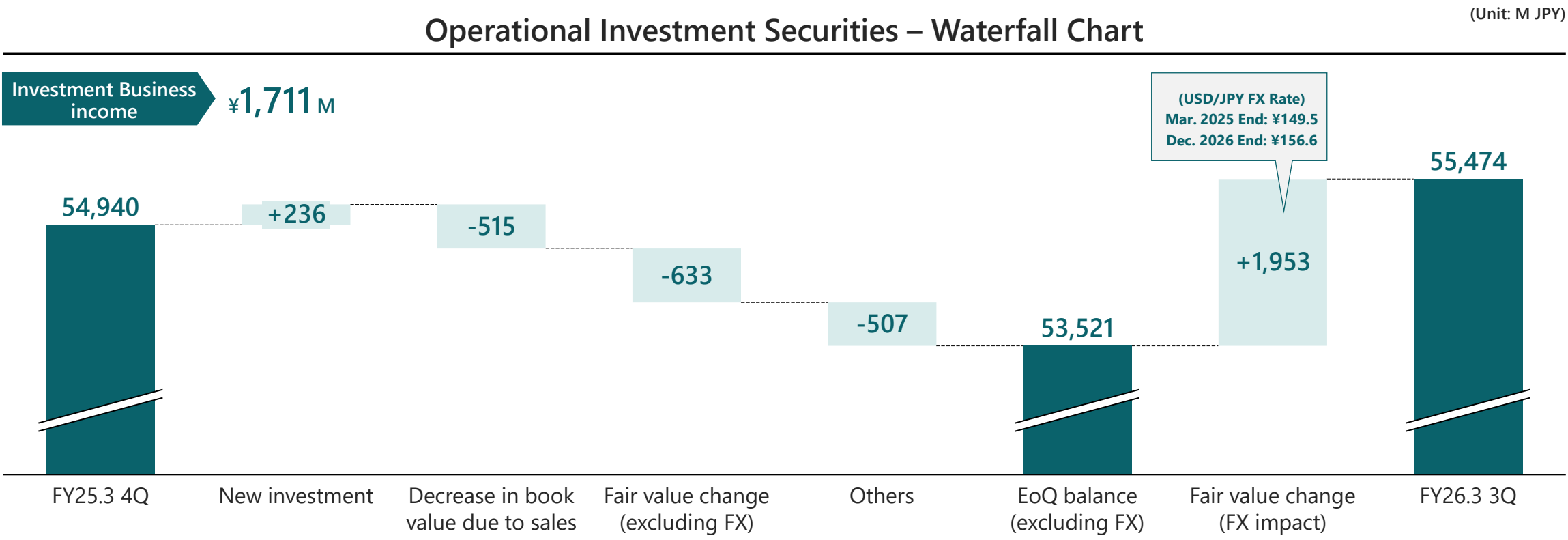
Segment Profit

(Unit: M JPY)



To mitigate the impact of fair value fluctuations on consolidated performance, we are systematically executing a planned reduction of our balance of Operational Investment Securities. In addition to domestic investment players, we are intensifying discussions toward strategic asset compression through partnerships with major global funds. We aim to evolve from a company that primarily “holds” investments into a platform that leverages secondary transactions to circulate capital and generate next-generation businesses

- 3Q YTD investment business income: approx. ¥1.7B; MTP cumulative: ¥15.5B (52% progress)
- Full-scale negotiations initiated with major global funds to achieve the 5-year MTP KPI of ¥30.0B



IV. Segment Topics



1. Core Initiatives in Payments

- 1. **Progress on collaboration with au Financial Services (KDDI Group)**
 - Launch of next-generation payment platform [NESTA]
- 2. **Progress on collaboration with the Resona Group**
 - Development of a next-generation payment application underway
- 3. **Enhancing competitiveness through the unified QR code payment service [Cloud Pay]**
 - Connection with AEON Pay initiated

2. Enabling Initiatives (Supporting the Growth of Client Companies)

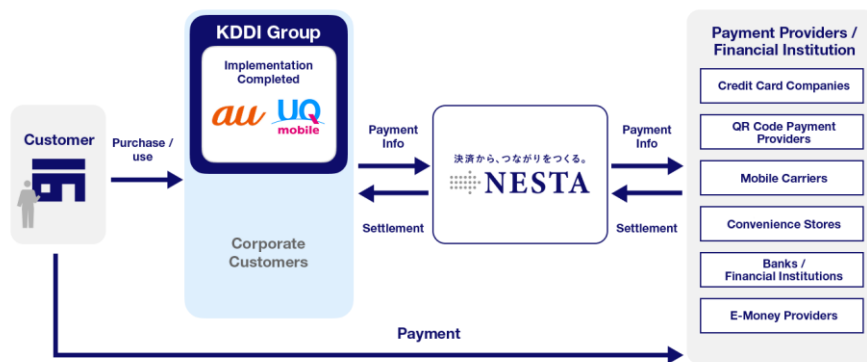
- 1. **Enhancing competitiveness through DG Business Technology**
 - Launch of AI Generative Engine Optimization Service
- 2. **Enhancing Competitiveness through Advanced Marketing Capabilities**
 - Synergies with Cloud Pay progressing

3. New Technology Initiatives (Addressing Non-Contiguous Domains)

- 1. **Collaboration toward the Adoption of Stablecoin Payments**
 - Collaboration with JCB, Resona

- Our next-generation payment platform, [NESTA], the service rollout for mobile telecommunications billing is completed as planned in December 2025, and the platform became operational following a phase to confirm stable operation
- Building on this success, we are now focused on scaling its adoption across the broader au economic zone and driving deployment for external enterprise clients outside the KDDI Group

< Next-generation Payment Platform [NESTA] >



NESTA

- ✓ Leveraging DGFT's multi-payment infrastructure, we co-developed this next-generation platform with au Financial Service
- ✓ It supports 40+ payment methods while delivering high-performance, stable data processing
- ✓ Best-in-class security framework that meets Japan's highest standards

< Progress of Initiatives & Future Outlook >

1 Rollout of NESTA for mobile telecommunications billing

- Dec. 2025 – Completed rollout of NESTA for au/UQ mobile telecommunications billing
- Platform is currently operating with the stability required to process an annual transaction volume on a multi-trillion yen scale

2 Scaling the NESTA rollout beyond the au economic zone

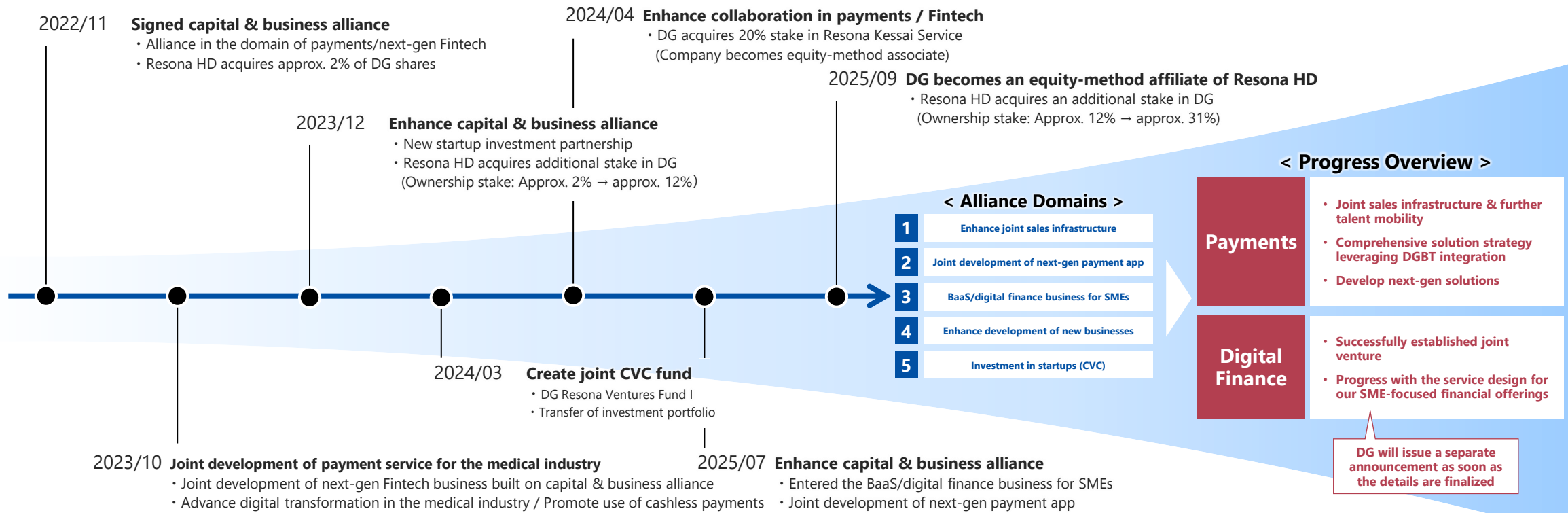
- Phased expansion across the entire au economic zone, including all KDDI subsidiaries
- Driving the rollout to external enterprise clients outside the KDDI Group, outside the au Economic Zone

NESTA website: nesta.aufs.jp

3 Joint Development of New Businesses through co-creation

- Joint development new services by leveraging the combined assets & both companies' management expertise
- Moving forward, we plan to accelerate collaboration across various payment and financial domains

- 2022: Entered capital & business alliance with Resona HD and continue expanding the scope of the alliance beyond payment business, into investment in startups, BaaS/digital finance, etc.
- Execute initiatives aimed at driving the Group's mid-to-long-term growth within payments/digital finance



- DG seeks to capture the growth in the QR code payment market by leveraging our patented [Cloud Pay] series
- We also provide marketing services that leverage our payment platform through the analysis of customer data

< Cloud Pay Series - Outline >

Cloud Pay
Patented

Cloud Pay Neo
Patented

1. One of Japan's largest* QR Payment Bundled Services

Unified QR code payment services capable of supporting all major domestic/international QR code payment methods (AEON Pay connection to commence from Feb 2026)

We are fully integrated with Square, one of the world's largest payment platforms

2. Low-cost deployment enabled by a device-less approach

The solution's simple implementation, which requires merchants to do nothing more than display a QR code, has been positively received by a broad range of merchants seeking to improve operational efficiency and accelerate cashless adoption

3. Offer access to payment methods beyond QR codes

[Cloud Pay Neo] offers other payment methods beyond QR codes, such as credit card and convenience store payments

< Growth in QR Code Payment TXN vol. >

YoY QR Code Payment TXN vol.

Period	YoY Growth	QR Code Payment TXN vol.
25Q1	36%	
25Q2	36%	
25Q3	39%	
25Q4	40%	
26Q1	43%	
26Q2	45%	
26Q3	40%	

QR code payment TXN vol. (including Cloud Pay) continues to consistently **outperform broader market growth***2

< Payments x Marketing - Initiatives >

Cashless payments

Marketing

Customer data analytics

Branded e-money

DX & efficiency

- Together with cashless payments, we are enhancing our **marketing support** initiatives
- Offer **premium solutions** like advanced customer analytics and branded e-money services

- Decision made to introduce [Cloud Pay Neo] at **AEON Fantasy Co., Ltd.**
- Contributing to improved store operations efficiency and revenue growth in the **amusement industry**

* September 25, 2024 press release: DGFT's Integrated QR Code Payment "Cloud Pay" Now Compatible with Square, One of the World's Largest Payment Platforms.

Digital Garage Group

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- Contributing to merchant growth through technology, in tandem with the payment platform
- DGBT is already rolling out GEO (Generative Engine Optimization) solutions to position ourselves for the era of agentic commerce

< DGBT – Strategic Positioning >



[Commerce × Marketing × Technology]
Functions as value-added offerings that enhance the competitive advantage of the payment business

Commerce / Marketing

Dual-engine model alongside DGFT to accelerate business growth

- Leverage **dual-engine model alongside DGFT** to provide seamless one-stop-shop support, from e-commerce development to the customer's checkout experience
- **Comprehensive product suite** including e-commerce development, marketing support, and fraud detection

Technology

Coordinate with startups through our investment network

- Leveraging our **GII Segment's investment network** gives us access to frontier tech developed in and outside Japan
- We then utilize the DG Group's ecosystem to **integrate this frontier tech into products**

< AI Generative Engine Optimization (GEO) Service >



Early market deployment of services compatible with next-generation technologies

Background

Seismic changes to the SERP landscape

- As generative AI radically transforms the search experience, consumer behavior is now shifting toward **AI conversational commerce** mediated through AI
- Retailers need an **AI Generative Engine Optimization (GEO)** strategy, alongside their traditional SEO playbook, in order to stay visible

Outlook

Adapt to the era of agentic commerce

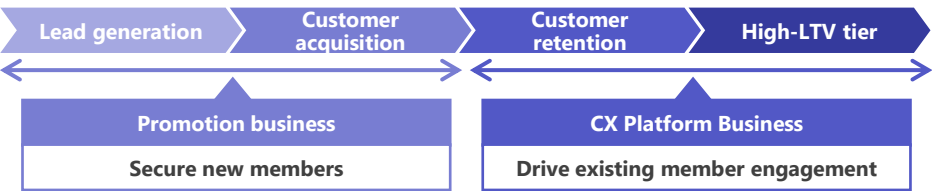
- We are anticipating a future of agentic commerce where **AI agents handle entire lifecycle from product selection to payment**
- **Expanding the scope of AI solutions** in tandem with the payment infrastructure

- DG holds the top share within the finance-specialized digital marketing space
- We effectively drive cardholders to our network of payment merchants through our proprietary point-referral platform, utilized by over 20 prominent credit card issuers

< Marketing Business - Outline >

- 1
- Specialized in customers (CC companies/banks) in the financial sector
- We empower over 50 financial institutions (mostly prominent credit card issuers and banks) with our specialized digital marketing solutions
- 2
- Integrated support for customer acquisition and engagement
- One-stop support in the financial sector, from promotions to CX
 - **Promotion business** focuses on customer acquisition while the **CX & Platform business** drives engagement
 - Platform business specialized in customer acquisition for credit cards, bank accounts, and brokerage accounts
 - The CX & Platform business provides merchant referral platforms, including **point incentive systems** and **application development**, to drive engagement

■ Credit cards – Customer journey



< Results & Business Positioning >

Top share within the finance-specialized digital marketing space

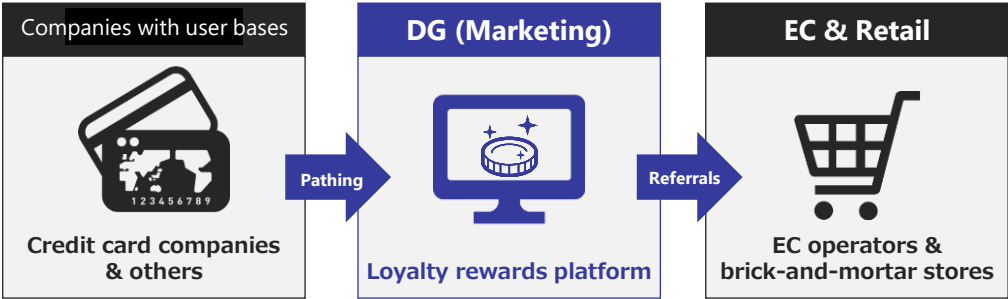
Clients in finance

New CC users

Point Mall users

50+ companies Approx. 600k/year 11.30 M/year

< Synergies with the Payment Business >



- Multi-layered revenue streams by **driving traffic** from our rewards platform **to DGFT merchants**
- We **use payment and purchase data** to empower both merchants and financial institutions, allowing them to optimize LTV

- In collaboration with Resona HD and JCB, we have commenced initiatives aimed at the commercialization and social implementation of stablecoins
- As part of this initiative, we plan to conduct a pilot demonstration of stablecoin-based in-store payments at physical retail locations

< Background >

Growing stablecoin adoption

Sector is experiencing rapid expansion
driven by surging global demand
(Total market size now \$300 B+*)

Benefits in the payments context

- ✓ Reduce currency exchange friction for inbound travelers
- ✓ Achieve further payment settlement efficiency
- ✓ Improving merchant cash flows

< Partnership Outline >

Leverage each company's operational foundation
& strengths to drive the mass adoption
of stablecoin payments

Digital Garage

- One of Japan's largest multi payment channel payment platforms
- Advanced technical capabilities in the field of blockchain technology
- Cryptoasset exchange business license holder (Crypto Garage)

リソナホールディングス

- One of the largest customer bases in Japan, with a focus on SMEs
- Competitive advantage and expertise as a prominent financial group

JCB

- JCB is the only Japan-based international credit card brand
- JCB commands a global network of over 175 million card members and a network of approximately 71 million merchant locations

< Outlook >

1 Incorporate stablecoin payments into DG's payment infrastructure

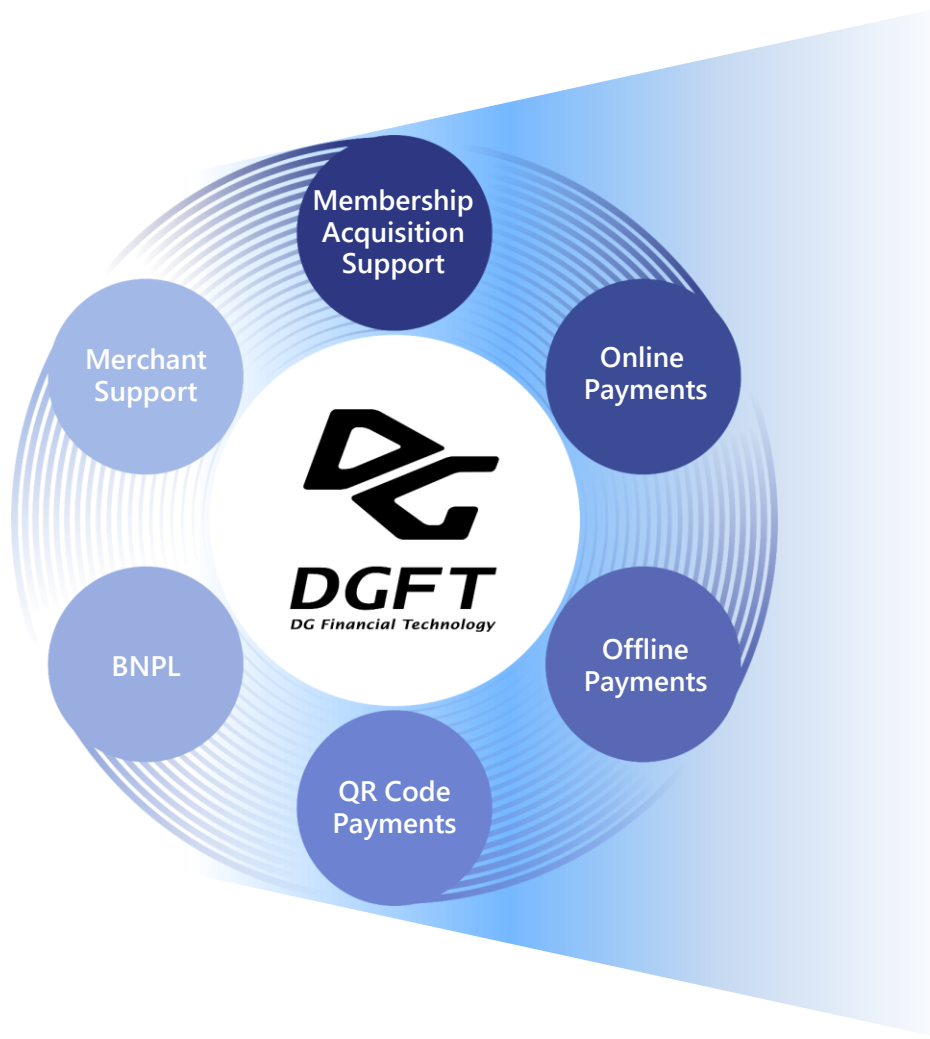
We aim to establish stablecoins as a payment solution across all commercial channels, spanning offline retail, e-commerce, and B2B transactions

2 Obtain licenses as such Electronic Payment Instruments Service Provider licenses

Enable seamless stablecoin-to-fiat clearing to ensure convenience for merchants

3 Promote mass adoption as a next-gen payment infrastructure

Scale our market presence through integrations with leading global payment platforms

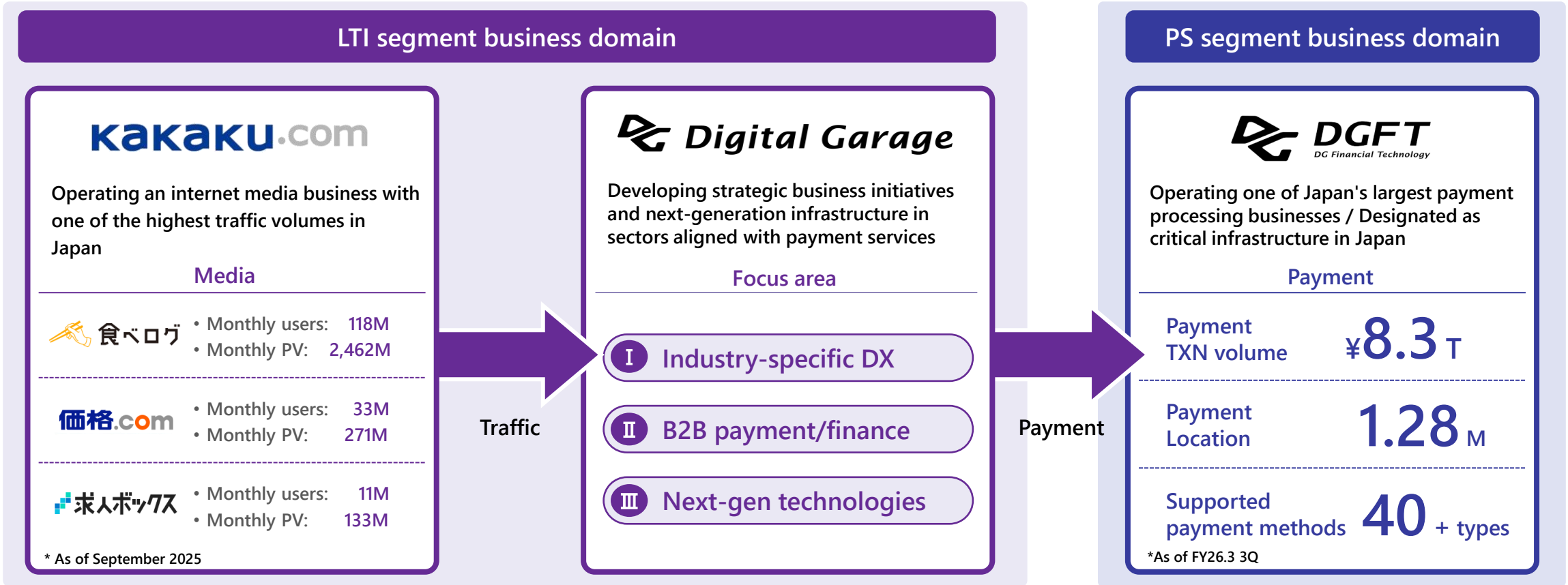


Business Domain	Growth Engine	Results
Membership Acquisition Support	Affiliate advertising consulting capabilities & technology utilization	Annual Revenue ¥18.1 B
Online Payments	Further expansion through collaboration with Resona/KDDI Group, etc.	Annual GMV ¥5.0 T
Offline Payments	Collaboration with 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

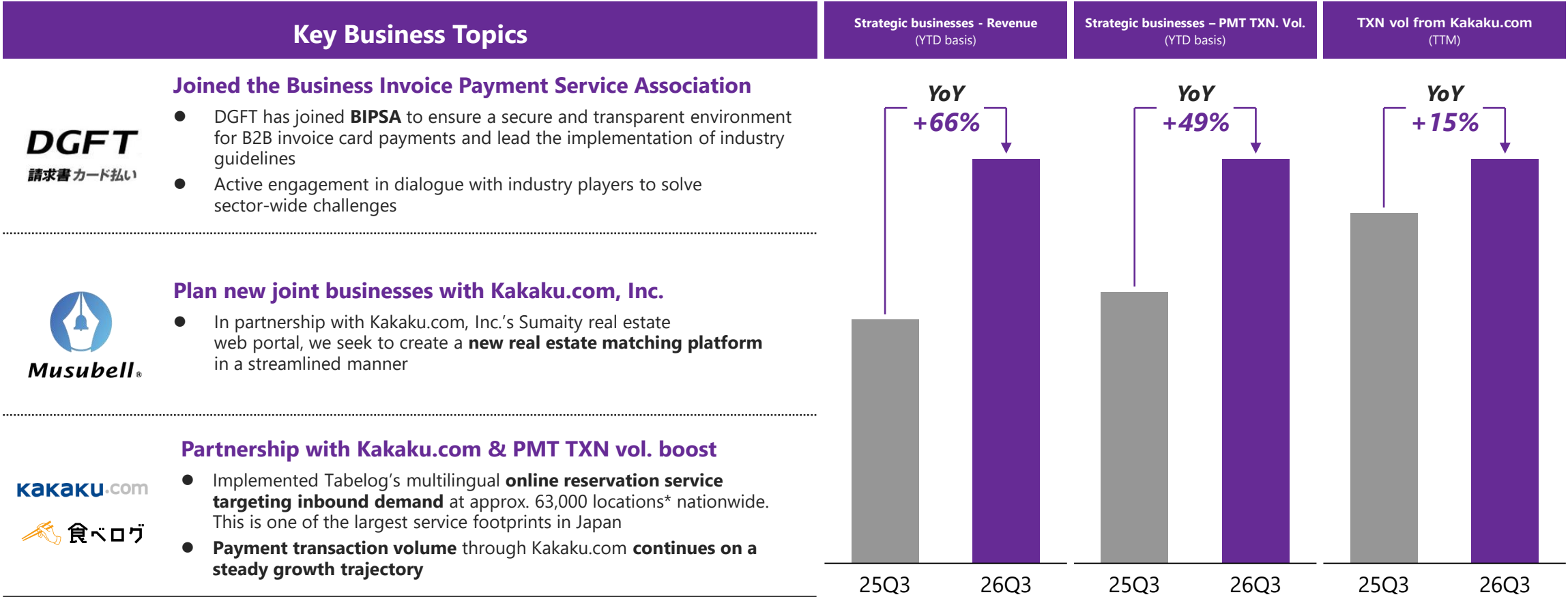
(*Annual results: Apr. 2024 – Mar. 2025; 3Y CAGR: FY22.3 to FY25.3; QR code payment: GMV CAGR; BNPL: PBT CAGR)

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



- Several strategic businesses highly-accretive with payments are in the growth phase, contributing to a steady increase in revenue/ PMT TXN vol
- Payment transaction volumes from Kakaku.com continue growing, and we are promoting a business leveraging both companies’ assets



- Surge in demand and tailwinds resulting from MSCA going into effect in December 2025
- AppPay's full-scale global rollout has already secured integrations with several prominent gaming publishers, driving a steady expansion of supported titles

< AppPay (out-of-app PMT service) – Business Outline >

AppPay

1. Japan's No.1* out-of-app PMT service platform

Launched in 2023, AppPay is a trailblazer in this space and already ranks as the **No. 1** third-party payment service in Japan by number of mobile game and app integrations

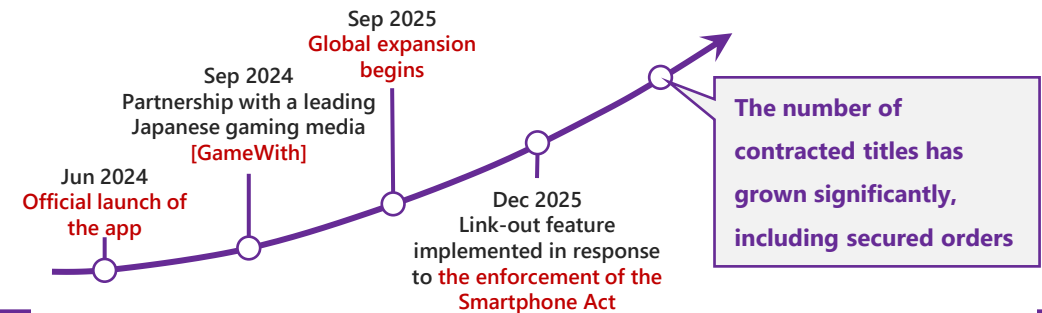
2. One-stop solutions from payments to marketing

DG offers a one-stop solution, covering everything from marketing to payments, by leveraging our Group's resources—such as our media partners, the Point Mall platform, and social media customer acquisition channels

3. Provide additional payment TXN flows in the PS Segment

Against the backdrop of the Mobile Software Competition Act (MSCA) taking effect in December 2025, AppPay continues pioneering market transformation and generating additional payment transaction volume

< Increase in the number of apps that use our service >



< 事業進捗と今後の展望 >



Global expansion

Framework for international distribution, and we expect an accelerated rollout of **major titles**



Expand business domains

We aim to broaden our business domain by extending deployment **beyond gaming applications**



Strengthening marketing

Expanding **customer acquisition channels** (media and features) specialized for out-of-app payments to support traffic generation

* Ranks No. 1 out of all third-party PMT service platforms in Japan by number of mobile game and app integrations (October 2025 survey by Digital Garage)

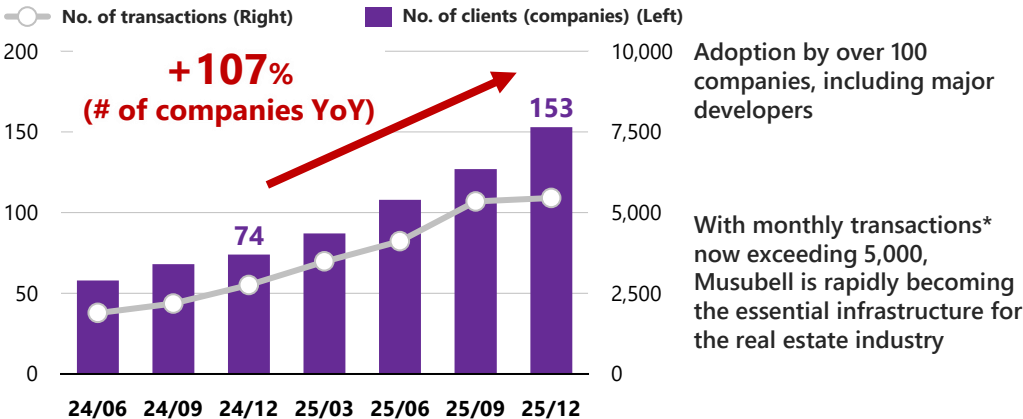
- Musubell : Tailwinds from regulatory reforms and chronic labor shortages in the real estate sector, driving demand for DX solutions. our client base has now surpassed the 100-company milestone.
- Pangaea Delivery : This business continues to scale across the food service and retail sectors, driven by the sustained merchant demand for delivery and takeout solutions

< Real Estate DX: Musubell – Outline >



- We provide DX services for real estate firms, centered on contract lifecycle management (automated document generation and e-signatures)
- Our TAM is approx. 700,000 annual transactions & 110,000 residential management associations
- We operate on a SaaS business model, generating compounding recurring revenue through monthly subscriptions

< Business Updates & Outlook >



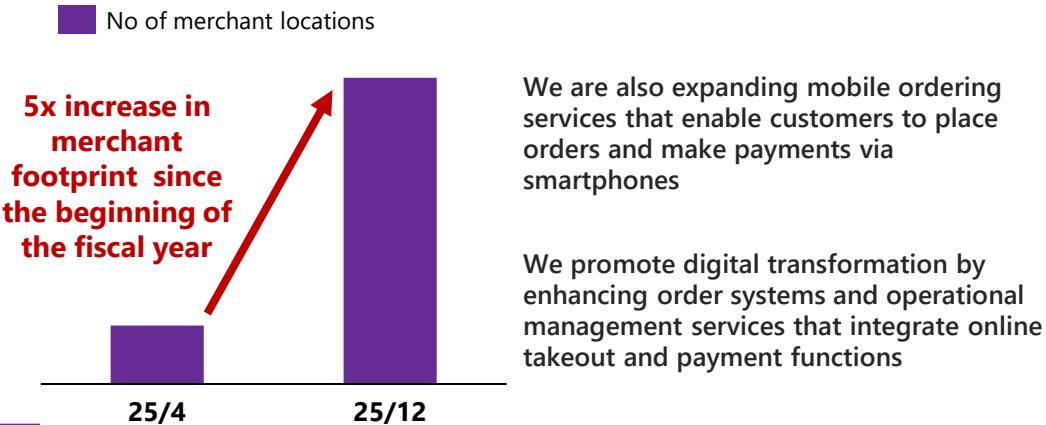
* Electronic contracts (primary)]+document generation (secondary) + disclosure requests (Management)

< Food Service / Retail DX: Pangaea Delivery – Outline >

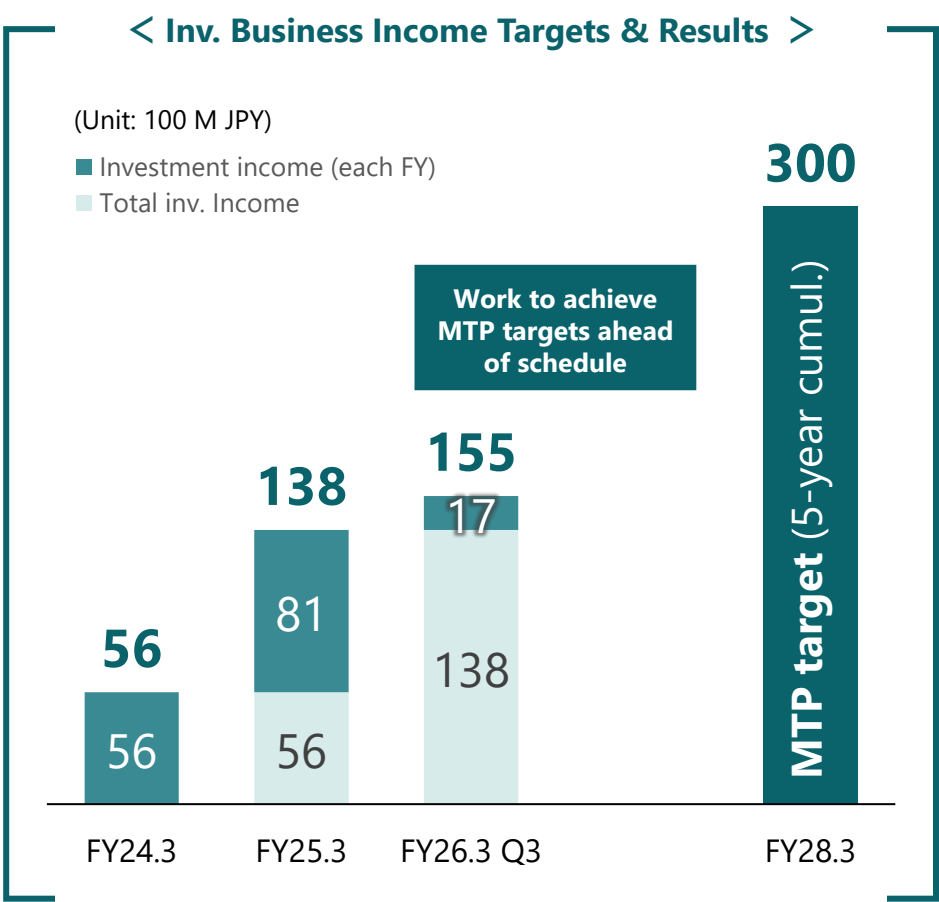


- A service that enables integrated management of orders, product catalogs, and POS system integrations across multiple delivery platforms (deployed to major convenience store chains and restaurant chains)
- Primarily targeting retail and food service operators, the service addresses industry challenges such as operational complexity caused by multiple service terminals and labor shortages
- A SaaS-based model that accumulates recurring revenue through monthly subscription fees charged to stores

< Business Updates & Outlook >



- We are actively engaged in discussions with prospective investors to achieve the off-balancing targets outlined in the MTP
- Simultaneously, we’re also prioritizing investment driving our [FinTech Shift 2.0] strategy and unlocking synergies with startups



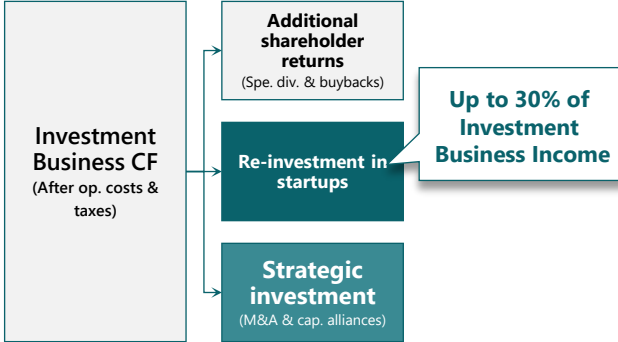
< Investment Policy Outlook >

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

+

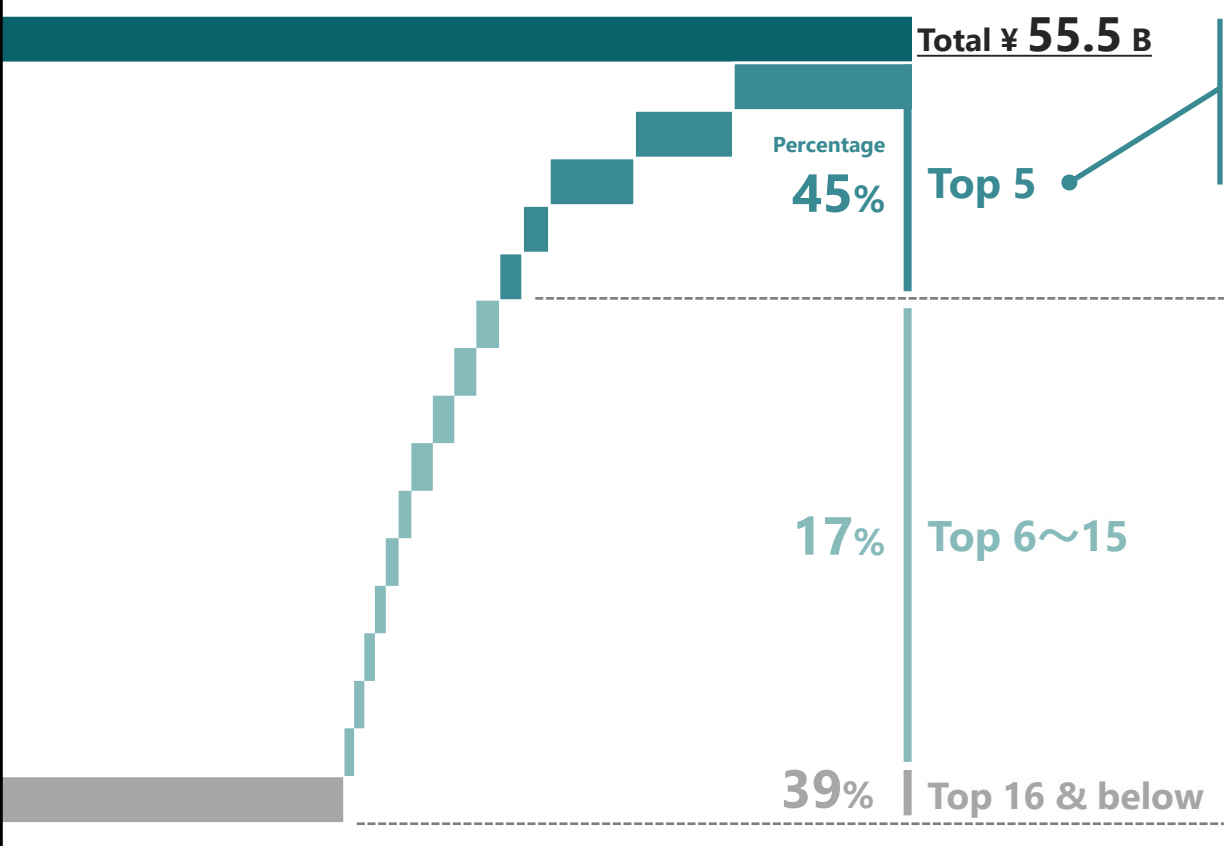


Business returns

- Focus on business returns in addition to financial returns.
- Established Business Co-Creation Department to further accelerate collaboration between startups and the PS Segment. The primary focus here is on Fintech and AI.
- We are piloting an AI Generative Engine Optimization service in partnership with one of our startup investees in the U.S.

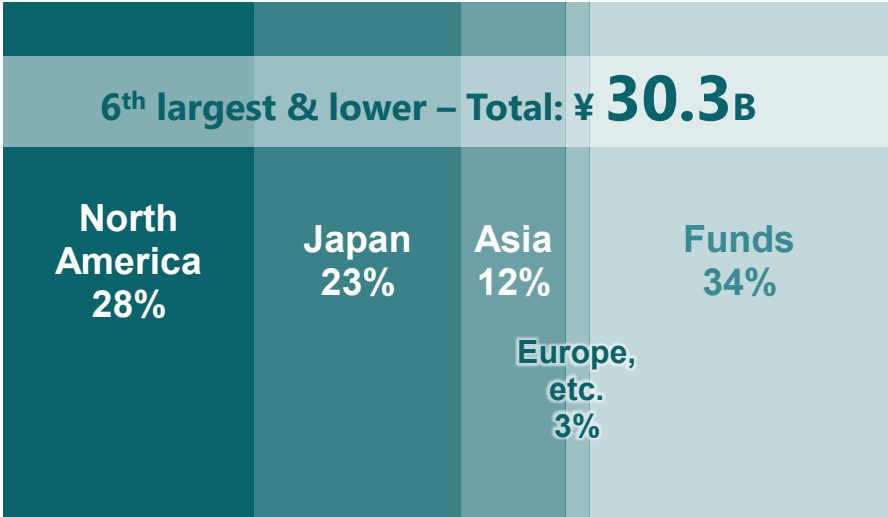
- Our investment portfolio comprises over 250 companies
- We continue actively monitoring our largest positions while also pursuing secondary market exits

■ Companies as Percentage of Portfolio (As of December 31, 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)



Reference Materials

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+

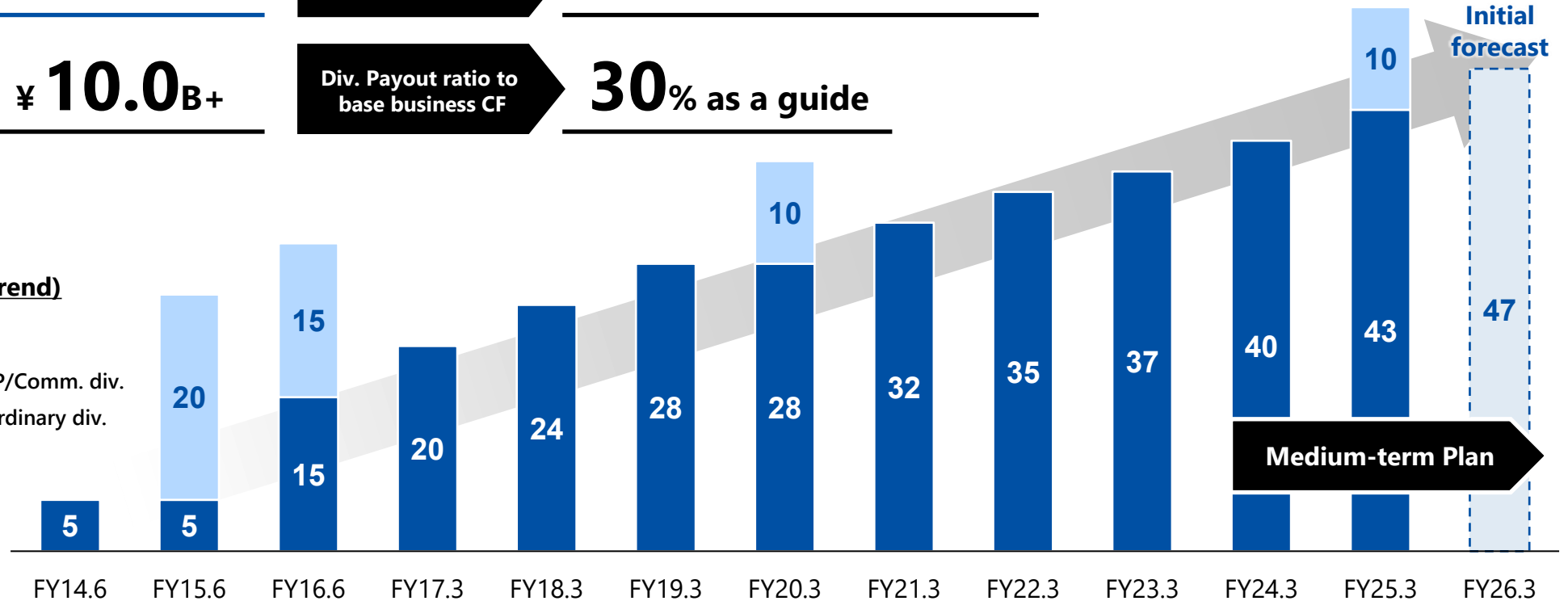
Div. Payout ratio to
base business CF

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

AppPay



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

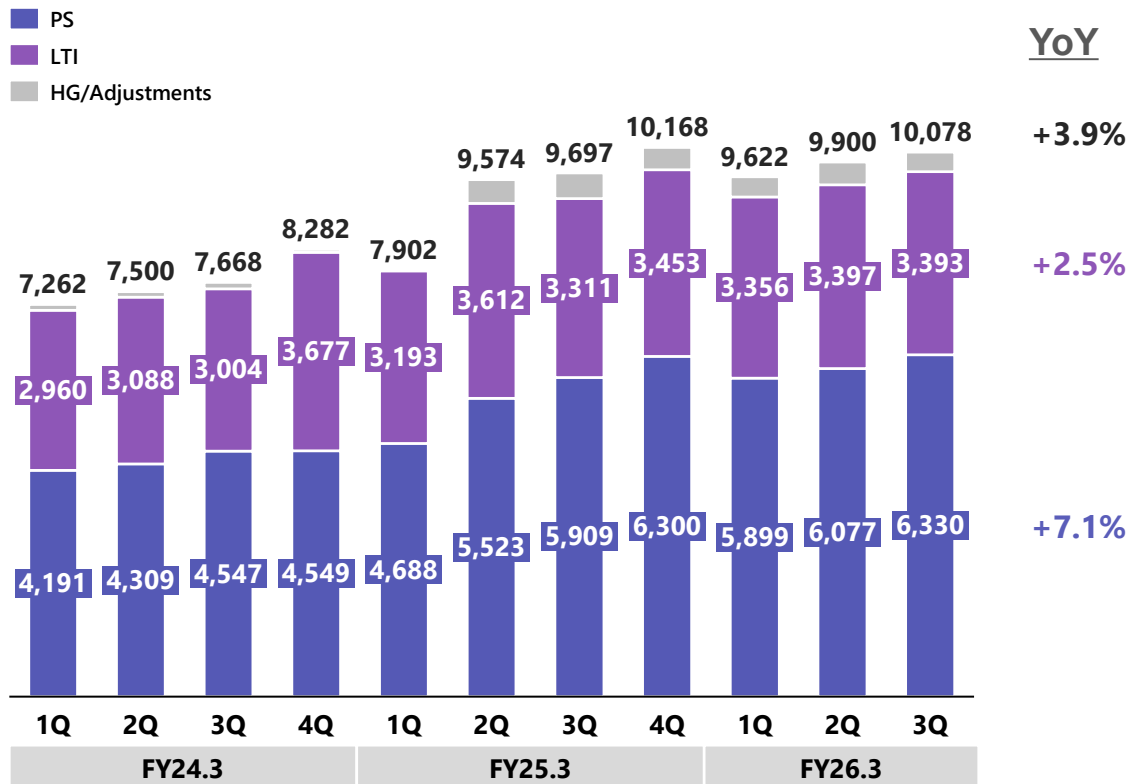


Basic Business Revenue and Profit (Quarterly)

- Basic Business Revenue maintains solid growth momentum, driven by the expansion of the PS segment and revenue growth from new businesses in the LTI segment
- Basic Business Profit also increased, absorbing investments in technical resources, R&D talent, and the strengthening of our management foundation aimed at mid- to long-term growth

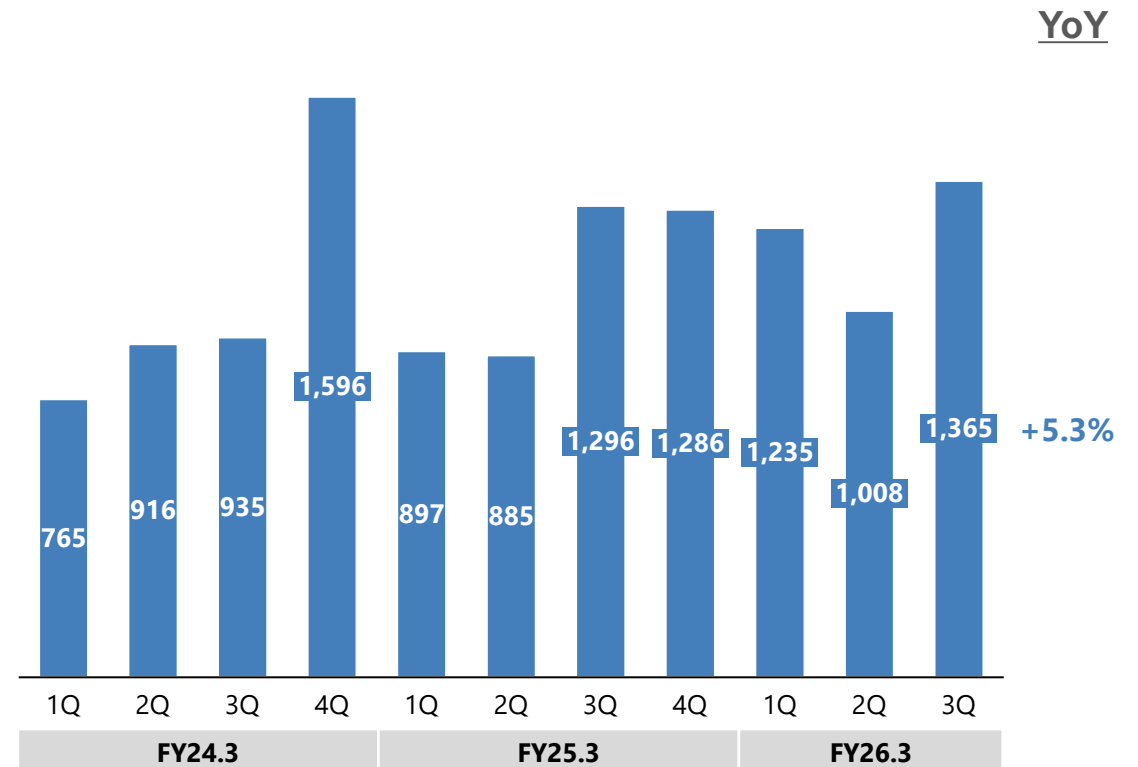
Basic Business Revenue

(Unit: M JPY)



Basic Business Profit

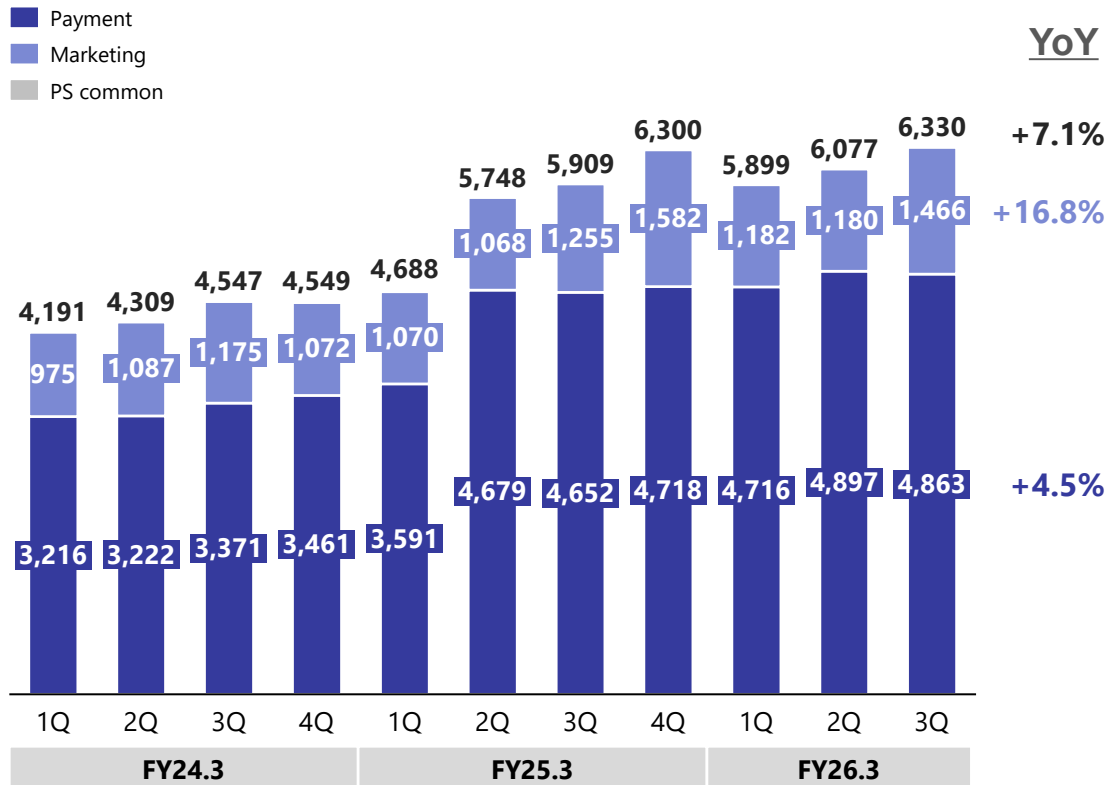
(Unit: M JPY)



- The Payment Business faced headwinds from merchant churn, renegotiations, a slowdown in inbound consumption, and resource concentration on the large project
- The Marketing Business capitalized on the revitalization of the financial market to deliver revenue and profit growth

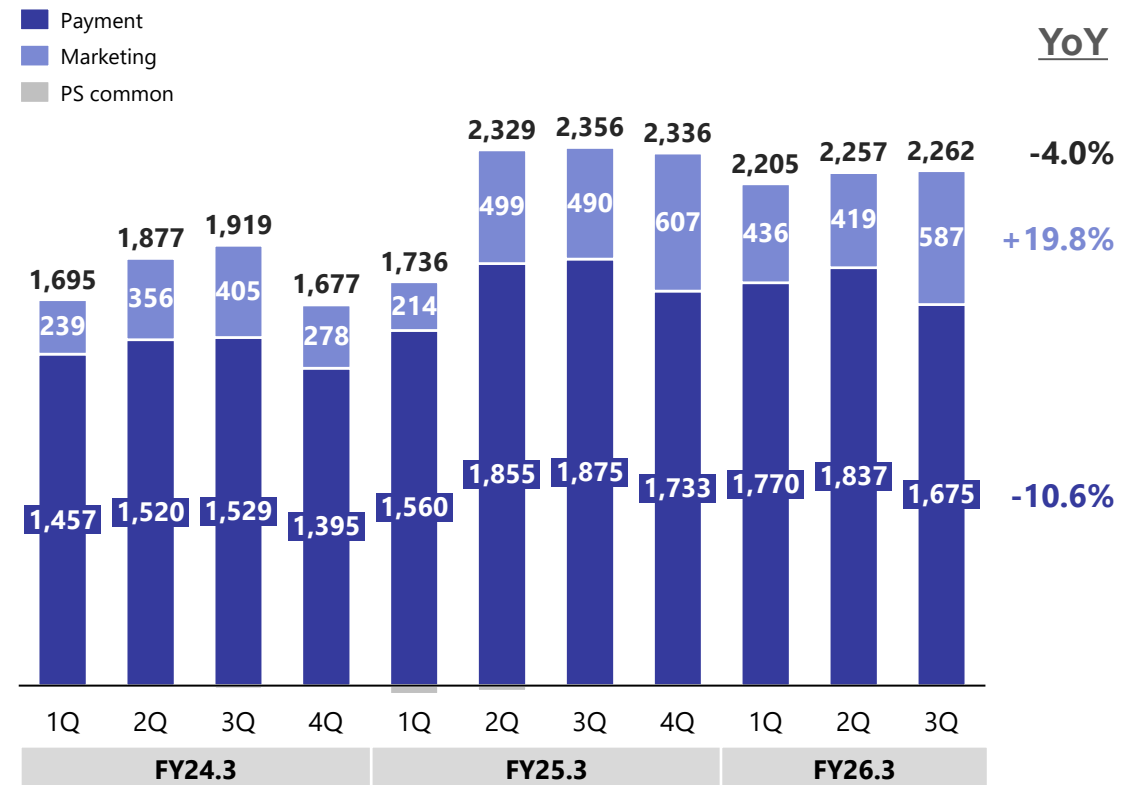
Segment Revenue

(Unit: M JPY)



Segment Profit

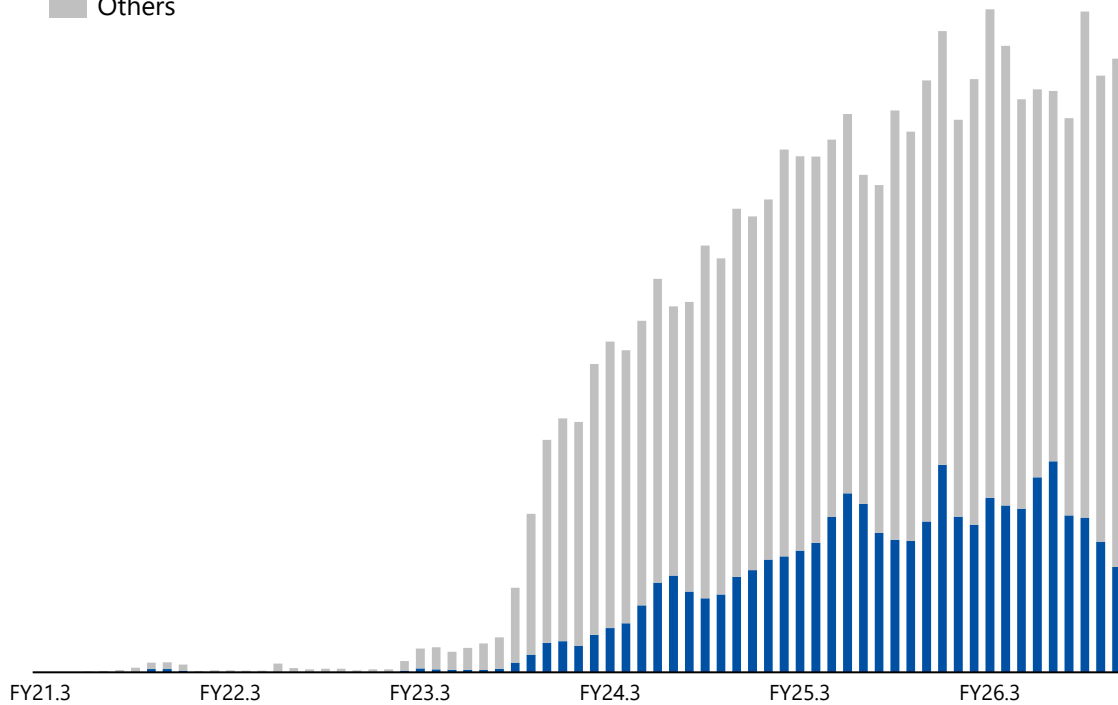
(Unit: M JPY)



- 45% YoY decrease in visitor arrivals from China starting in December 2025, pulling total visitor growth down to 3%
- As a consequence, inbound-driven QR code payments fell by 6% YoY in 3Q

The Number of Foreign Visitors to Japan (by Area)

- Mainland China/Hong Kong
- Others

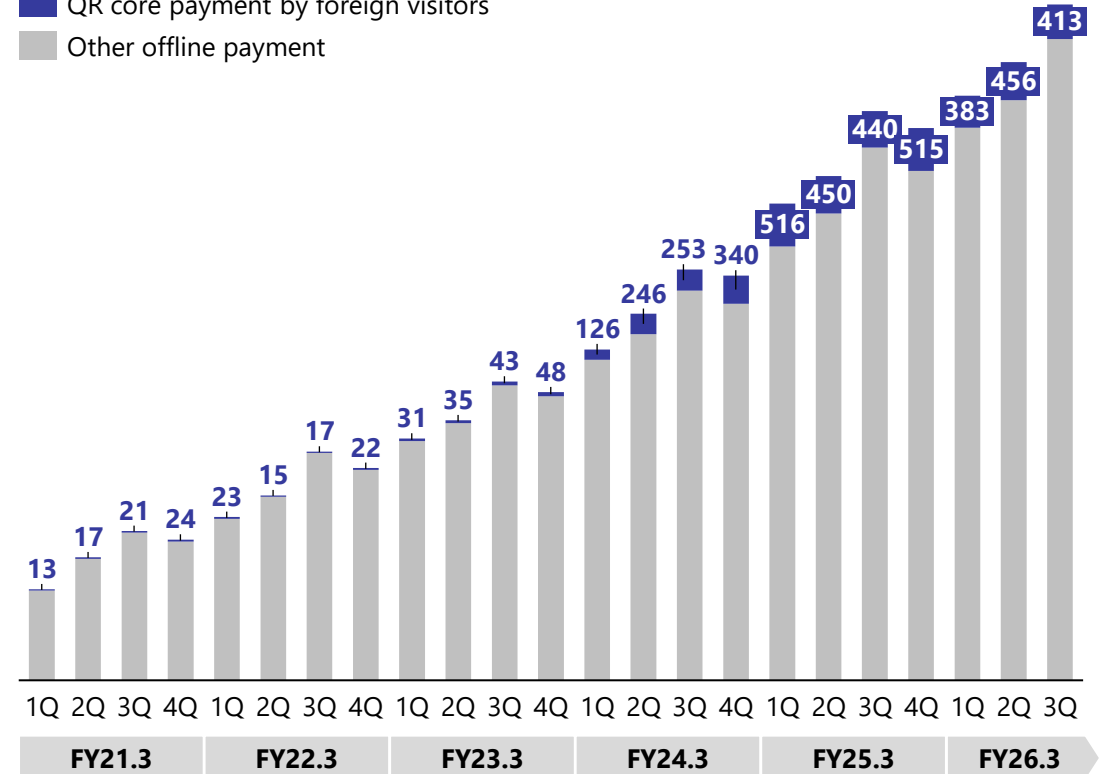


(Source) Japan National Tourism Organization, "Visitor Statistics"

Offline Transaction Volume

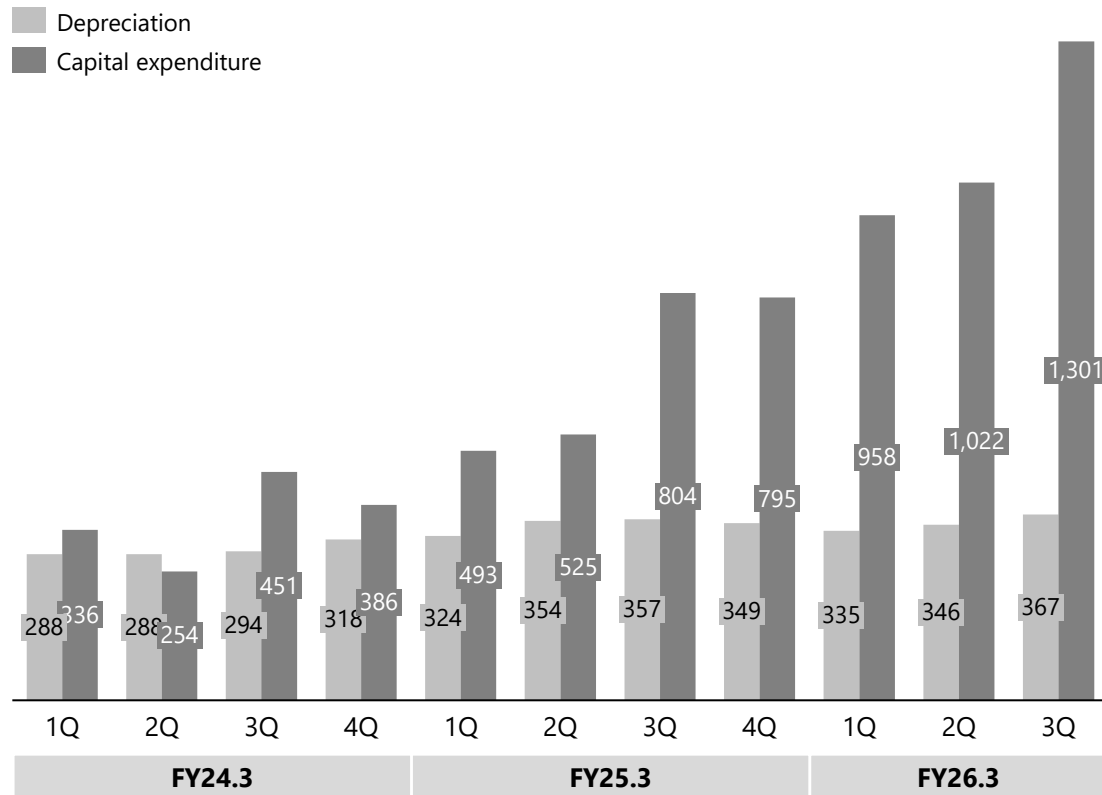
(Unit: B JPY)

- QR core payment by foreign visitors
- Other offline payment

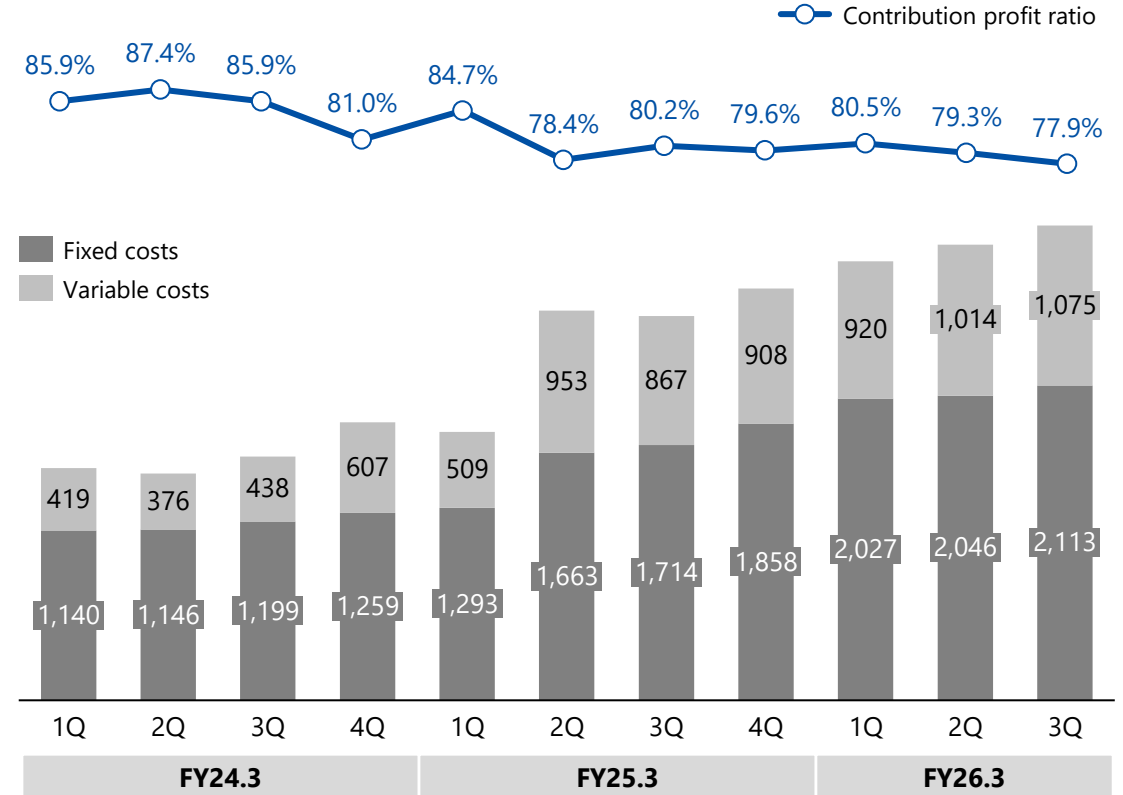


- Payment-related capex increased as we finalized large project and BNPL system development
- Fixed costs increased due to higher personnel expenses resulting from the strengthening of the payment business organization, as well as increased system-related costs, including development for large-scale projects

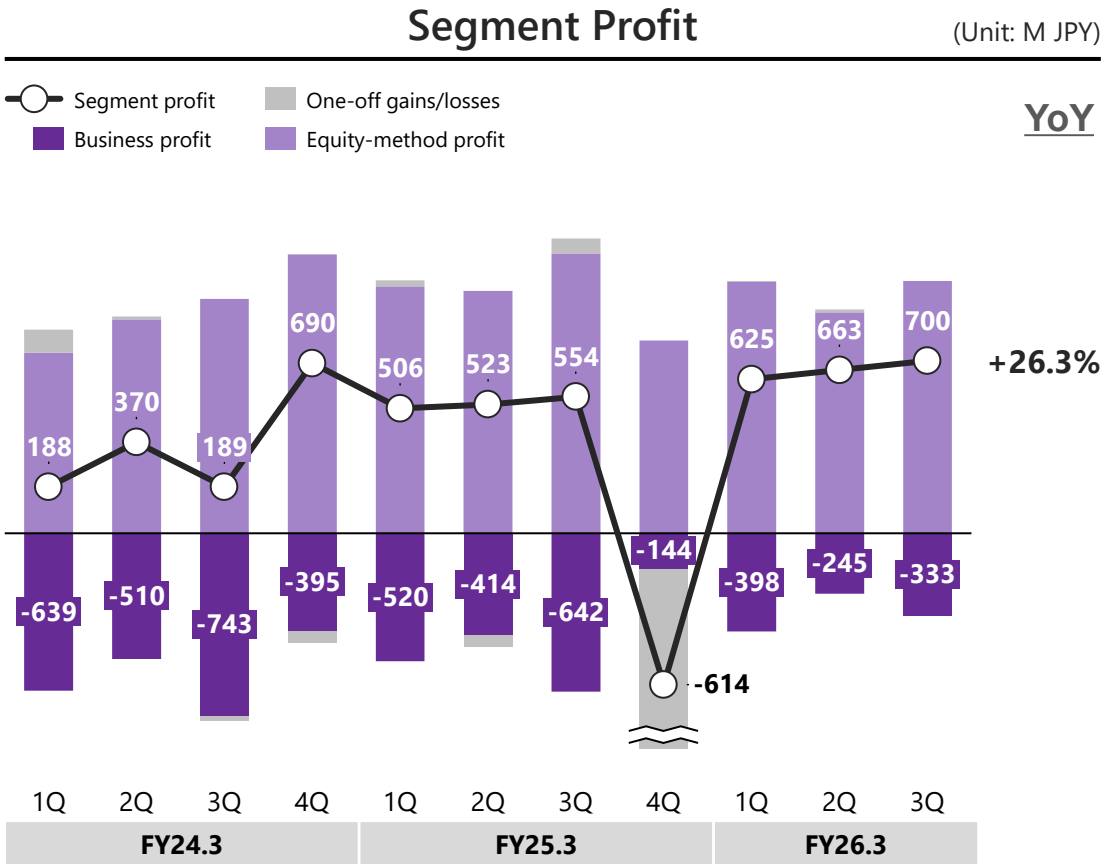
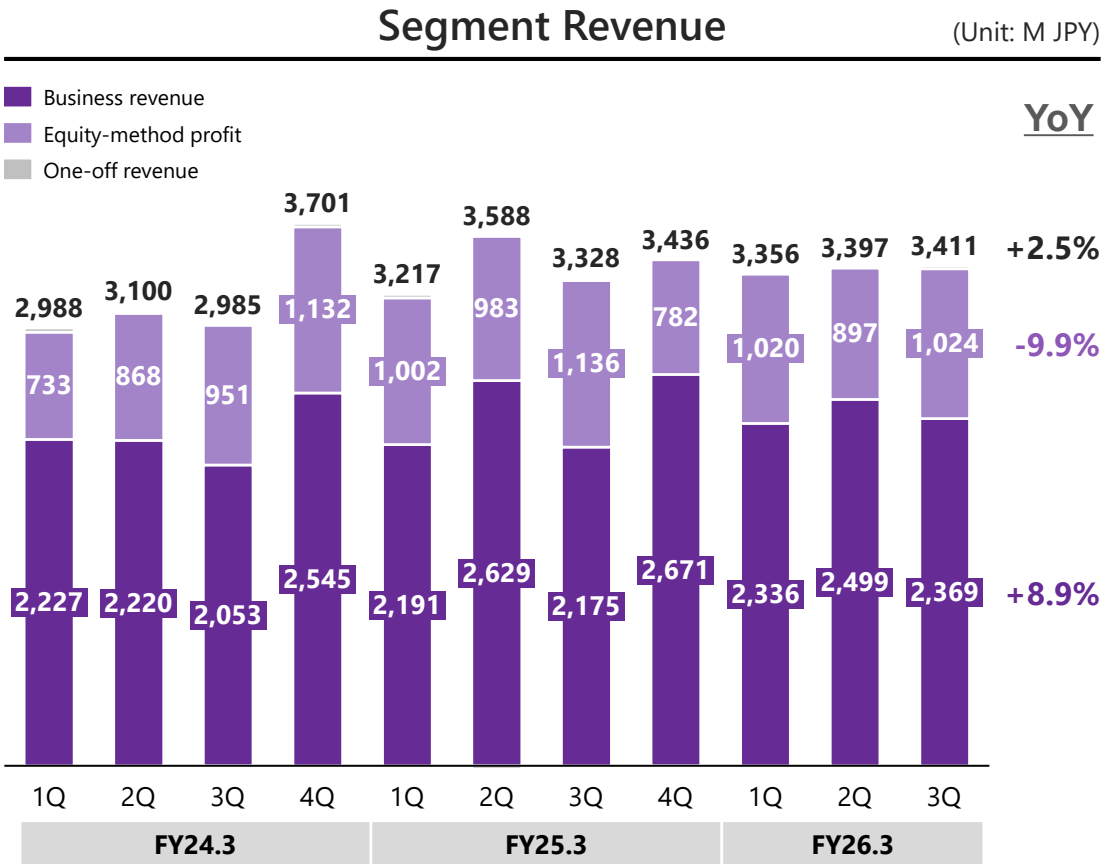
Payment-related Expenditures/Depreciation (Unit: M JPY)



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

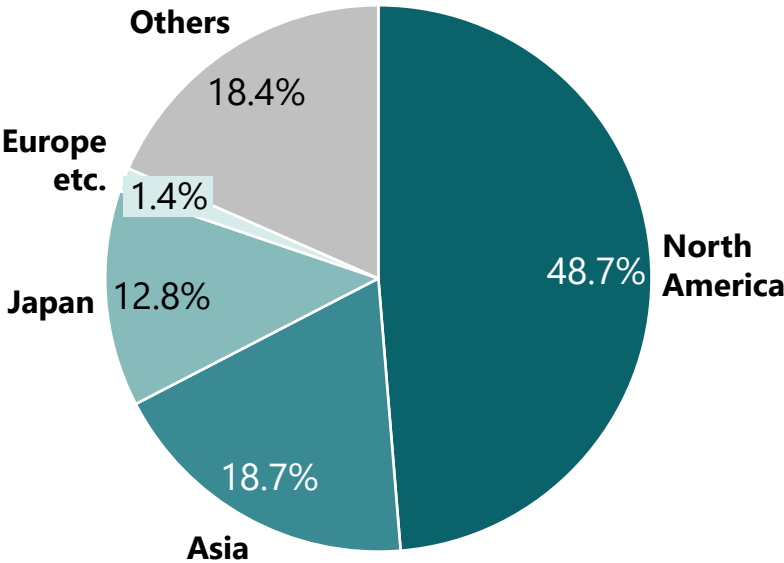


- Several strategic businesses highly-accretive with payments have now entered the growth phase, reducing the scale of operating losses
- While equity-method profits from Kakaku.com and other affiliates declined slightly, payment transaction volume via Kakaku.com continued on a steady upward trajectory (Refer to p.31)

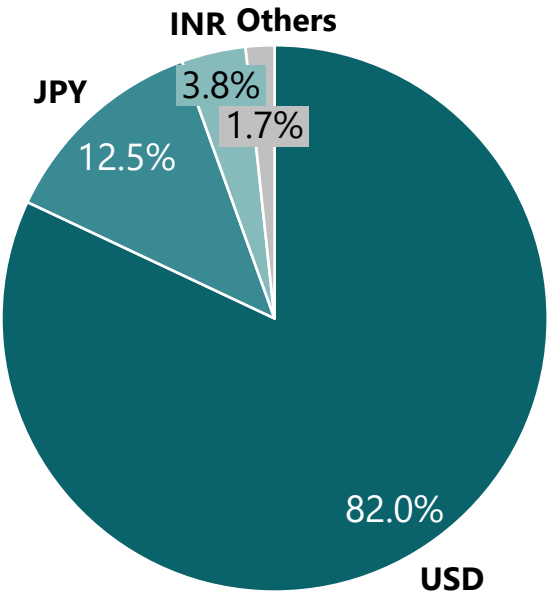


- Diversified portfolio comprising companies across North America, Asia, and Japan
- As of December 31, 2025, the fair value of our operational investment securities reached 55.5 billion yen, a two-fold return on investment

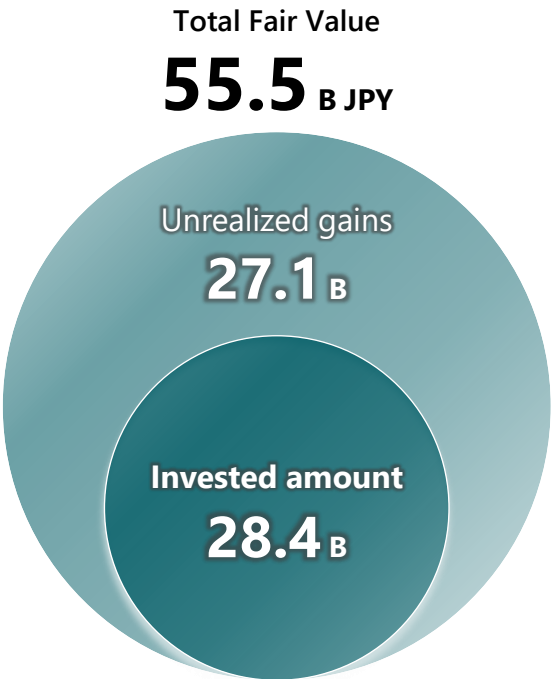
Investments by Area



Investments by Currency



Breakdown



Consolidated Statement of Financial Position (IFRS)

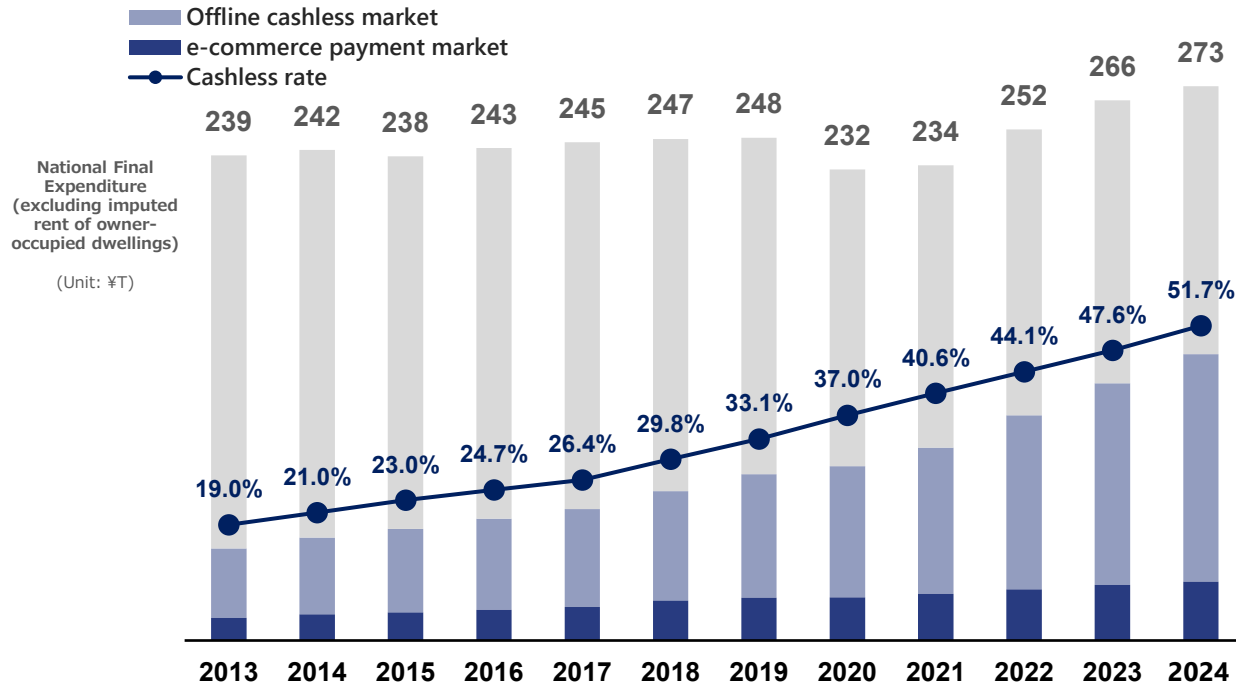
	FY25.3 4Q	FY26.3 3Q	Difference	Reason for change / Remarks
Current assets	144,446	144,112	-334	
Cash and cash equivalents	56,354	55,565	-789	
Trade and other receivables	30,538	30,063	-475	Payment business-related item
Operational investment securities	54,940	55,474	+534	Exit and change in fair value of investee companies in GII segment (including FX effects)
Non-current assets	81,899	84,135	+2,236	
Property, plant and equipment	13,163	12,012	-1,151	
Intangible assets	7,316	10,286	+2,969	
Investments accounted for using equity	37,643	37,222	-421	
Other financial assets	12,896	13,945	+1,049	Change in fair value of investee companies (including FX effects)
Total assets	226,344	228,247	+1,903	
Current liabilities	97,558	94,310	-3,248	
Bonds and borrowings	27,676	24,792	-2,884	
Trade and other payables	62,532	63,392	+861	Payment business-related item
Non-current liabilities	51,091	53,899	+2,808	
Bonds and borrowings	33,956	37,102	+3,145	
Other financial liabilities	5,976	5,045	-932	
Total liabilities	148,649	148,210	-440	
Total equity attributable to owners of parer	75,417	77,923	+2,506	
Share capital	7,888	8,014	+127	
Capital surplus	5,229	5,426	+197	
Treasury shares	-5,108	-5,060	+48	
Retained earnings	66,296	67,746	+1,450	
Non-controlling interests	2,278	2,114	-164	
Total equity	77,695	80,038	+2,343	

Reference Materials (2): Business Model



Starting in 2026, METI is updating their cashless payment tracking methodology
Specifically, stripping out non-transactional items such as imputed rent gives a clear picture of actual spending
The government aims for 65% cashless penetration in Japan by 2030 (55% on a global comparison basis)

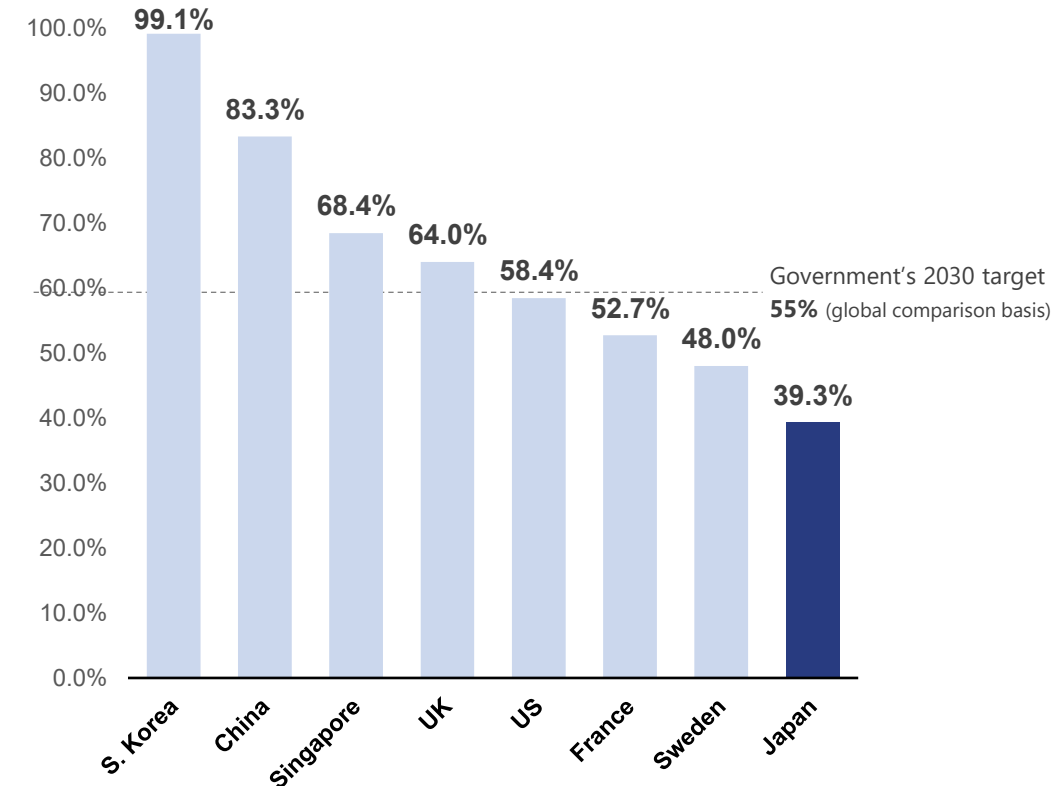
Cashless Market Size (Japan)



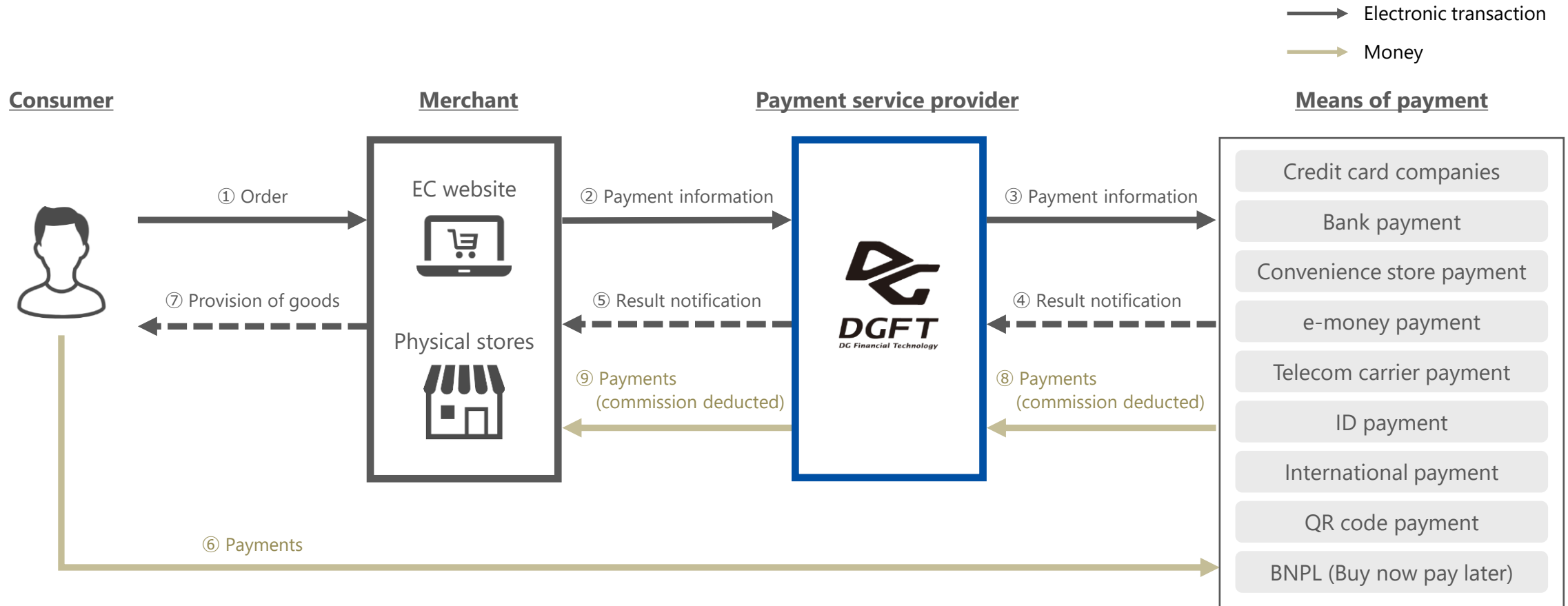
Source: DG estimates based on Cabinet Office "Annual Report on National Accounts", METI "Market Survey on Electronic Commerce", "Cashless Roadmap", "Cashless Vision."

Cashless Rate by Country

(As of 2023)



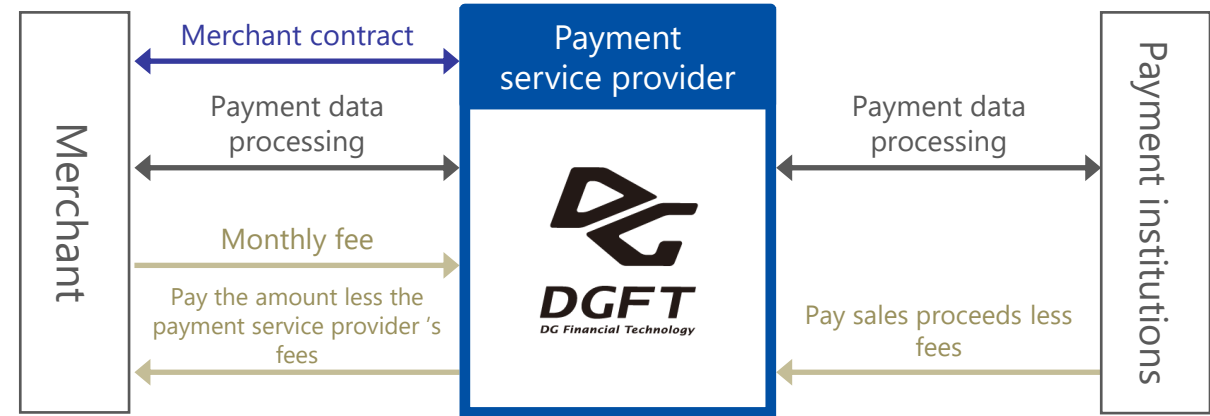
An intermediary service that connects merchants (e-commerce and physical stores) with payment providers (credit card companies, convenience stores, etc.) allowing merchants to implement multiple payment methods through a single contract



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

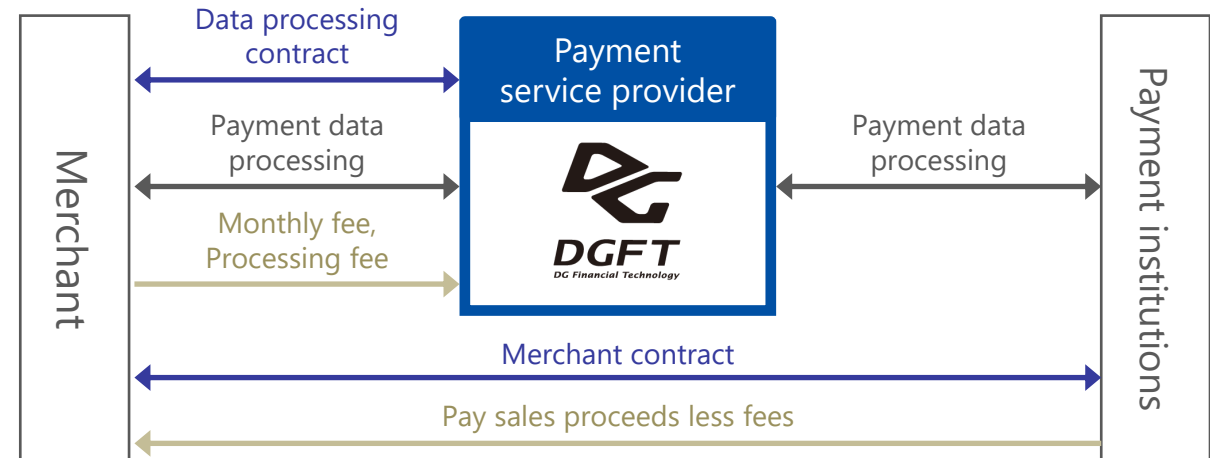


Payment data processing type (Direct contract)

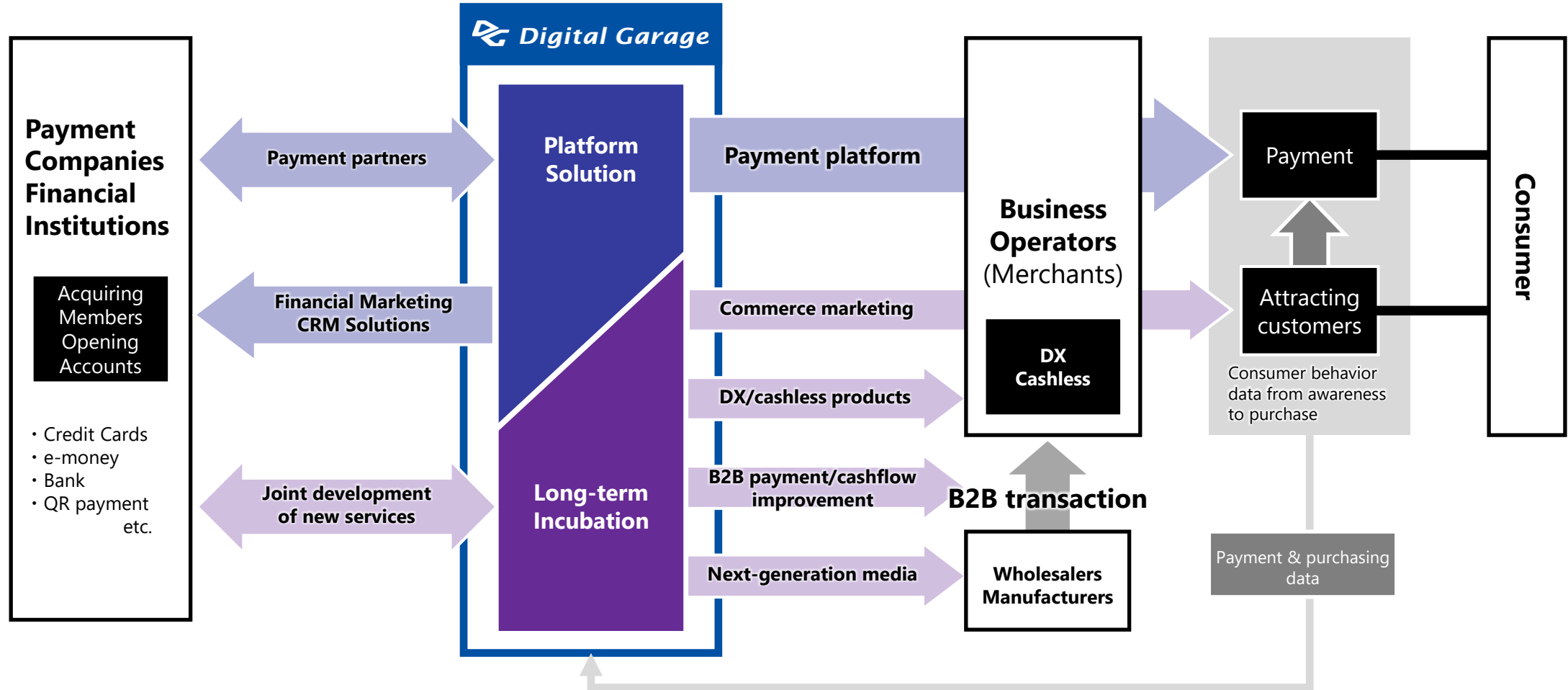
Based on the merchant agreements with credit card companies signed by the merchants, credit card payment processing is automated through the introduction of a payment system provided by PSP

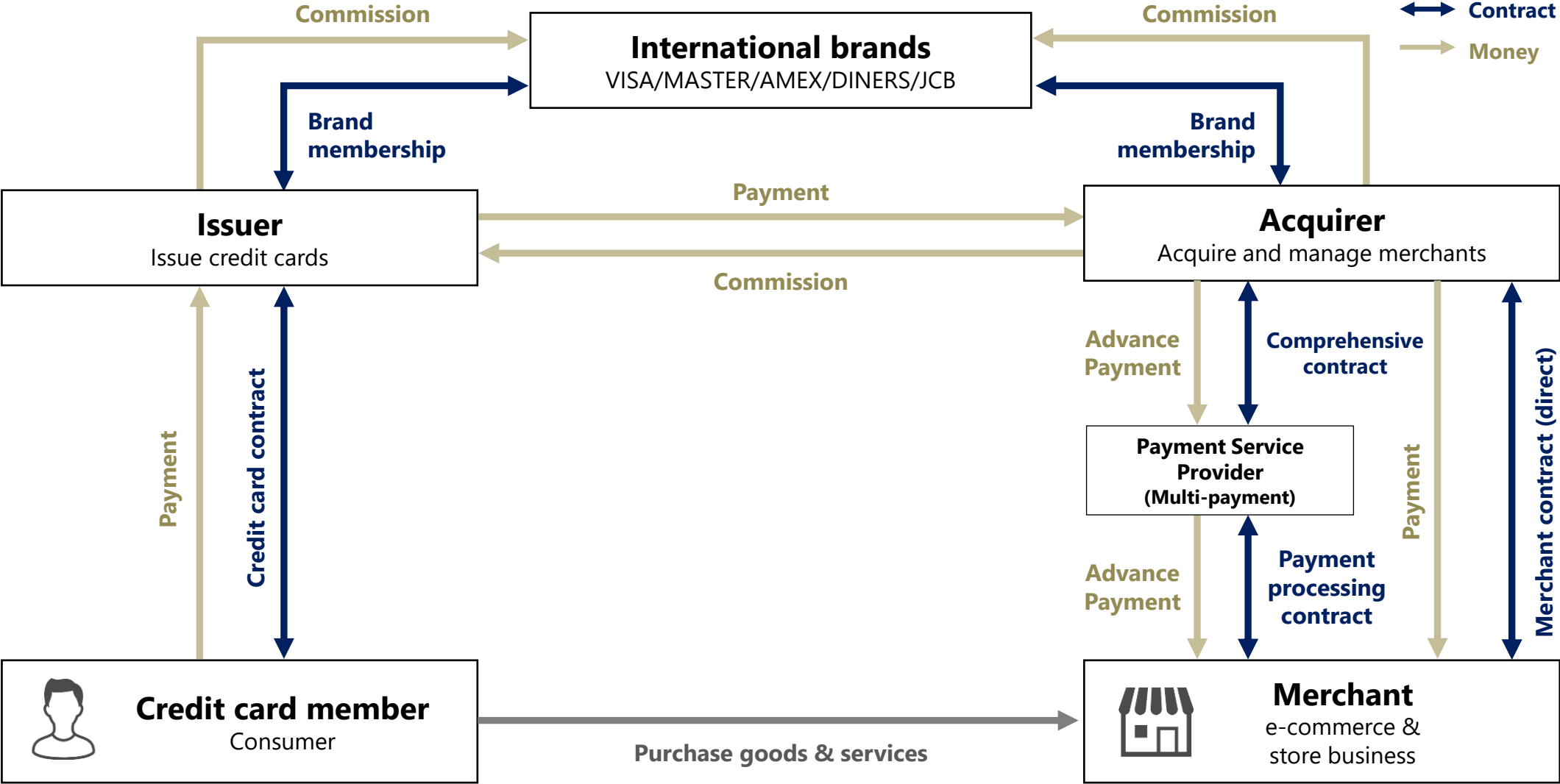
- Provide payment systems and automate card payment processing
- Merchants sign contracts directly with credit card companies
- Provide the necessary software and transaction management tools
- Also provide support for software installation

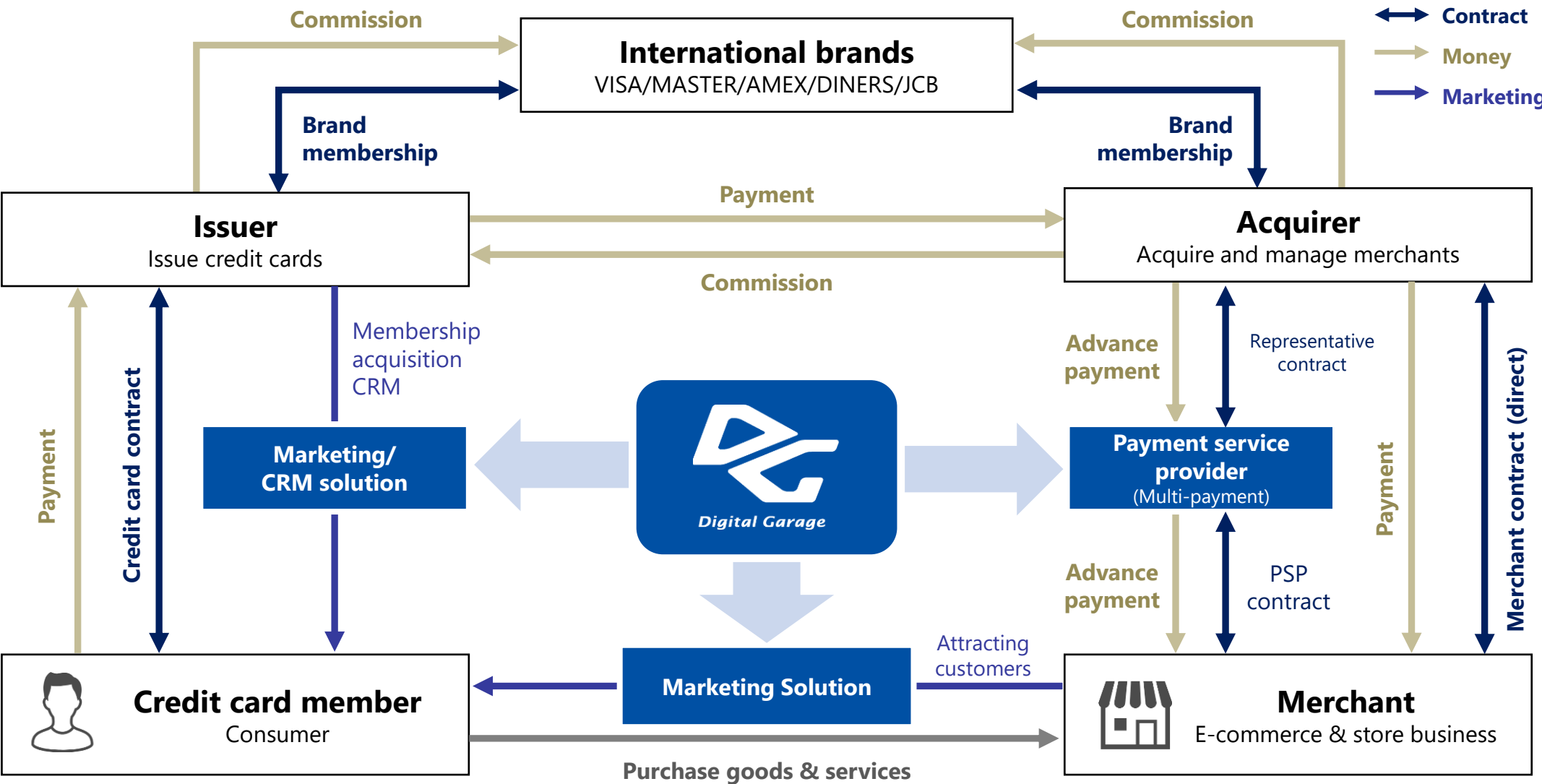
→ Electronic message
→ Money



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

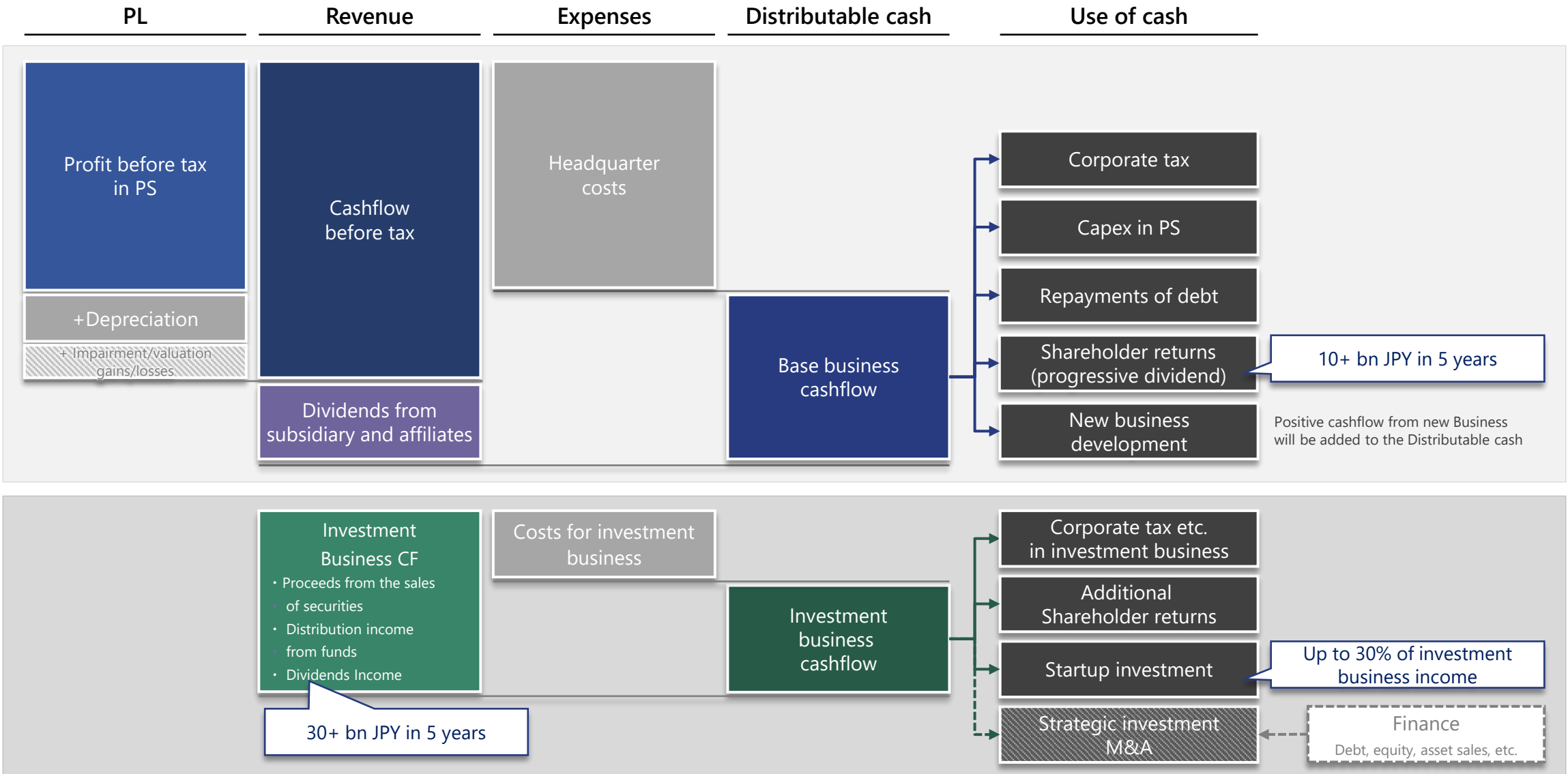






Reference Materials (3): Cashflow Allocation / Shareholder Return

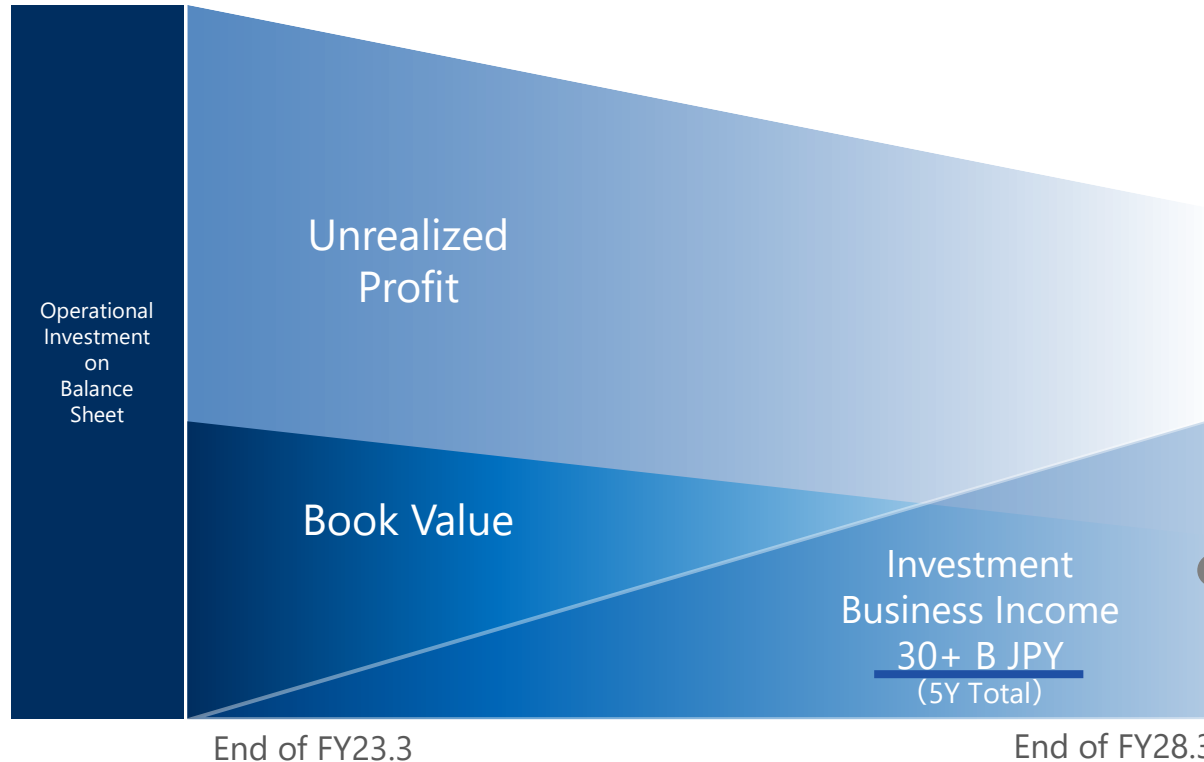




- Promote the sales of shares directly held by DG to generate investment EXIT income (proceeds from sales, etc.)
- Carefully select new investments, and plan for investing through funds for income purposes to diminish the balance
- Clarify the use of investment EXIT income and make strategic decisions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

5Y Picture of Direct Investment and Income from Sales

70 B JPY



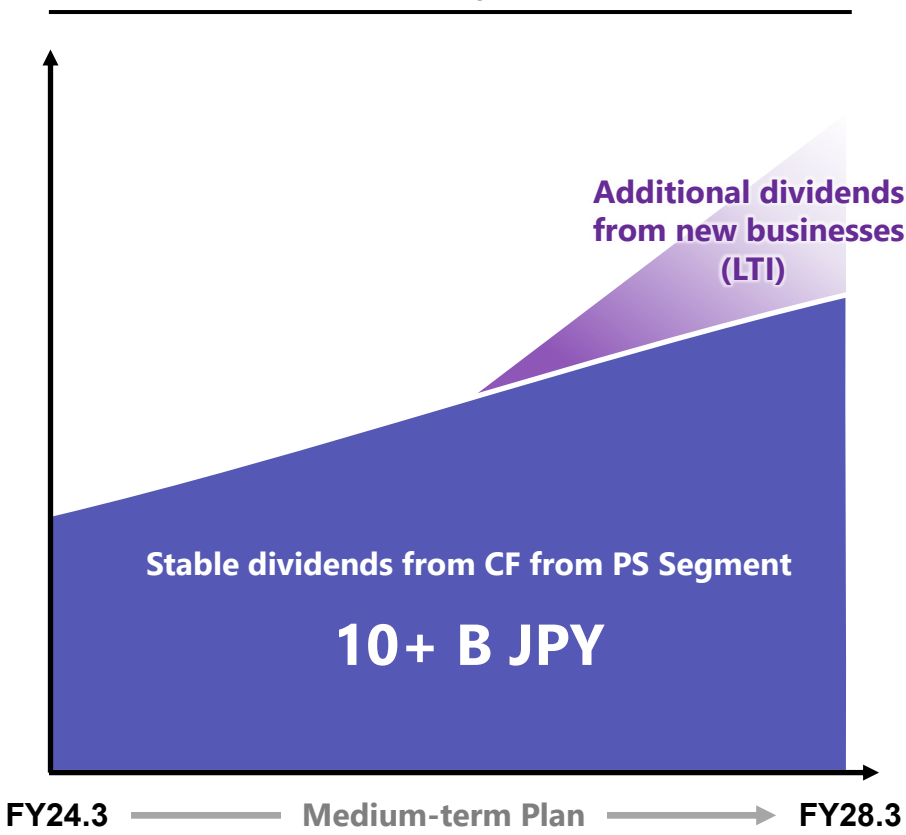
Usage of Investment EXIT Cashflow



	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	

Reference Materials (4): Sustainability Initiatives



Released DG Integrated Report 2025

We have released the 'DG Integrated Report 2025' on our corporate website, providing a comprehensive overview of financial and non-financial performance metrics. The report highlights our future roadmap through strategic messages from our CEO and COO, a roundtable on segment synergies, and deep-dive discussions featuring our founders, outside directors, and employees.



DG Integrated Report 2025 - Outline

- **Introduction** Purpose/Value & Principle
- **Value Creation at DG Group** Message from the Group CEO / Context Timeline / Value Creation Process
- **Growth Strategy** Message from the COO / Segment Overview & Performance / Discussion with Segment Leaders / Business Overview / Financial Strategy
- **Management Foundation for Value Creation** Sustainability Management / Discussion among Independent Outside Directors / Social (Human Capital) / Environment / Governance
- **Special Content** Special Cross Talk
- **Data Section** Consolidated Financial Data / Financial Data by Segment / List of Group Companies / Corporate Outline and Stock Information

Links



[Japanese](#)



[English](#)



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