Financial Report

1Q of FY27.3

Digital Garage

2026.8.13

I. Introduction

PURPOSE

Designing ‘New Context’ for a sustainable society with technology

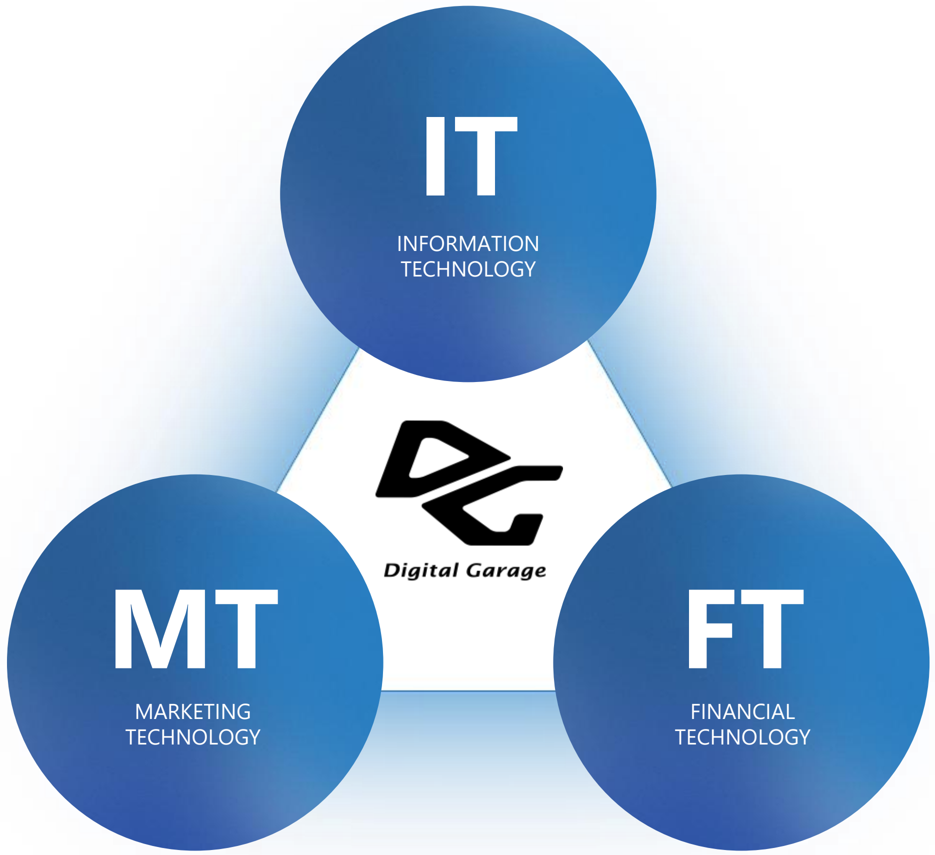
<VALUES>

First Penguin Spirit

<CORPORATE SLOGAN>

New Context Designer DG

Business Model / 3 Core Technologies

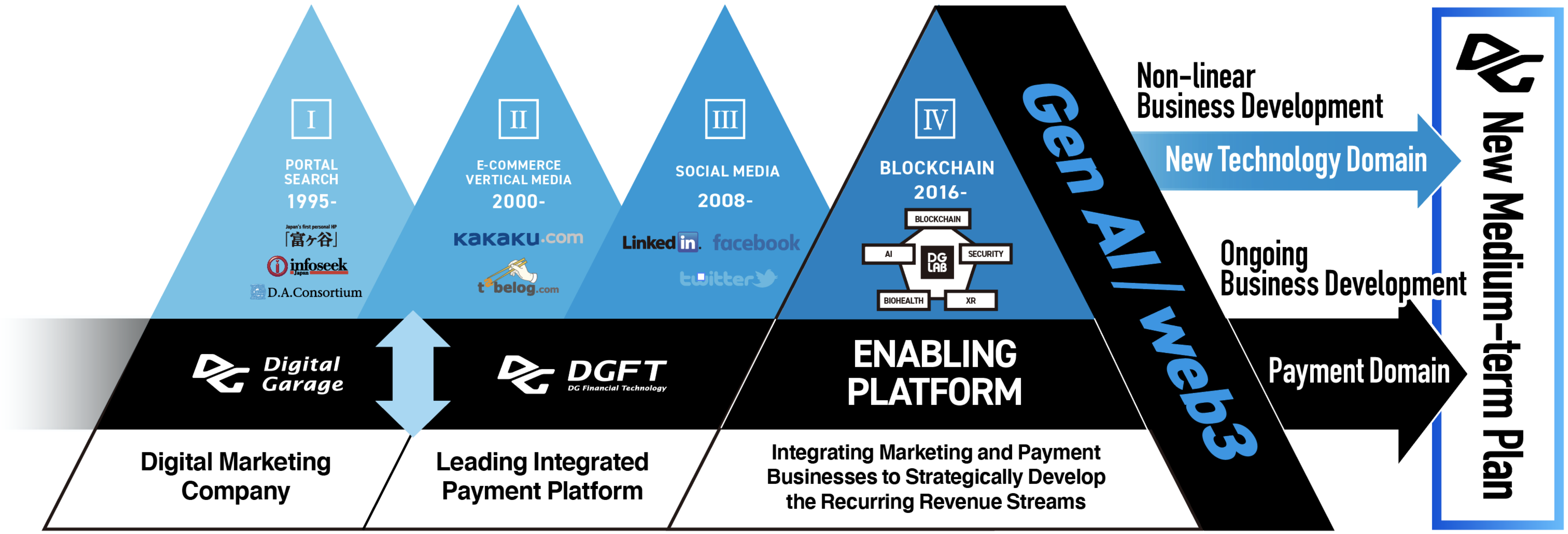


By connecting 3 different technologies in context, Digital Garage has built a structure that captures technological evolution and achieves continuous business growth

History of DG Group's Contextual Design and Social Implementation

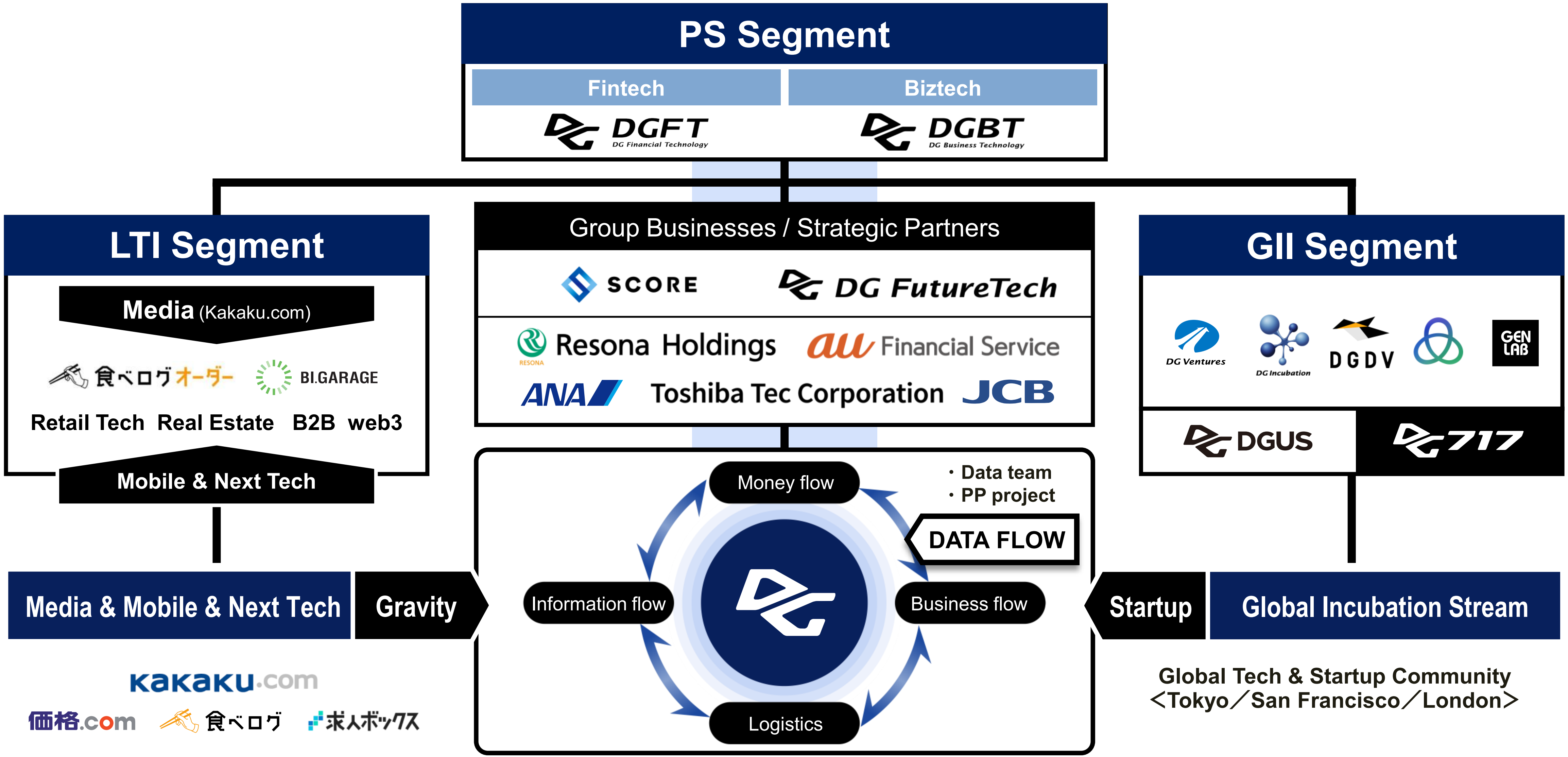
Digital Garage

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.



Business Segment Formations

Digital Garage



II. Consolidated Financial Highlights

Optimizing Core Businesses and Developing a Grand Design for Growth Areas toward the New Medium-Term Plan

Digital Garage

- We are treating this as a transition year ahead of our new Medium-term Management Plan, driving cost efficiency and optimization across the Group
- Following the strengthening of the management structure of our core businesses, we are reallocating management resources to next-generation growth areas with an eye toward the AI era

Ahead of the release of our new Medium-term Management Plan later this year, we are strengthening the following three areas: ①, ②, and ③

① Strengthening Our Management Foundation

- Optimizing and streamlining our organizational and workforce structure across the Group (targeting a 15–20% reduction in head office costs)
- Optimizing office space / reducing head office footprint (implemented in July 2026)
- Streamlining our business portfolio by exiting, selling, or consolidating unprofitable operations (having consolidated three Group companies over the past year)
- Divesting select securities and non-current assets and off-balancing our investment business (see p. 25)

② Strengthening Our Core Business

- In addition to our payment business, strengthening payment-related areas by leveraging industry-specific AI and data
- Overhauling the management structure at our payment subsidiary and fundamentally restructuring its sales and development teams to optimize its organizational and workforce structure
- Enforcing rigorous project-level profitability management and reviewing our product strategy and priorities to improve profitability and take rate
- QR code payment transaction volume for "Cloud Pay" surpassed ¥1 trillion, while strengthening payment marketing and data capabilities

③Create the Next Digital Infrastructure

- Fully integrating AI into our development processes to reduce development costs
- Development underway for the launch of "DG Bank (tentative name)," a strategic financial services initiative with Resona Group, during the current fiscal year
- Launching "DG SPS™," a stablecoin payment platform supporting next-generation payment infrastructure, following proof-of-concept testing
- Launch of "DG Agentic One™," Japan's first integrated Agentic Commerce platform
- Maximizing returns from strategic alliances with partners by leveraging AI (including Resona, JCB, KDDI, Toshiba Tec, and ANA)

Financial Results Summary for 1Q FY27.3

Digital Garage

Results Summary

PS profits declined as expected amid ongoing optimization, while LTI posted significant growth and GII remains on track to achieve its medium-term target

We recorded a consolidated pre-tax loss of 0.4 billion yen, primarily driven by losses in the investment business

Consolidated: Profit before tax	PS: PMT TXN Vol.	PS: Profit before tax	LTI: Profit before tax	GII: Investment business income
- ¥1.3 B → -¥0.4 B	¥2.0 T → ¥2.9 T	¥2.2 B → ¥1.9 B	¥0.6 B → ¥0.9 B	Total: ¥16.3 B
(YoY) (+¥0.9 B)	(YoY) (+41.3%)	(YoY) (-11.9%)	(YoY) (+43.2%)	(FY24.3~FY27.3 1Q)

Segment Highlights

Platform Solution

- Payment transaction volume continued to expand significantly, fueled by our large-scale projects with the KDDI Group
- QR code payment transaction volume continues to outperform broader market growth, surpassing ¥1 trillion in 2025
- We will leverage our patented Cloud Pay series to drive further market share expansion

Long-Term Incubation

- Several strategic businesses have entered the monetization phase, driving a reduction in business losses
- Our out-of-app payment service, AppPay, and real estate DX service, Musubell, continue to scale steadily
- We have initiated the commercial rollout of stablecoin payments to power next-generation payment infrastructure

Global Investment Incubation

- We are accelerating asset sales and off-balancing initiatives to achieve our ongoing Medium-Term Plan KPI of ¥30 billion in investment business income
- We have formed a strategic alliance with a world's leading secondary fund
- Our goal is to build a resilient operating base that minimizes earnings volatility

Consolidated Financial Highlights – Segment Profit

Digital Garage

(Unit: M JPY)	FY26.3 1Q	FY27.3 1Q	YoY	Change (%)	Summary
Consolidated profit before tax	-1,345	-428	+917	-	• Breakdown of the main drivers behind our pre-tax profit:
PS	2,205	1,942	-263	-11.9%	• Strong Marketing performance offset by lower profits in Payment
Payment	1,770	1,429	-340	-19.2%	• Lingering effects of churn and contract revisions among major customers LFY • Gradual recovery expected from the second half as these impacts run their course
Marketing	436	513	+77	+17.8%	• Tailwinds from continued momentum in the payments and financial advertising market
LTI	625	895	+270	+43.2%	• Growth and monetization of strategic businesses (out of app payment and real estate DX)
GII	-2,617	-952	+1,665	-	• Valuation losses on select operational investment securities
HQ/Adjustments	-1,559	-2,314	-755	-	• Increased costs driven by financial advisory fees and head office optimization

Basic Business Revenue and Profit*

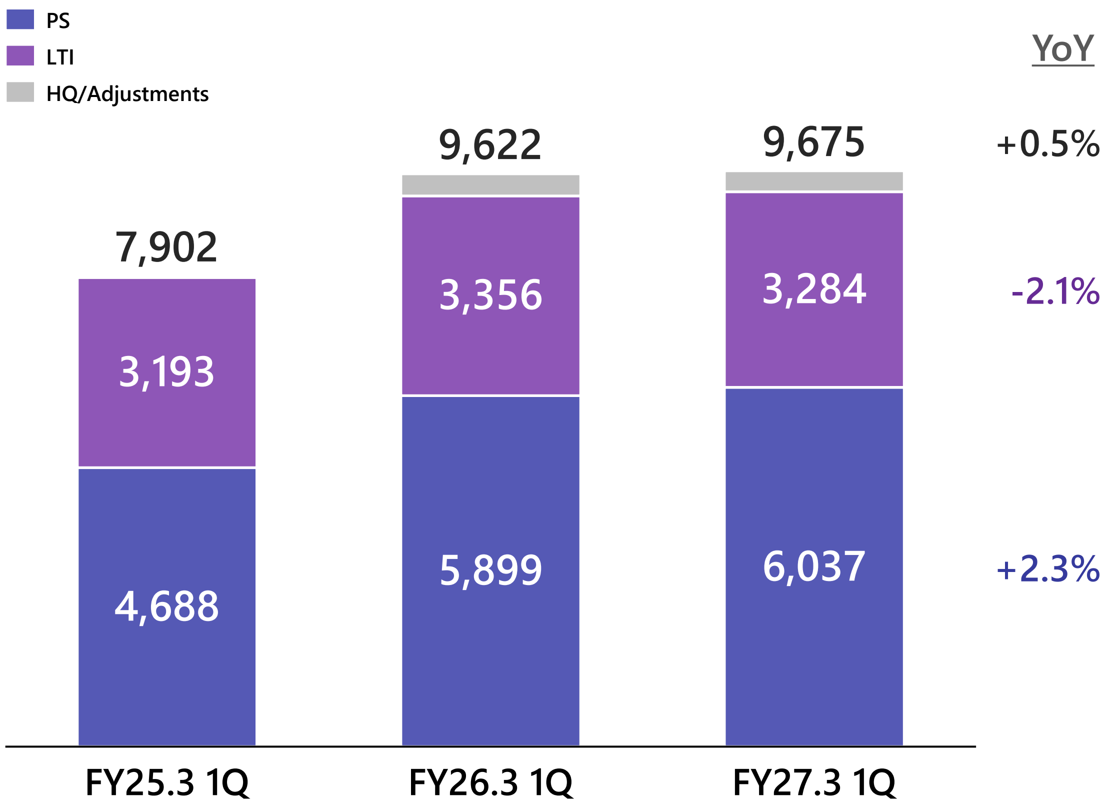
*Recurring business revenue and profit excluding investment-related and one-time gains/losses

Digital Garage

- Basic business profit declined due to lower profit in the core PS segment, as well as costs associated with HQ office optimization and the Kakaku.com project
- As a transition year toward the new Medium-Term Plan, driving group-wide cost efficiency improvements and optimization

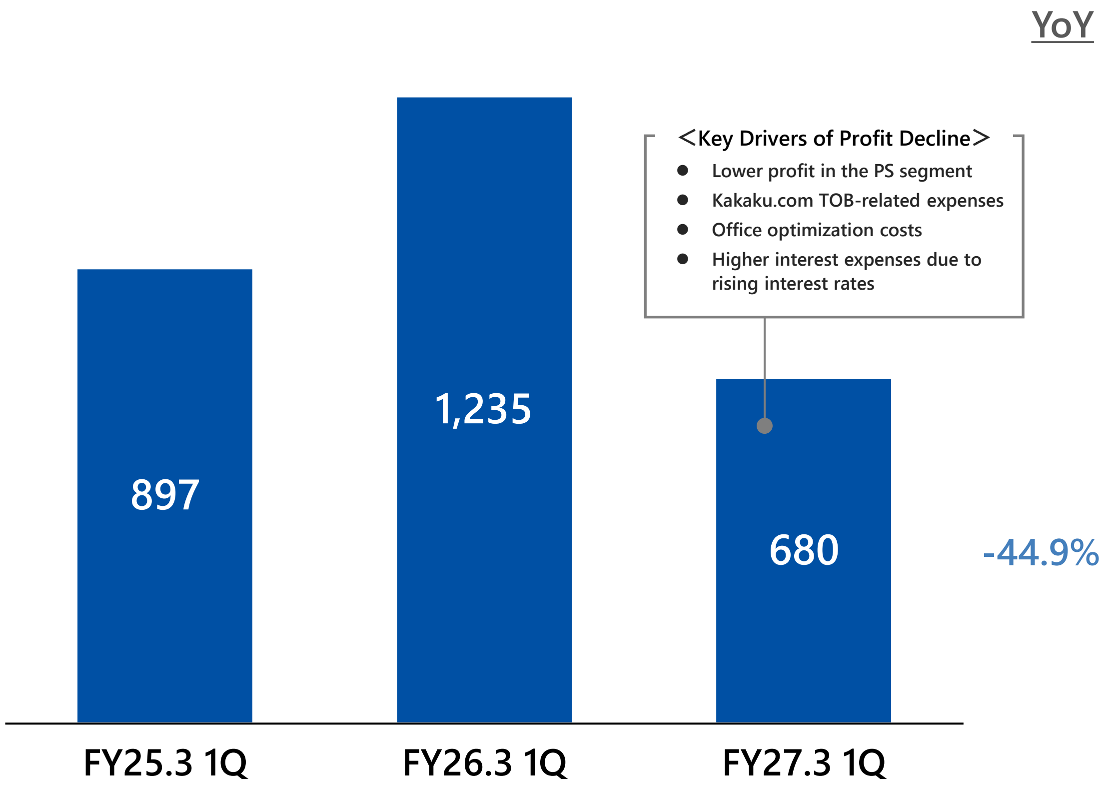
Basic Business Revenue

(Unit: M JPY)



Basic Business Profit

(Unit: M JPY)



III. Segment Performance Highlights

Business Highlights and Overview

Digital Garage

Ⅰ PS segment

＜KPIs＞

Payment TXN volume (TTM)	Payment TXN vol. growth	Pre-tax profit growth
¥10 T	+41%	-11.9%

Business Highlights

Cloud Pay

- QR code payment transaction volume surpassed ¥1 trillion for the first time in 2025, and has scaled to ¥1.5 trillion over the trailing twelve-month period.
- We are leveraging our Cloud Pay series to drive adoption in cash-heavy sectors and businesses still relying on fragmented, manual systems

au Financial Service

- Our next-generation payment platform, NESTA, is now fully operational.
- We are scaling adoption across the broader au economic zone, including KDDI Group companies, while actively driving deployment to enterprise clients outside the KDDI Group

Resona Holdings

- We deepened our capital and business alliance in July 2025 to fast-track our goal of hitting ¥1 trillion in payment transaction volume.
- We are co-developing a new BaaS and digital finance business for SMEs, slated for rollout later this fiscal year

Ⅱ LTI segment

＜KPIs＞

New businesses revenue growth	Pre-tax profit growth
+73%	+43%

Business Highlights

kakaku.com

- While equity-method profits declined, payment transaction volume reached a record high

Strategic businesses

- Several strategic businesses, including AppPay and Musubell, have entered the monetization phase, driving a reduction in business losses

Group Synergies

- Payment transaction volume from the Kakaku.com Group continues to grow
- Transaction volumes from new businesses also maintained strong growth, up 52% YoY

Ⅲ GII segment

＜KPIs＞

Investment business income	Operational investment securities (End of FY27.3 1Q)
¥16.3 B	¥52.8 B

Business Highlights

Fair value

- Our portfolio value fluctuated, impacted by valuation losses on select investments and movements in FX

Investment business income

- Recorded a cumulative total of ¥16.3 billion
- Leverage our strategic partnership with world's leading secondary fund to achieve the MTP targets

Group Synergies

- We established the Business Co-Creation Department to serve as a cross-functional hub for global tech startups, driving the implementation of cutting-edge Fintech
- We are partnering with a U.S. startup in our portfolio to co-develop an AI search optimization (GEO) solution

*All figures pertain to FY27.3 1Q results

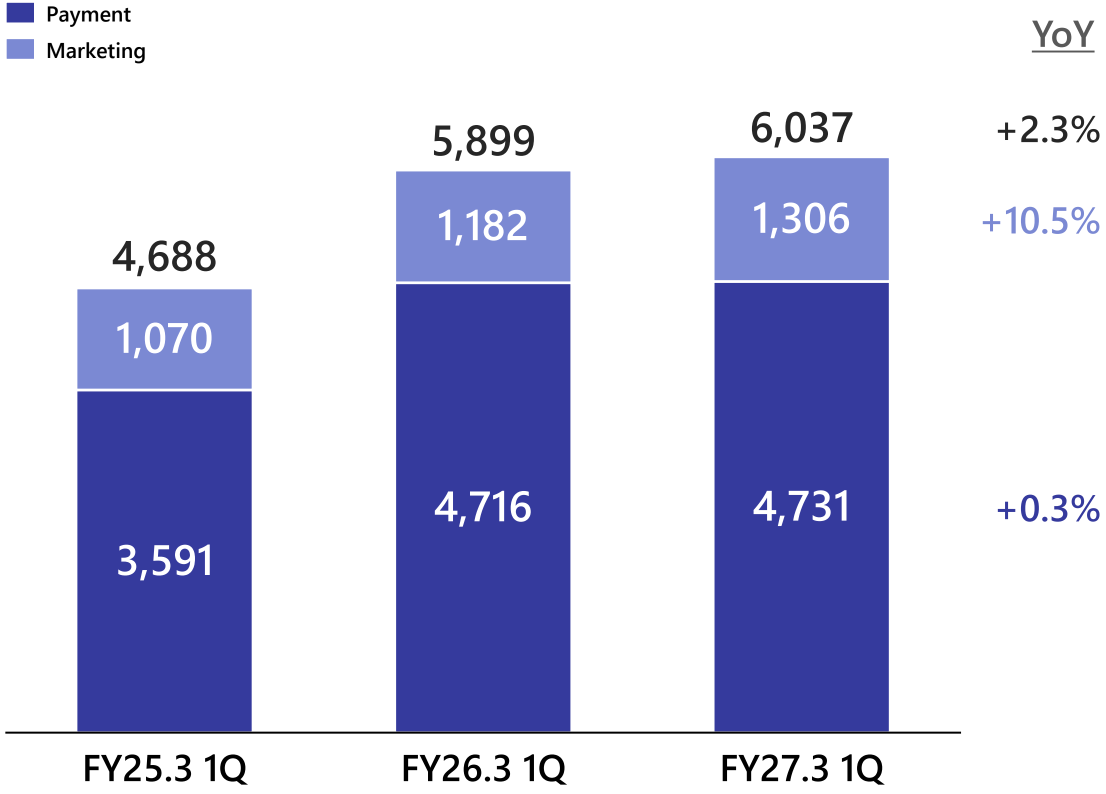
Segment Performance

Digital Garage

- Payments: Profit declined, mainly due to the impact of major customer churn and contract revisions in Q2 of the previous fiscal year
- Marketing: Continued to perform strongly, as in the previous fiscal year, supported by robust payment and financial services markets, delivering double-digit profit growth

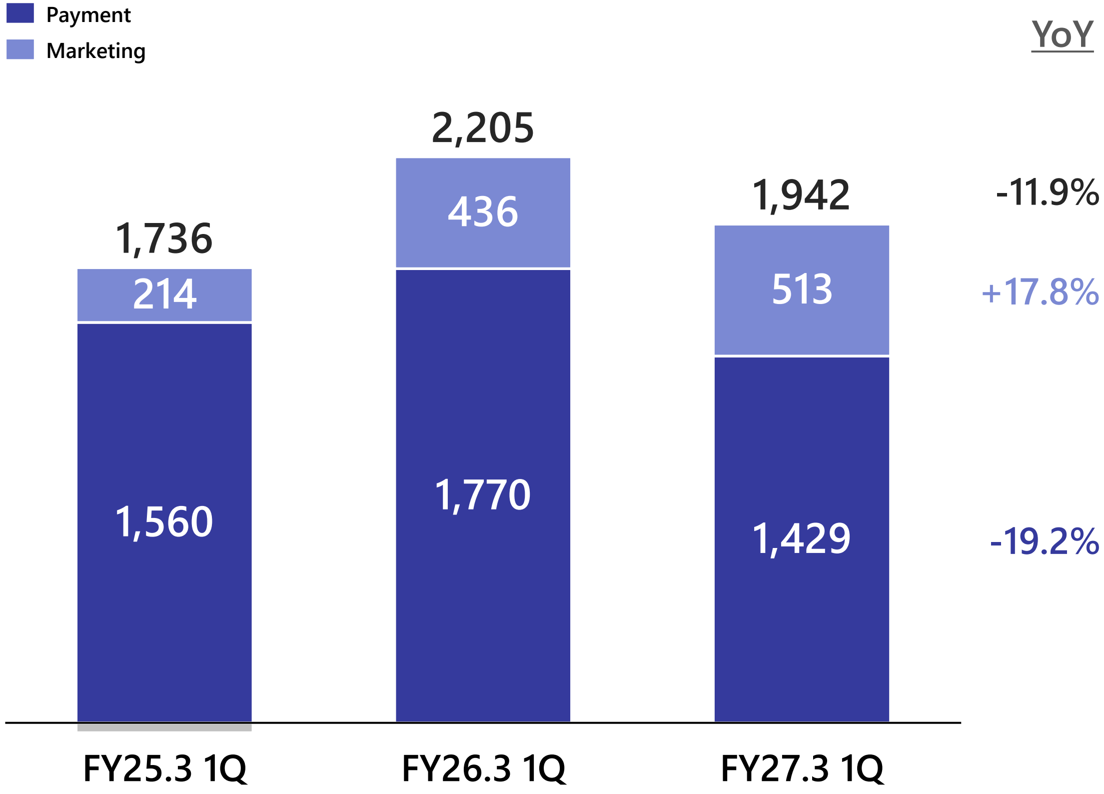
Segment Revenue

(Unit: M JPY)



Segment Profit

(Unit: M JPY)



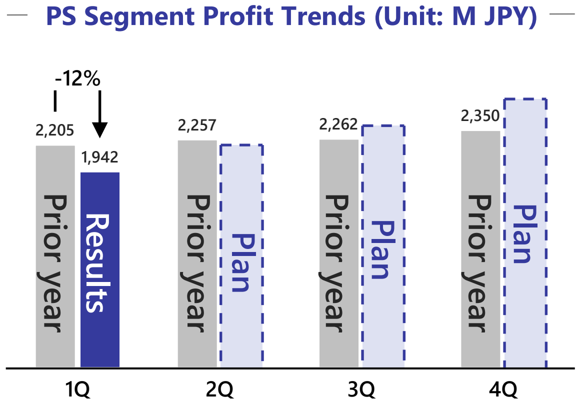
Outlook

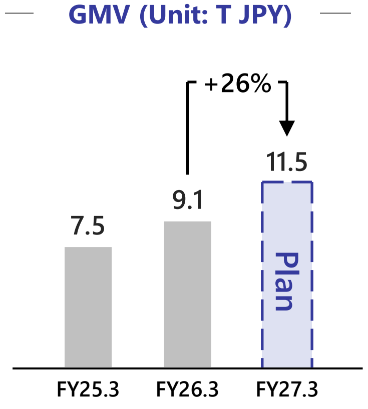
Digital Garage

- FY27.3: Expecting a challenging 1H as impacts from major customer churn and contract revisions persist, with a planned return to growth in 2H
- Driving sustained growth by deepening strategic alliances with partners and leveraging deep insights into our customers' businesses
- Deploying next-gen technologies to address the rapidly evolving business environment driven by AI and solve client challenges (Payments ✕ AI ✕ Data)

Business Plan for FY27.3

Return to growth in 2H as impacts from customer losses & contract revisions subside



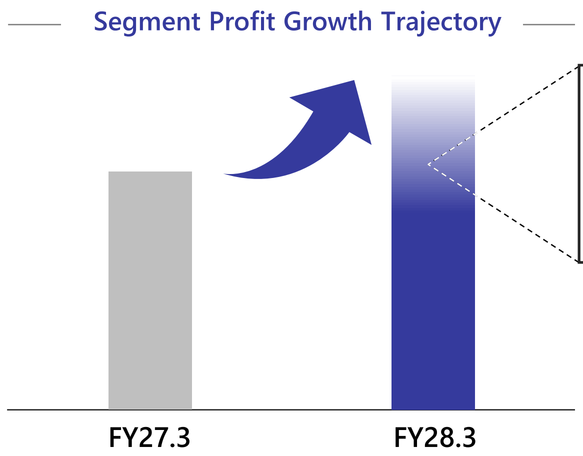


- We anticipate a drop in 1H profits as we continue to feel the impact of the customer churn and contract revisions that occurred in FY26.3 2Q
- Heading into the second half, our ongoing structural reforms will help rein in fixed costs and put us back on a growth track
- We project ¥11.5 trillion (YoY +26%) in payment transaction volume, driven by organic growth combined with a full year of contributions from the large-scale project for KDDI Group

FY28.3 and Beyond

Driving key initiatives to secure medium- to long-term growth in segment profit

- Deepening strategic alliances
- Solving Customer Challenges
- Optimizing our cost structure



Key Profit Growth Drivers

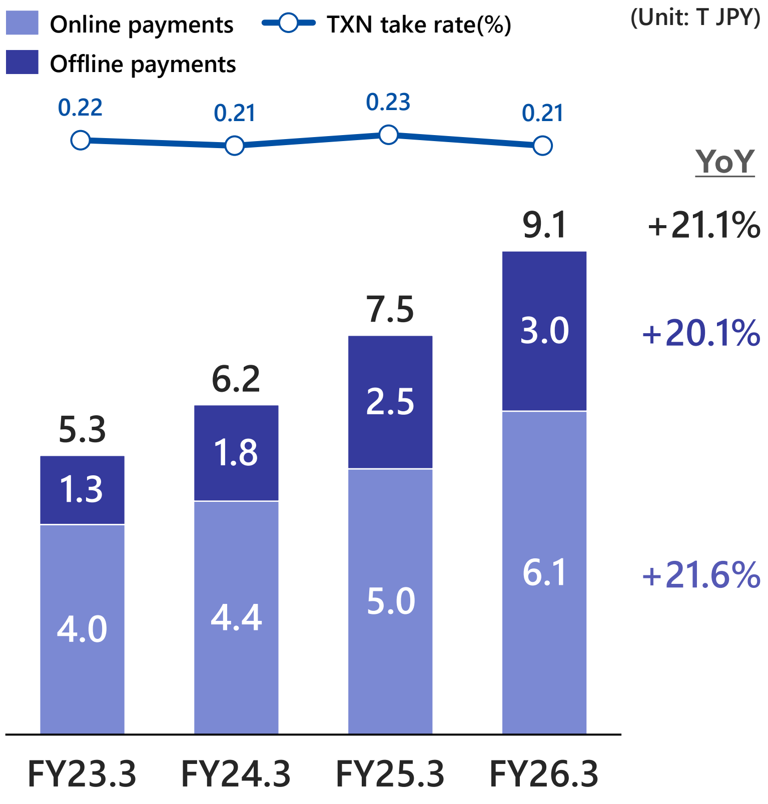
- Expanding into the KDDI Group's non-telecom domains
- Deepening our collaboration with the Resona Group
- Expanding and cross-selling into payment-related areas
- Accelerating our vertical strategy
- Optimizing personnel and reining in fixed costs

We will outline the full details in our new Medium-Term Plan, scheduled for release later this year

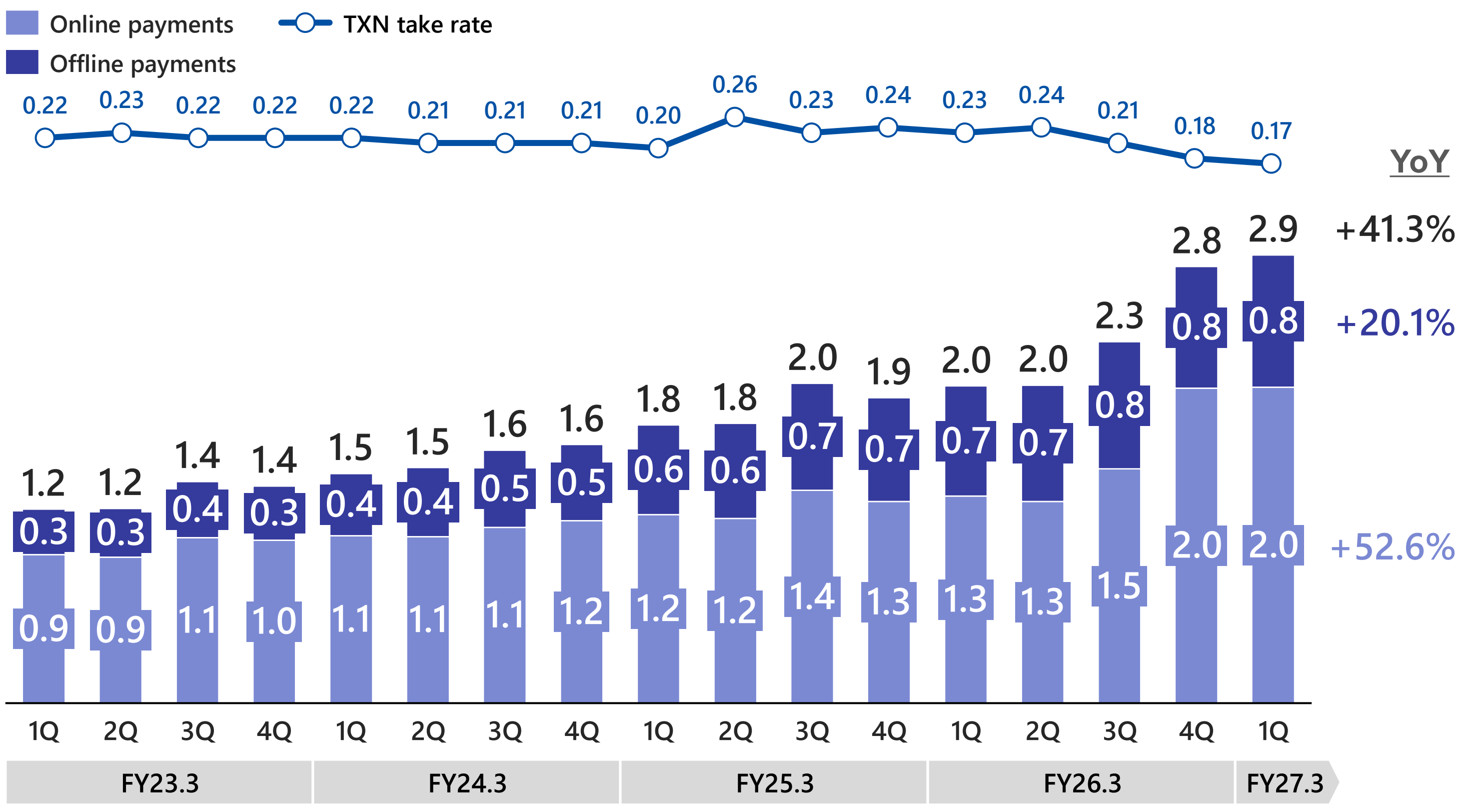
Payment Transaction Volume

- Payment transaction volume continued its strong growth trajectory in Q1, driven by the launch of a major project, bringing our trailing twelve-month volume to roughly ¥10 trillion
- Our take rate has been largely in line with expectations, following the full-scale rollout of the large KDDI Group project in 26Q4

Payment Transaction Volume (by FY)



Payment Transaction Volume (Quarterly)



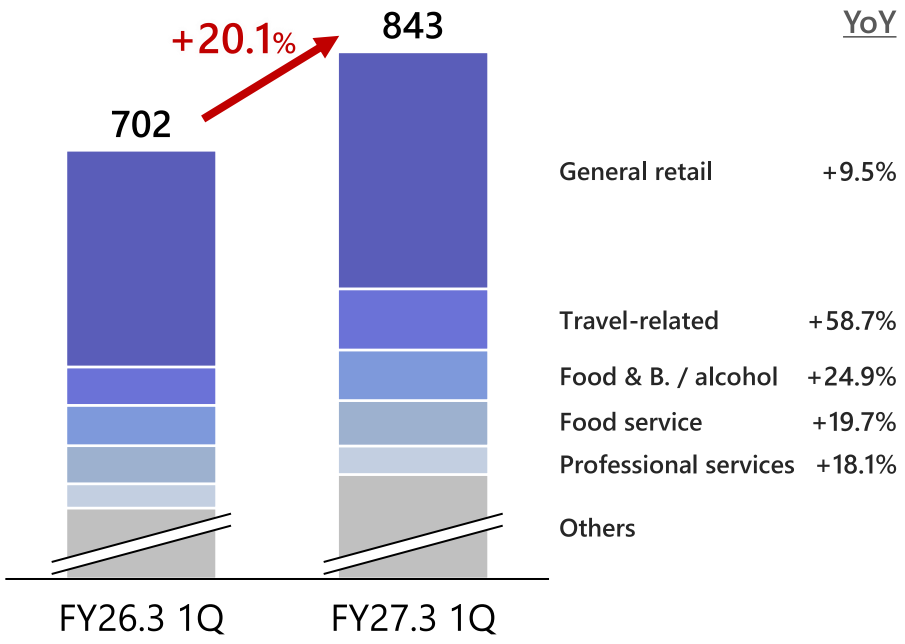
Breakdown of Increase/Decrease in Transaction Volume (Quarterly)

- Offline payments: Volume growth rebounded to over 20% for the first time in three quarters, overcoming the ongoing slowdown in inbound consumption
- Online payments: Volume grew substantially as contributions from the large-scale KDDI Group project offset the lingering impact of major customer churn

Offline Payments

(Unit: B JPY)

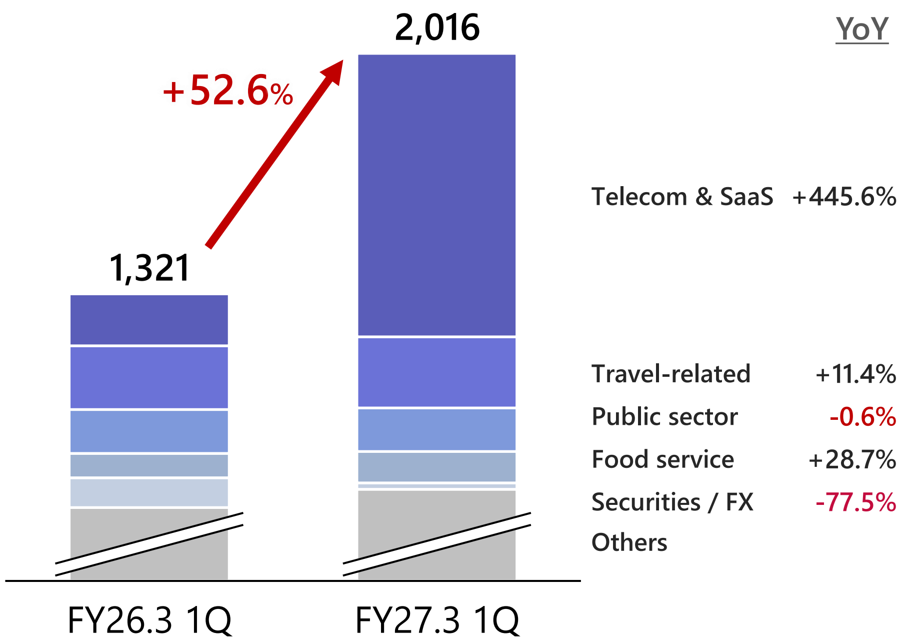
- General Retail: Growth remained in the single digits in FY27.3 1Q. A continued slump in inbound tourism drove a double-digit YoY decline in overseas QR code payment volume
- Strategic Alliances: Maintained steady growth momentum with key partners including Toshiba Tec, Recruit, and Square



Online Payments

(Unit: B JPY)

- Telecommunications/SaaS surged following the full-scale rollout of the KDDI Group project
- Food Service sustained high growth fueled by rising mobile and table orders
- Securities/FX Trading: Volume fell sharply, weighed down by the lingering impact of FY26.3 2Q major customer churn

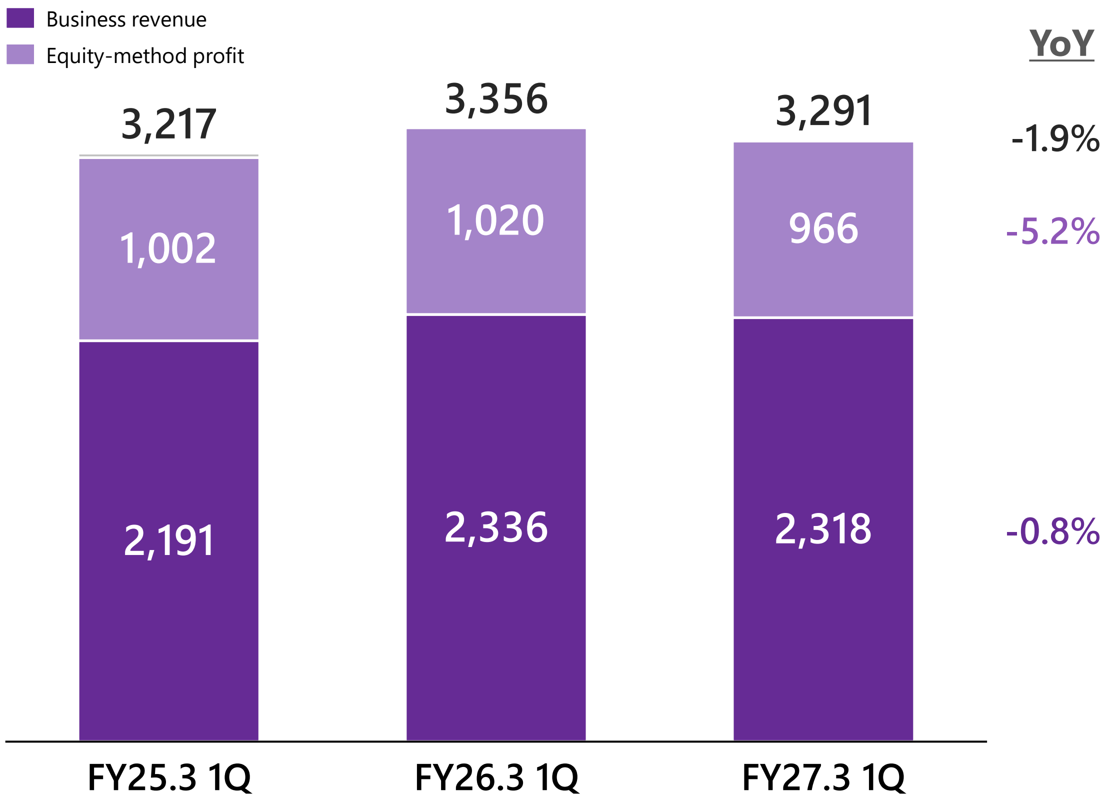


Segment Performance

- Strategic Businesses: Several businesses highly synergistic with our payments segment have entered their growth phase, narrowing overall business losses
- Equity-method earnings from Kakaku.com and others declined, but payment volume via the platform continues to grow (See 24p)

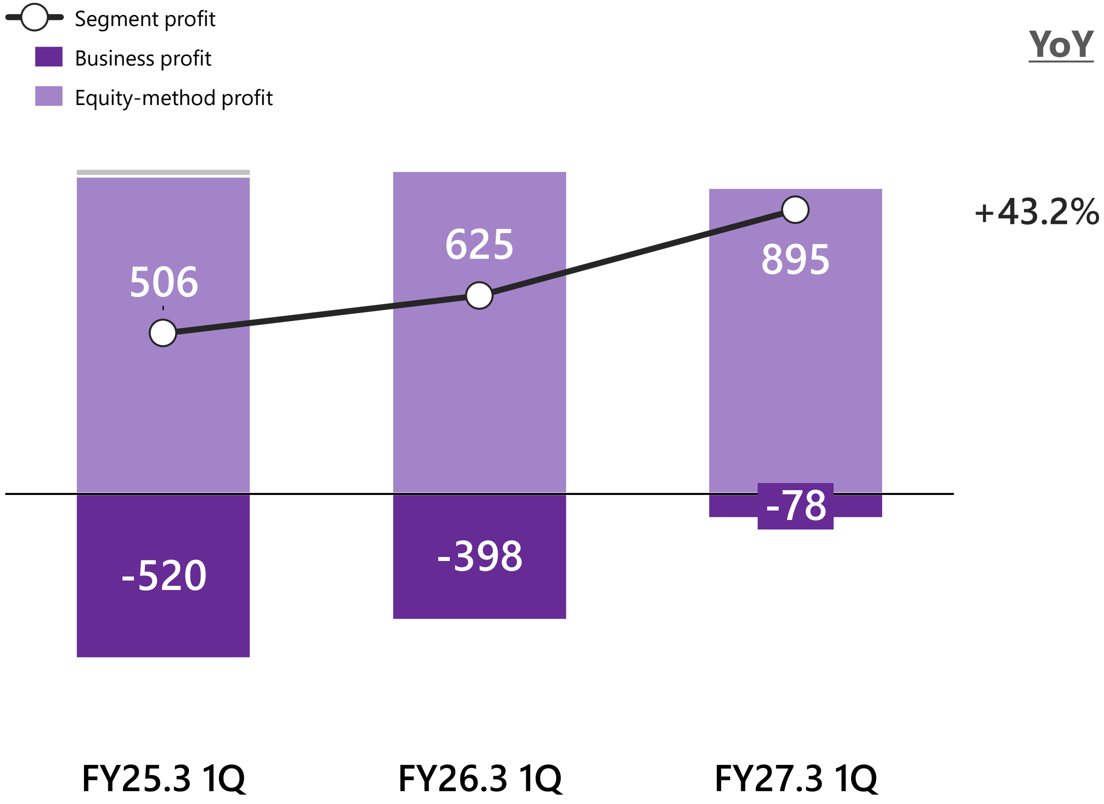
Segment Revenue

(Unit: M JPY)



Segment Profit

(Unit: M JPY)



Segment Performance (Breakdown of Operational Investment Securities)

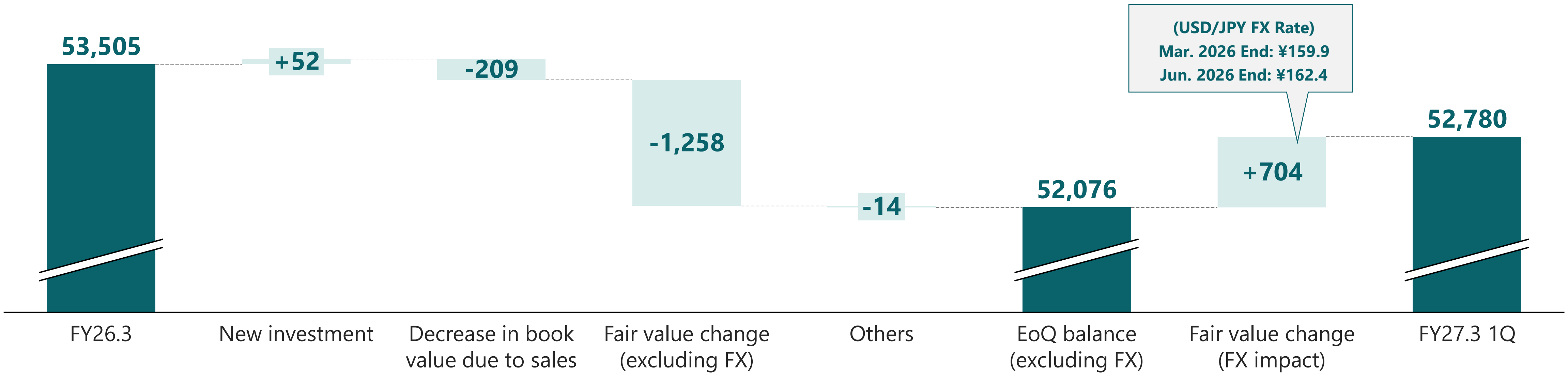
- Strategic Partnership: Reached a basic agreement in May 2026 with one of the world's leading venture-focused secondary fund
- Portfolio Optimization: Expect to achieve Medium-Term Plan KPIs by selling and transferring the majority of our investment portfolio (See 25p)

(Unit: M JPY)

Operational Investment Securities – Waterfall Chart

Investment business income (MTP) 5-year (cumulative): ¥30.0 B (FY24.3 ~ FY28.3)

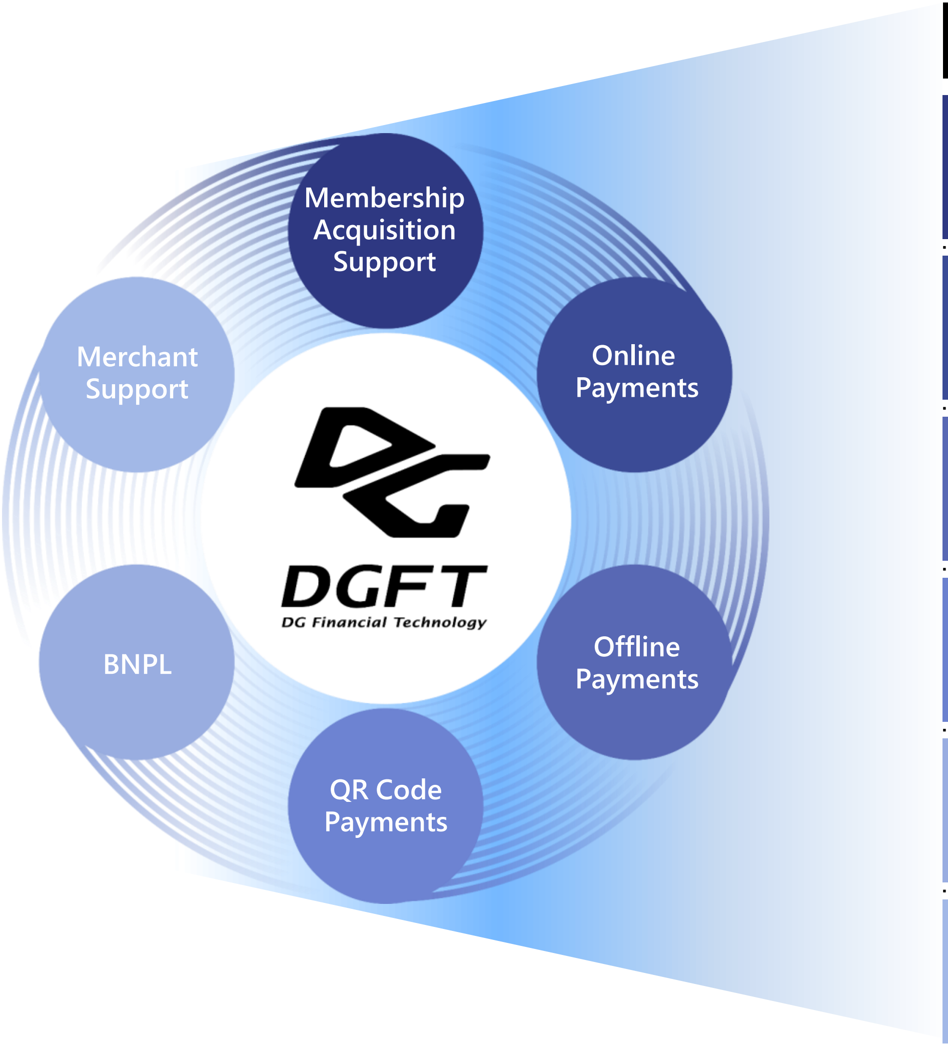
Investment business income (Actual) 3-year (cumulative): ¥16.3 B (FY24.3 ~ FY27.3 1Q)



IV. Segment Topics

I PS Platform Solution – Business Overview

Digital Garage



Business Domain	Growth Engine	Results
Membership Acquisition Support	Affiliate advertising consulting capabilities & technology utilization	Annual Revenue ¥24.4 B
Online Payments	Further expansion through collaboration with Resona/KDDI Group, etc.	Annual GMV ¥6.1 T
Offline Payments	Collaboration with Toshiba Tec Corporation, ANA Group, Square & Recruit etc.	Annual GMV ¥3.0 T
QR Code Payments	Growth acceleration by Cloud Pay series	3y CAGR +45%
BNPL (Buy Now Pay Later)	Business growth through SCORE's expansion into the B2B BNPL	3y CAGR +38%
Merchant Support (Website creation, cybersecurity, etc.)	Marketing talents collaboration and unified data infrastructure development	Annual Revenue ¥6.5 B

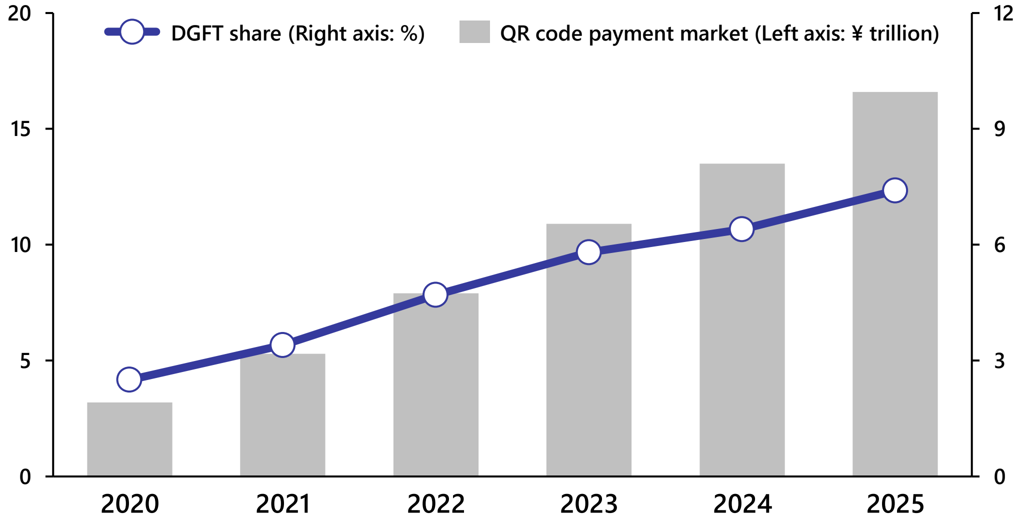
(*Annual results: Apr. 2025 – Mar. 2026; 3Y CAGR: FY23.3 to FY26.3; QR code payment: GMV CAGR; BNPL: PBT CAGR)

Growth in QR code payments driven by Cloud Pay

- Our QR code payment transaction volume is growing 1.7x faster than the broader market. Volume cleared ¥1 trillion in 2025 and has reached ¥1.5 trillion over the trailing 12 months
- We will drive further market share gains by leveraging our patented Cloud Pay series of bundled QR payment services

< QR Code Payment Transaction Volume Clears ¥1 Trillion >

- DGFT's QR code payment transaction volume crossed the ¥1 trillion mark for the first time in 2025
- Over the past three years (2022 to 2025), we achieved a CAGR of 48%
- Outpaced the broader market's 28% growth by 1.7x, allowing us to steadily capture market share



*Source: Market size based on data from METI; DGFT share based on Digital Garage estimates

< Cloud Pay Series – Outline >

Cloud Pay — Patented

Cloud Pay Neo — Patented

1. One of Japan's largest QR Payment Bundled Services
2. Low-cost deployment enabled by a device-less approach
3. Offer access to payment methods beyond QR codes, such as credit cards

Driving adoption across cash-heavy sectors where fragmented systems remain prevalent

- Vending machines (Market size: ¥2 trillion)
- Arcade & family entertainment (Market size: ¥720 billion)
- Preschools & childcare facilities (Market size: ¥2.5 trillion)
- Field services (Market size: ¥4 trillion)
- Parking facilities
- Food service & retail

*Source: June 15, 2026 press release, "Digital Garage Group's Cloud Pay QR Code Payment Transaction Volume Clears ¥1 Trillion"

Segment Overview

Digital Garage

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

Through initiatives to support Kakaku.com's growth and cross-Group projects, we aim to expand payment transaction volume generated by Kakaku.com Media, while building new revenue streams through the development of strategic businesses and M&A and increasing DGFT's payment transaction volume

LTI segment business domain

Kakaku.com

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

Media

食べログ	• Monthly users:	97M
	• Monthly PV:	2,460M
価格.com	• Monthly users:	31M
	• Monthly PV:	236M
求人ボックス	• Monthly users:	16M
	• Monthly PV:	173M

* As of March 2026

Traffic →

Digital Garage

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

Focus area

- Ⅰ Industry-specific DX
- Ⅱ B2B payment/finance
- Ⅲ Next-gen technologies

Payment →

PS segment business domain

DGFT DG Financial Technology

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

Payment

Payment TXN volume	¥10T
Payment Location	1.40M
Supported payment methods	40+ types

* Data is based on the trailing 12 months (TTM).

Ⅱ LTI Update on Strategic Businesses

- Several strategic businesses highly accretive with payments have entered the growth phase, driving a steady expansion in both revenue and payment transaction volume.
- Payment transaction volume via Kakaku.com continues on a steady upward trajectory, and we are promoting joint business initiatives that leverage the assets of both companies.

Key Business Topics

Growth of AppPay (out-of-app PMT service)

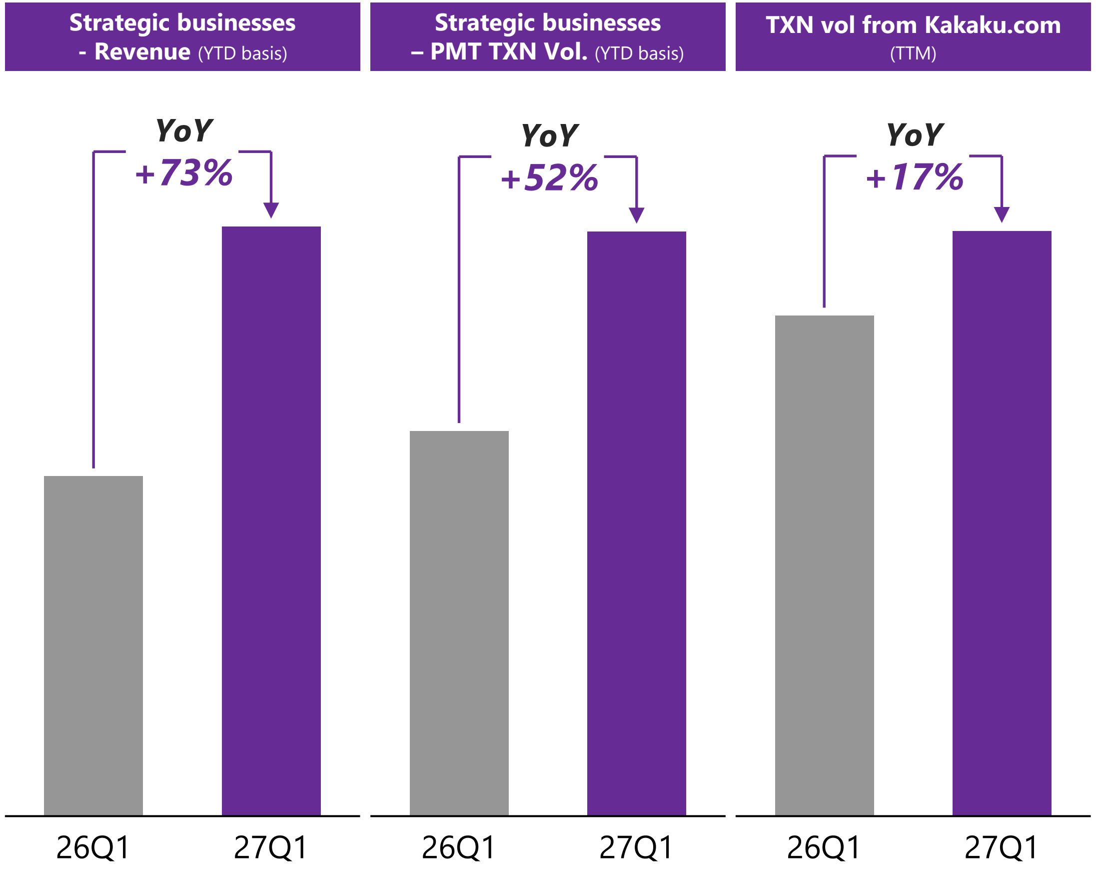
- Global Expansion: Payment volume surged approximately 6x YoY
- Regulatory Tailwinds: Expanding business scale, bolstered by the new Smartphone Act (enacted Dec. 2025)
- Steady growth in contracted titles secured our position as Japan's No. 1 off-app billing platform*1

Launched Musubell Smart Identity Verification

- Compliant with the upcoming April 2027 AML regulations
- Streamlines operations using mobile eKYC
- Capitalizing on robust eKYC demand to scale our client base

Pocket Change's "Pokepay" launched in Kita Ward, Tokyo

- Selected as the engine for Kita Ward's local digital currency
- Launching Fall 2026: Powered by Pokepay, the proven platform behind Shibuya's "Hachi-Pay"



*1) 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)

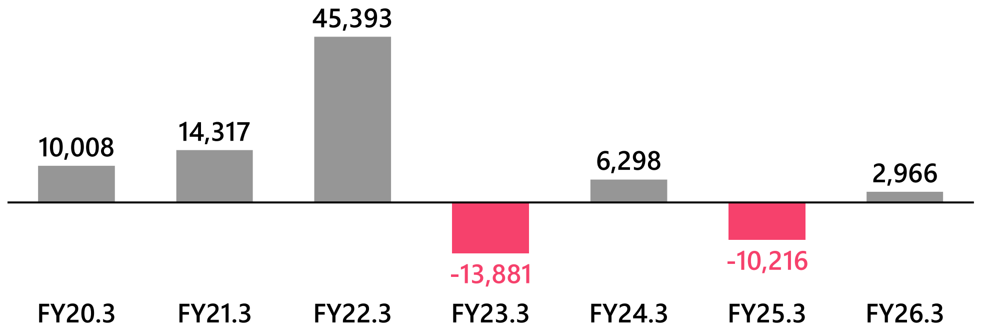
Off-Balance Sheet Initiatives

- Executing our Medium-Term Plan to transition assets off-balance sheet, minimizing earnings volatility and securing a stable operating base
- Following our basic agreement with a world's leading secondary fund, we are actively negotiating terms for the strategic portfolio sale

Investment Business: Challenges & Progress to Date

Earnings volatility driven by fair value fluctuations (including FX impacts)

Consolidated Profit Before Tax (JPY millions)



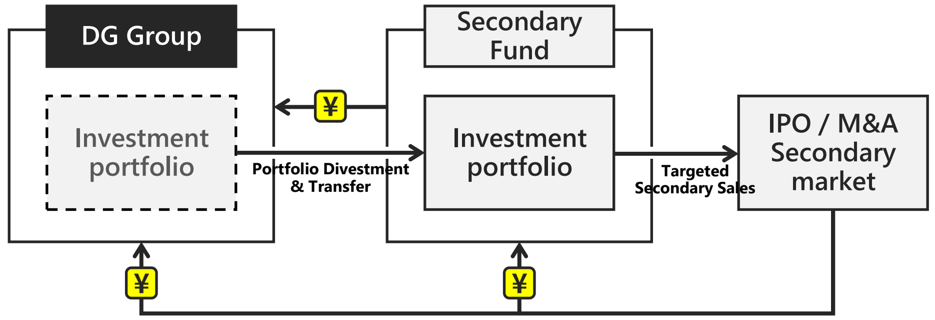
Medium-Term Plan: Off-Balance Sheet Transition & Investment Restructuring

- Disciplined approach to new investments
- Accelerating direct investment exits
- Shifting to a fund-based model

Balance Sheet De-Risking Through Secondary Fund Partnership

Negotiating final deal terms and structure

Overview of Strategic Off-Balance Sheet Plan



Divesting majority of the DG Group portfolio to secondary fund—
de-consolidating investment assets to unlock liquidity

Smoothing out earnings volatility to establish a stable operating base

V. Strategic Businesses Leveraging Next-Generation Technologies

Agentic Commerce and Stablecoin Initiatives

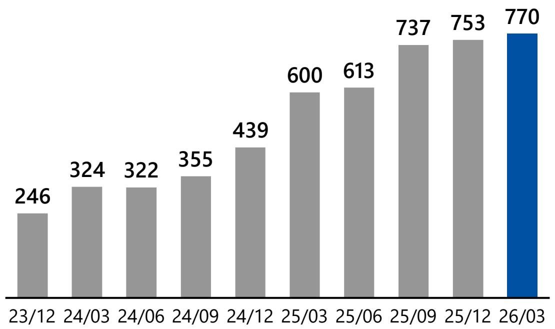
Digital Garage

Across the Group, we are providing end-to-end infrastructure for the AI agent era—from top-of-funnel awareness through to payment and settlement—fueling our clients' business growth

Scaling Stablecoins and AI Agents

Mainstream adoption of stablecoins is fueling the development of AI agents

USDC circulating supply[*1] (Unit: 0.1 B USD)



About AI Agents

Product Search
Comparison & recommendation
Order & Checkout Processing
Automated settlement

- Unlike legacy AI that merely answers questions, these agents think and execute tasks on behalf of the user
- In e-commerce, agents manage the entire customer journey: from product discovery and comparison straight through to checkout and payment

By 2030, AI agents are projected to facilitate **approximately 25% of global e-commerce sales**[*2]

We are entering an era where AI will fundamentally rewire consumer behavior and the underlying industrial landscape

Supporting E-commerce Merchants in the Agentic Commerce Era

Adapting to AI agents is now an urgent imperative for e-commerce merchants

- Strategies to be chosen by AI
- Transition from SEO to GEO[*3]
- Integrating stablecoin payments

Launching two new services to provide comprehensive support for business growth in the AI era

Awareness & interest → Comparison & consideration → Product selection & cart → Payments → Settlement and payout

I DG Agentic One

Japan's first integrated Agentic Commerce platform

Integrating data, AI, and payments to build the commerce infrastructure for the Agentic Commerce era

×

II DG SPS (DG Stablecoin Payment Service)

Stablecoin payment infrastructure

Delivering seamless global payments, starting with inbound tourism and cross-border e-commerce

Building a new commerce ecosystem for the AI era

*1 Compiled from Circle Internet Group Inc., "Transparency & stability / Reserves composition" *2 Source: Deloitte, "Agentic commerce—Redefining the economics of retail" *3 Stands for "Generative Engine Optimization"

Integrated Agentic Commerce Platform, DG Agentic One™

Digital Garage

- Launching Japan's first integrated Agentic Commerce platform, DG Agentic One™
- Leveraging integrated expertise in Data Science ✕ Commerce ✕ Payments, powered by AI technology

Launch of a Next-Generation AI Agent Platform Business that Automates the Entire E-Commerce Process

< Structural Changes in the E-commerce Market >

2030 Forecast (*)

¥78 trillion	20%	¥15 trillion
Domestic online payments	Penetration rate of Agentic Commerce in Japan	Transaction volume of Agentic Commerce in Japan

Market Background

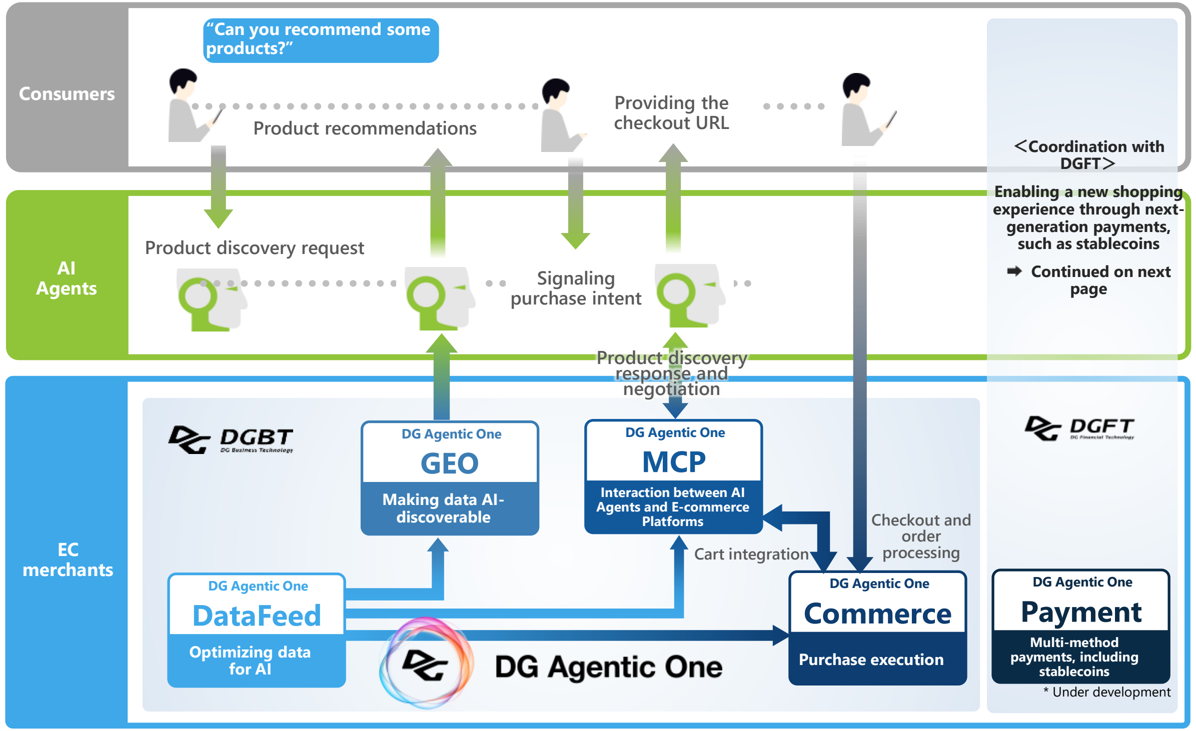
- The consumer journey is shifting from manual search and social media to AI-driven autonomous commerce—where agents handle discovery, recommendations, and checkout

Challenges for E-commerce Merchants

- AI agent integration protocols (UCP/ACP) are now a hard requirement for merchants
- Critical shortage of the technical know-how needed to structure data and build semantic context for AI

*Calculated by the Company based on the Ministry of Economy, Trade and Industry's "Market Survey on Electronic Commerce" and Yano Research Institute's "Current Status and Future Outlook of Online Payment Service Providers," among other sources

< DG Agentic One™ Architecture and Consumer Experience >



*Initiatives to improve operational efficiency and enhance practical effectiveness of the Agentic Commerce units, leveraging AI integration of e-commerce business operator data (patent pending)

Launch of DG SPS™: The Stablecoin Payment Platform for Offline, Online, and AI Commerce

- Launching DG SPS™, the stablecoin platform powering next-generation payments
- Unlocking seamless global payments—starting with inbound travel and cross-border e-commerce

< Addressable Markets for Stablecoin Payments in Japan* >

¥ 9.5 trillion	¥ 4 trillion	¥ 54 trillion
Inbound tourism spending	Cross-border e-commerce	Online payments in Japan

*All data are from 2025

Market Background

- Global stablecoin adoption is turning real-world B2B payments into a reality. At the same time, the point of sale is evolving, expanding beyond traditional offline and online checkouts to include AI

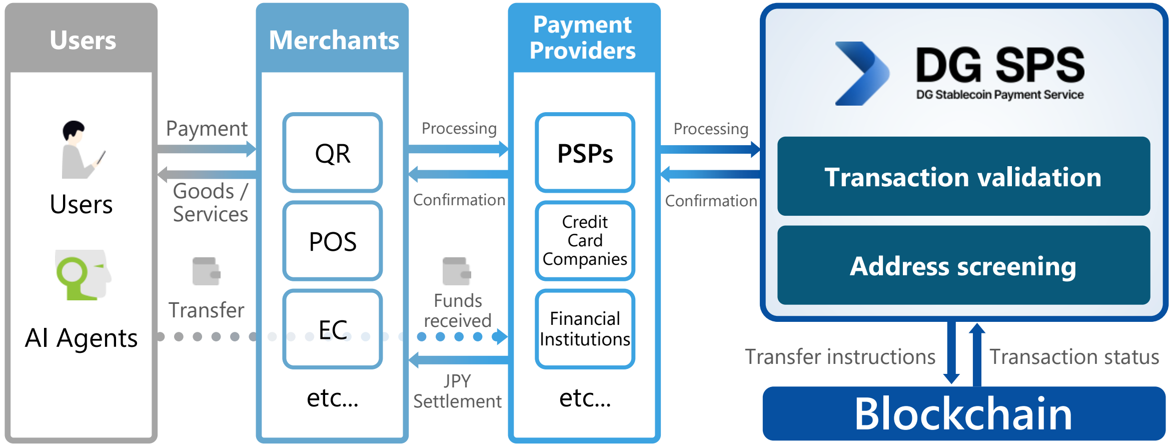
< Our Stablecoin Track Record >

Jan. 2026 Partnered with JCB and Resona Holdings to bring stablecoin payments to the mass market

Feb. 2026 Conducted a proof-of-concept using USDC and JPYC at physical retail stores

Digital Garage JCB Resona Group Resona Holdings

< DG SPS™ Payment Flow and Key Features >



Features

① Frictionless merchant integration via API

② Multi-chain support for key stablecoins

③ Unified backend powering AI Agent transactions

*Includes certain estimates based on sources such as the Japan Tourism Agency's "Inbound Consumption Trends Survey" and the Ministry of Economy, Trade and Industry's "Market Survey on E-Commerce."

VI. Kakaku.com’s Going-Private Transaction

Privatization of Kakaku.com

Digital Garage

- On August 13, 2026, EQT increased its tender offer price for Kakaku.com, Inc. to ¥3,570 per share (previously ¥3,450).
- If the transaction is completed during FY27.3, we expect to recognize approximately ¥30.0 billion in gain on sale of shares of subsidiaries and associates in our consolidated financial statements.

Tender Offer Price	● 3,570 yen per share (previously ¥3,450)
Share Repurchase Price	● 2,902 yen per share (previously ¥2,805)) ● Taking into account the fact that the provision which allows the deemed dividend not to be included in taxable income under the Corporation Tax Act is expected to apply to the Treasury Share Repurchase, the amount of after-tax proceeds for the Company with the Treasury Share Repurchase has been set such that such amount shall be substantially equivalent to the amount of after-tax proceeds the Company would have received had it tendered its shares in the Tender Offer at the Tender Offer Price
Tender Offer Period	● From May 13, 2026 to August 27, 2026
Expected Cash Proceeds (after the share repurchase and other transactions)	● 20 billion yen

Reference Materials

Business Segment Classification

Digital Garage

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, Resona Kessai Service

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, DGDV, DGUS, GEN LAB

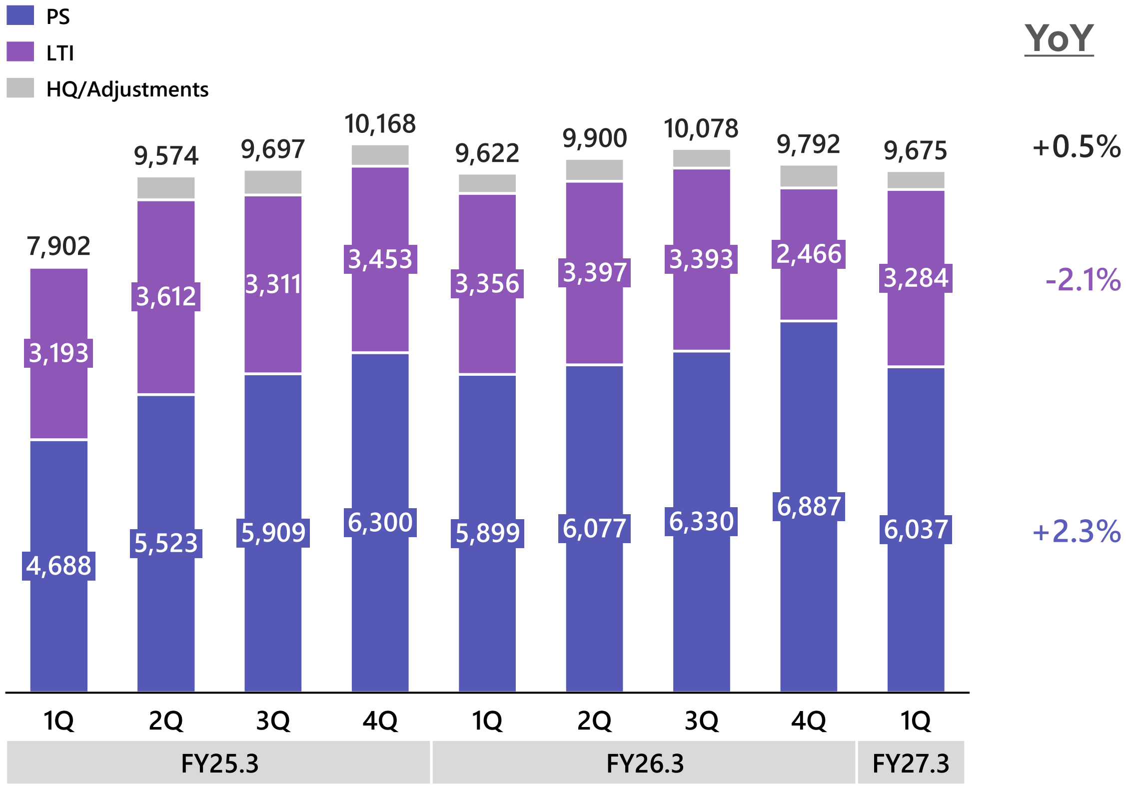
Reference Materials (1): Supplementary Data

Basic Business Revenue and Profit (Quarterly)

- Basic business profit declined due to lower profit in the core PS segment, as well as costs associated with HQ office optimization and the Kakaku.com project
- As a transition year toward the new Medium-Term Plan, driving group-wide cost efficiency improvements and optimization

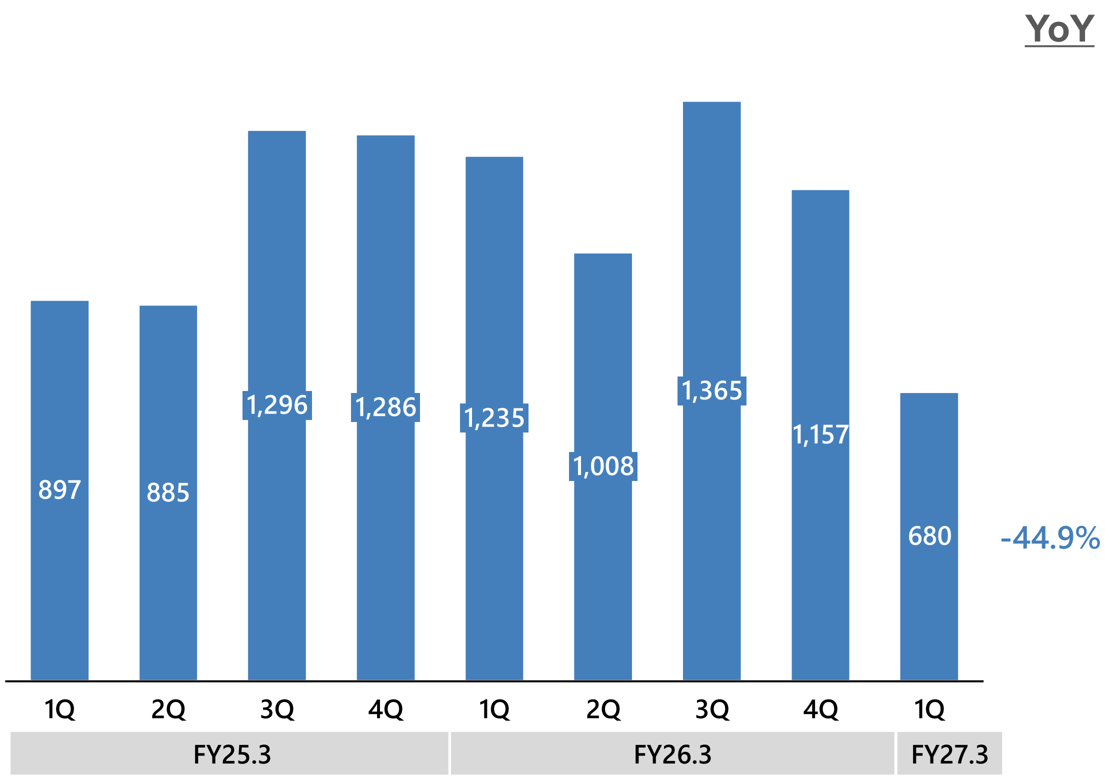
Basic Business Revenue

(Unit: M JPY)



Basic Business Profit

(Unit: M JPY)



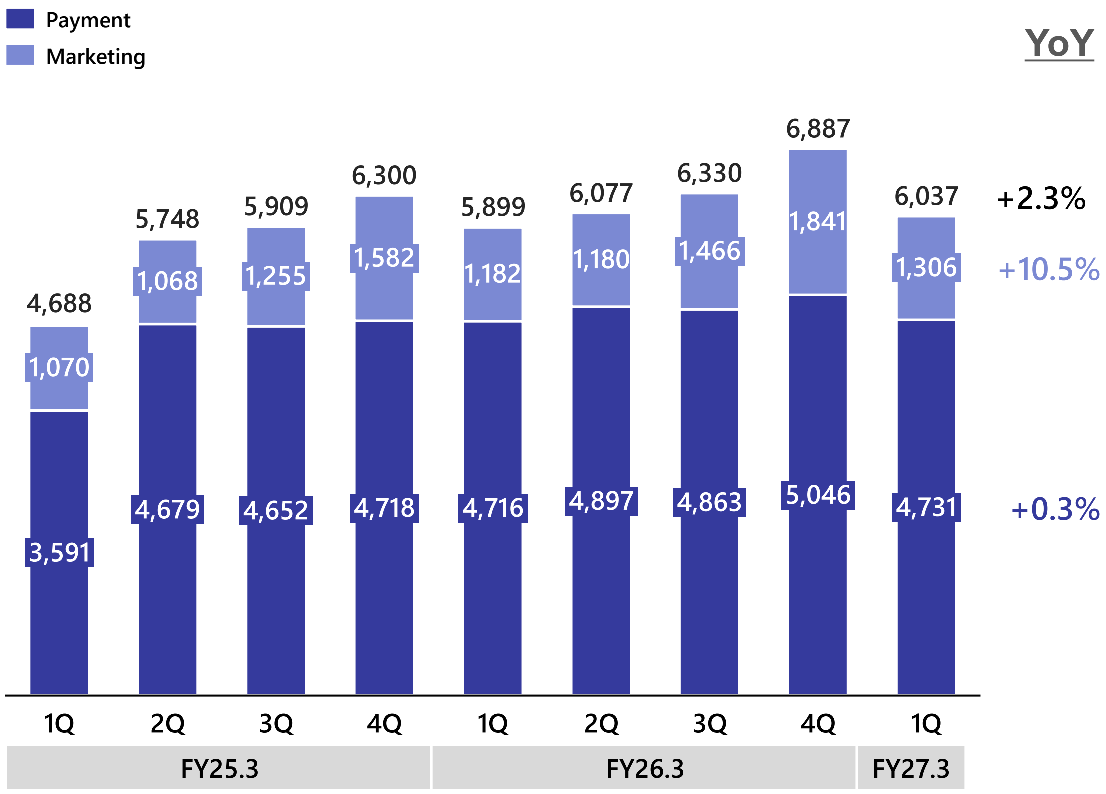
I PS Segment Performance (Quarterly)

Digital Garage

- Payments: Profit declined, mainly due to the impact of major customer churn and contract revisions in Q2 of the previous fiscal year
- Marketing: Continued to perform strongly, as in the previous fiscal year, supported by robust payment and financial services markets, delivering double-digit profit growth

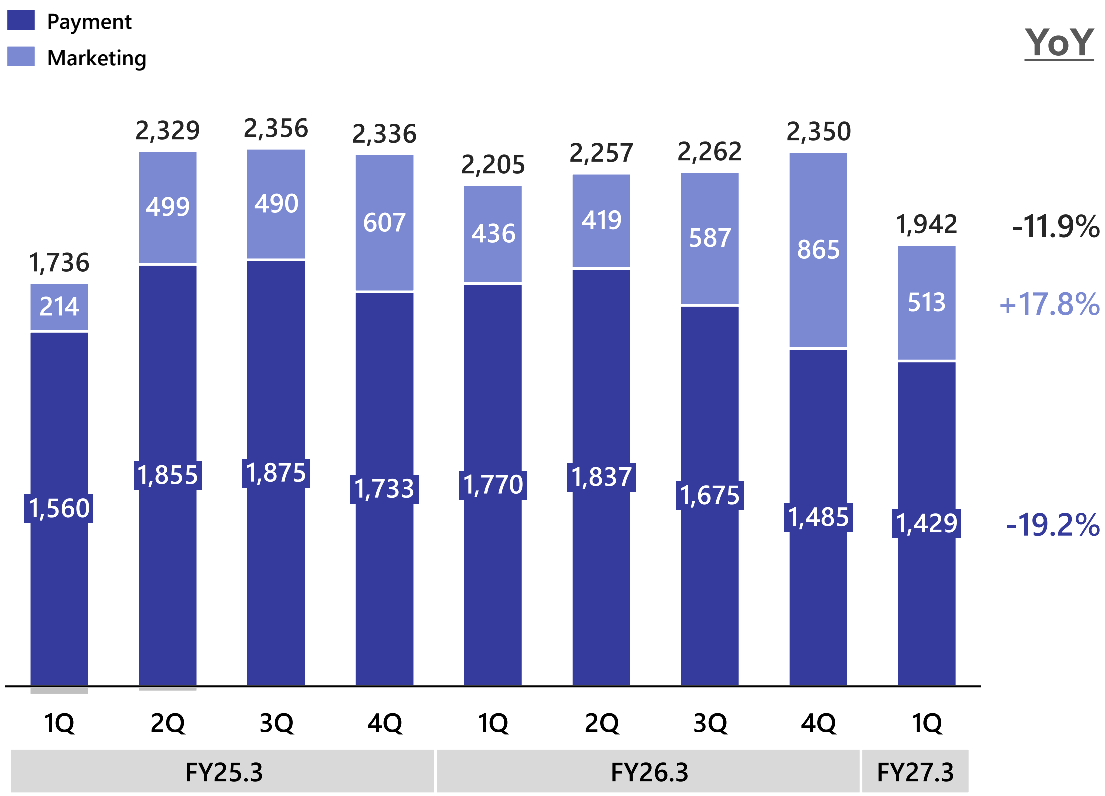
Segment Revenue

(Unit: M JPY)



Segment Profit

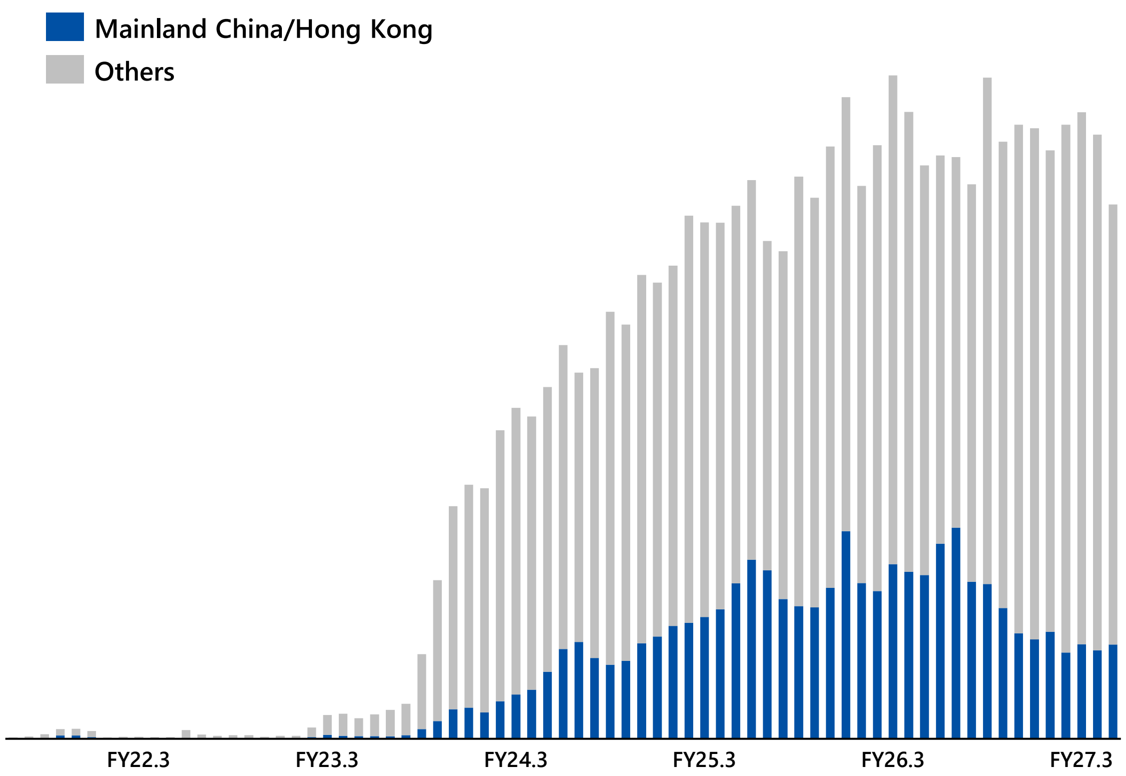
(Unit: M JPY)



I PS Inbound-related Payment

- 1Q visitor arrivals from China dropped 57% YoY. This prolonged sluggishness dragged down the overall inbound visitor growth rate by 5%
- As a result, inbound-driven QR code payments in 1Q fell 14% YoY

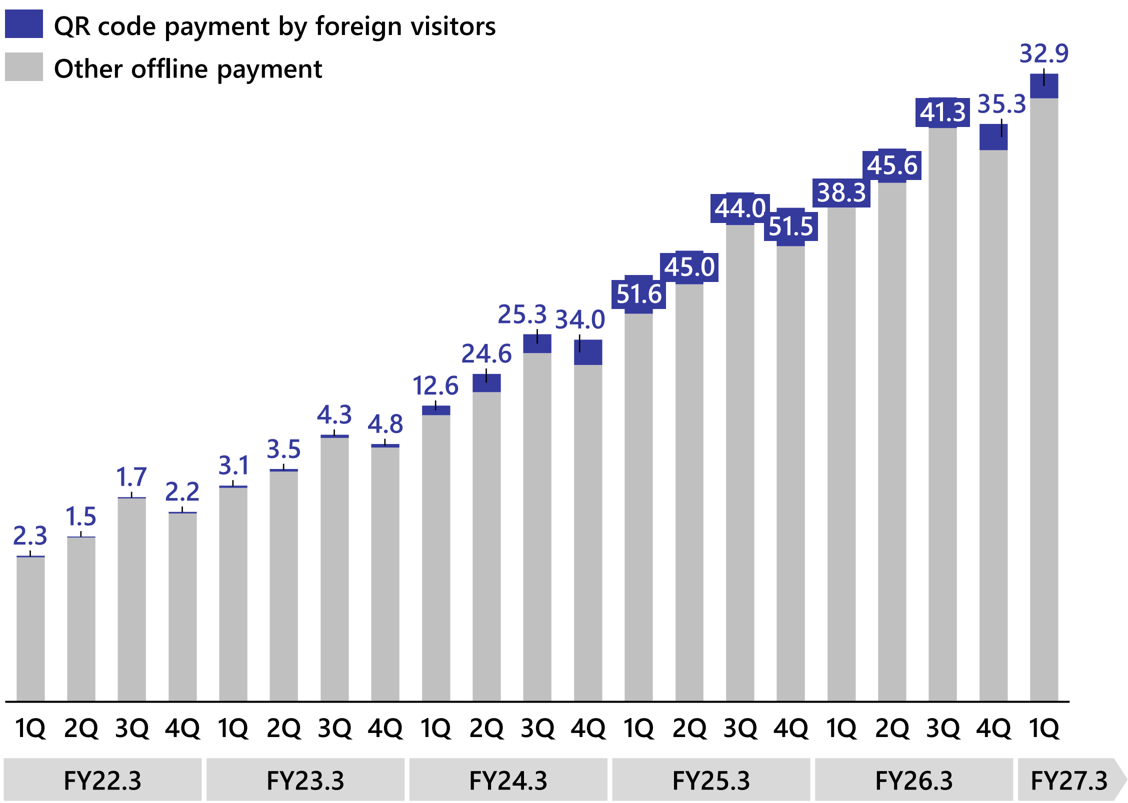
The Number of Foreign Visitors to Japan (by Area)



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

Offline Transaction Volume

(Unit: B JPY)

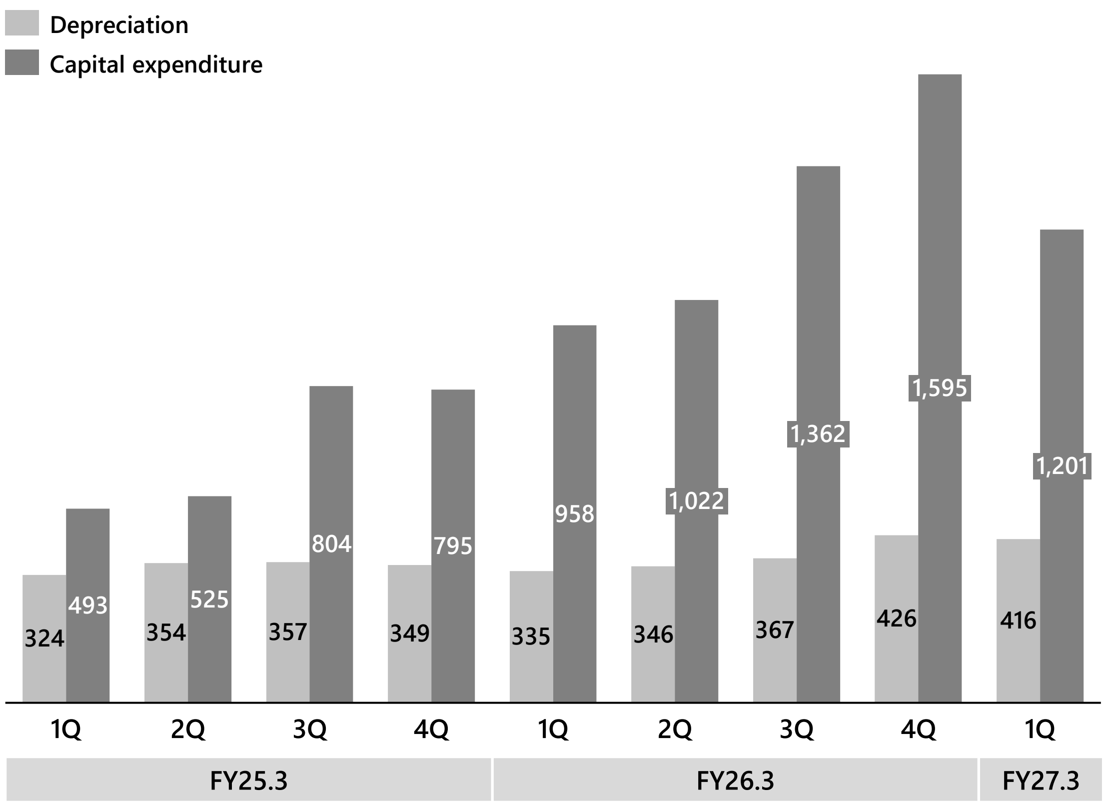


I PS Capital Expenditures and Expenses Related to Payment Business

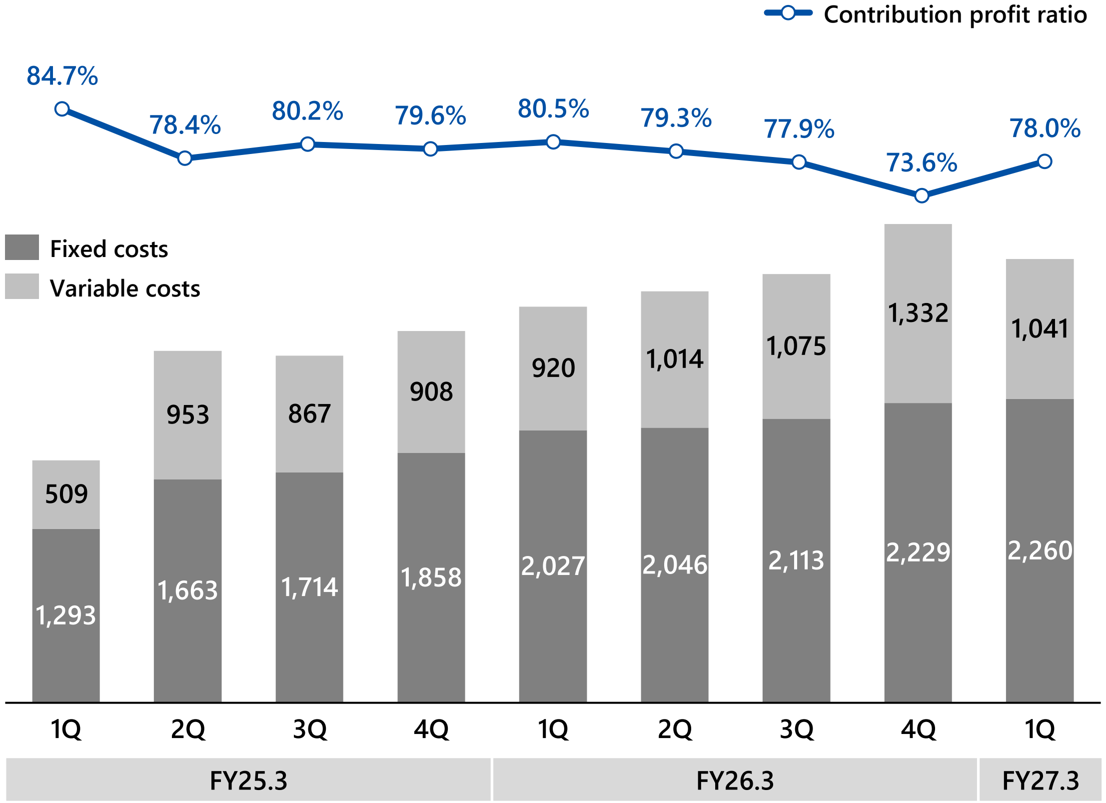
Digital Garage

- With major development projects largely completed, capital expenditures have been declining since peaking in Q4 of the previous fiscal year
- The contribution profit ratio has also recovered from the decline in Q4 of the previous fiscal year and is expected to remain stable at the current level going forward

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



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



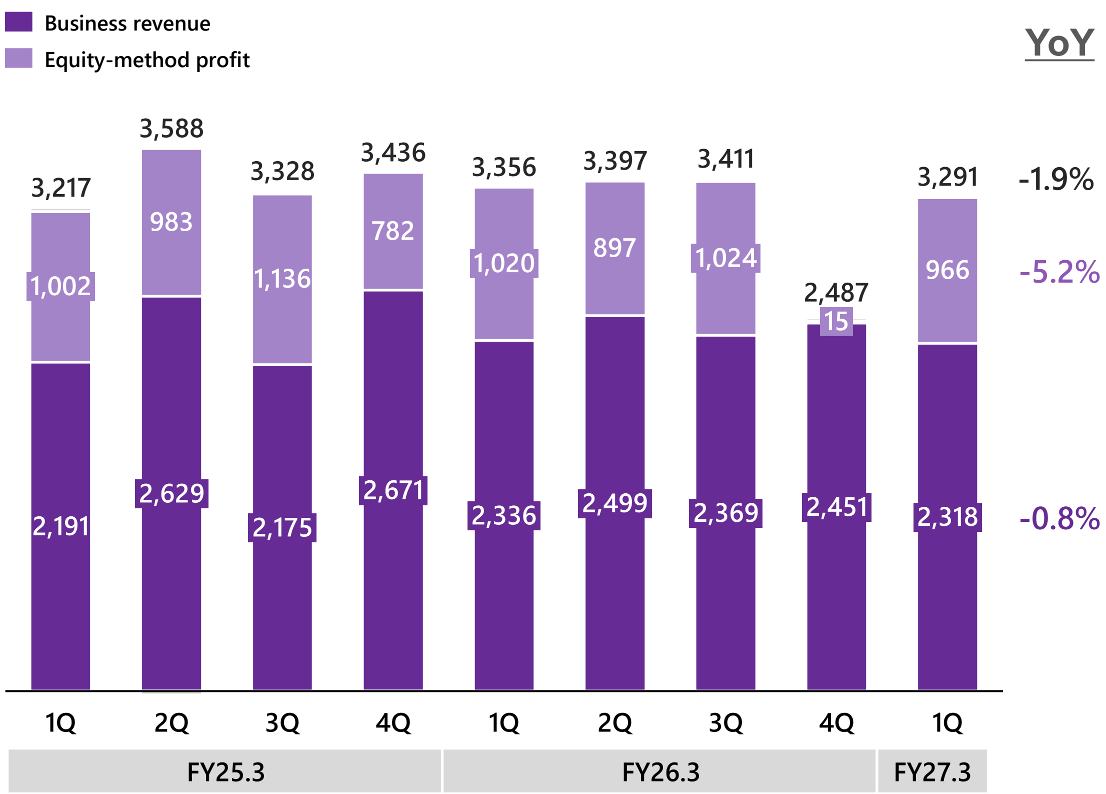
Ⅱ LTI Segment Performance (Quarterly)

Digital Garage

- Strategic Businesses: Several businesses highly synergistic with our payments business have entered their growth phase, narrowing overall business losses
- Equity-method earnings from Kakaku.com and others declined, but payment volume via the platform continues to grow

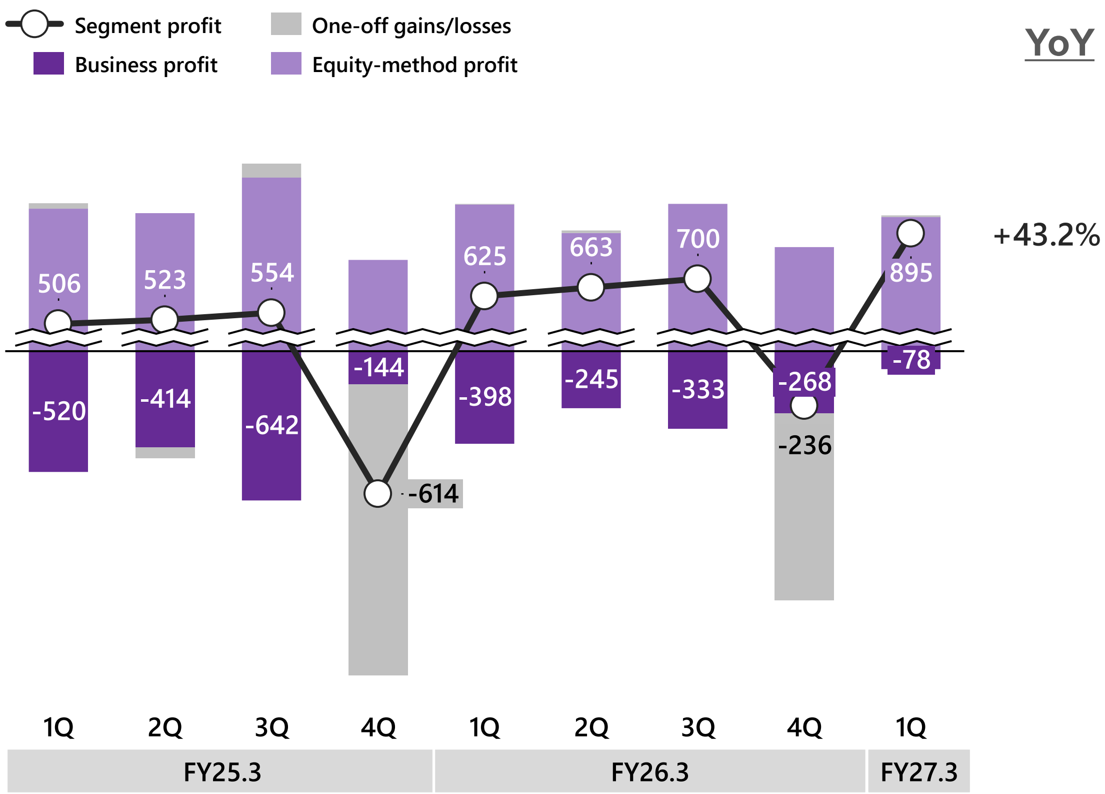
Segment Revenue

(Unit: M JPY)



Segment Profit

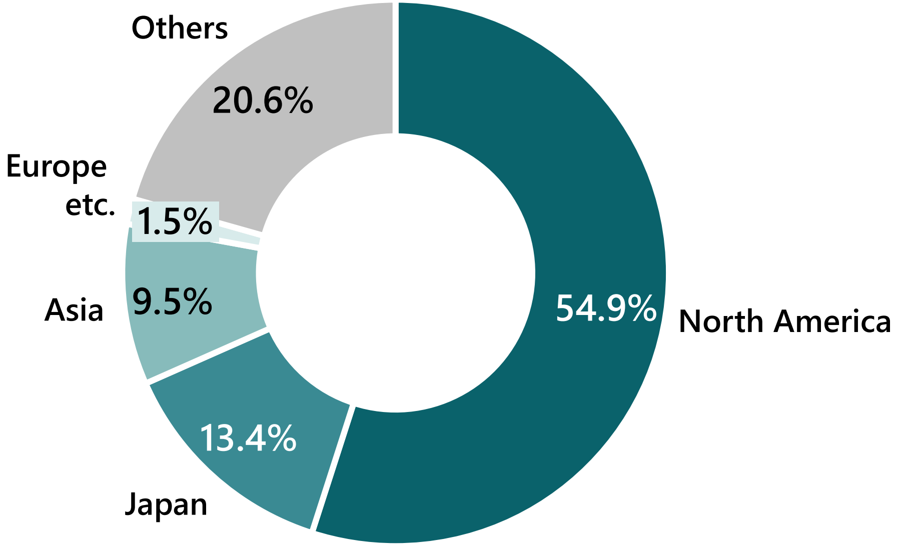
(Unit: M JPY)



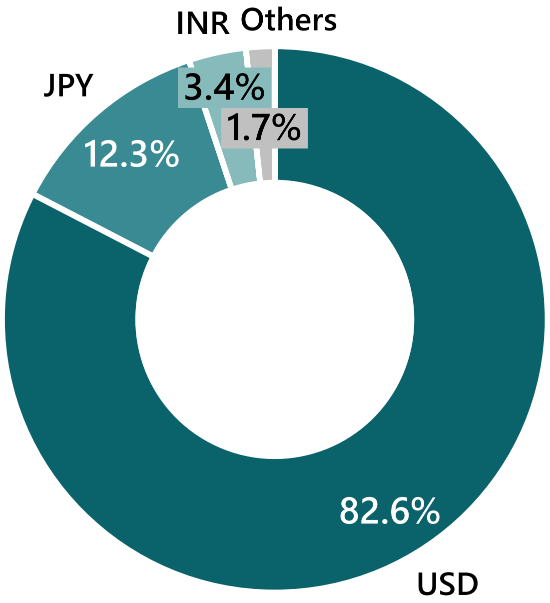
Breakdown of Operational Investment Securities

- Diversified portfolio comprising companies across North America, Asia, and Japan
- As of June 30, 2026, the fair value of our operational investment securities reached ¥52.8 B, approximately 2x the amount invested

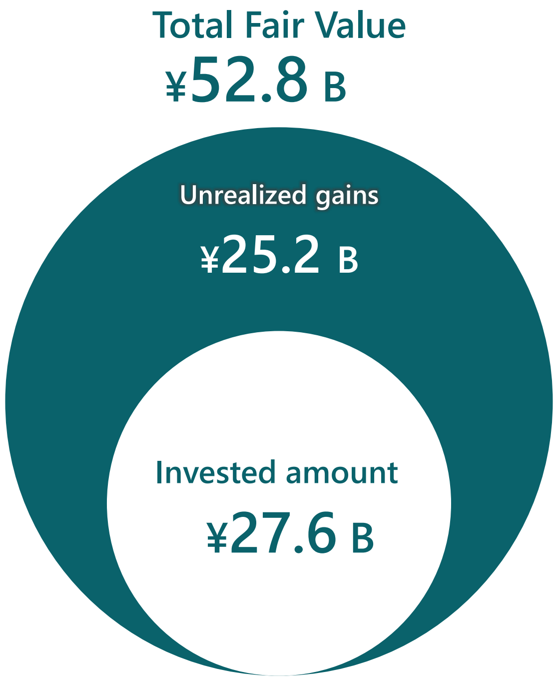
Investments by Area



Investments by Currency



Breakdown



Consolidated Statement of Financial Position (IFRS)

(Unit: M JPY) Digital Garage

	FY26.3 4Q	FY27.3 1Q	Difference	Reason for change / Remarks
Current assets	132,472	126,455	-6,017	
Cash and cash equivalents	40,469	40,805	+336	
Trade and other receivables	35,695	29,792	-5,902	Payment business-related item
Operational investment securities	53,505	52,780	-725	Exit and change in fair value of investee companies in GII segment (including FX effects)
Non-current assets	86,231	86,666	+435	
Property, plant and equipment	11,997	11,064	-933	
Intangible assets	11,390	12,240	+850	
Investments accounted for using equity r	37,356	37,414	+57	
Other financial assets	14,761	15,118	+357	Change in fair value of investee companies (including FX effects)
Total assets	218,703	213,121	-5,582	
Current liabilities	87,868	86,246	-1,623	
Bonds and borrowings	26,366	26,545	+179	
Trade and other payables	54,364	52,861	-1,504	Payment business-related item
Non-current liabilities	53,139	51,297	-1,841	
Bonds and borrowings	35,687	34,308	-1,379	
Other financial liabilities	4,927	4,407	-521	
Total liabilities	141,007	137,543	-3,464	
Total equity attributable to owners of paren	75,584	73,006	-2,578	
Share capital	8,014	8,285	+271	
Capital surplus	5,457	5,054	-404	
Treasury shares	-5,033	-5,002	+31	
Retained earnings	65,146	62,401	-2,745	
Non-controlling interests	2,112	2,573	+461	
Total equity	77,696	75,578	-2,118	

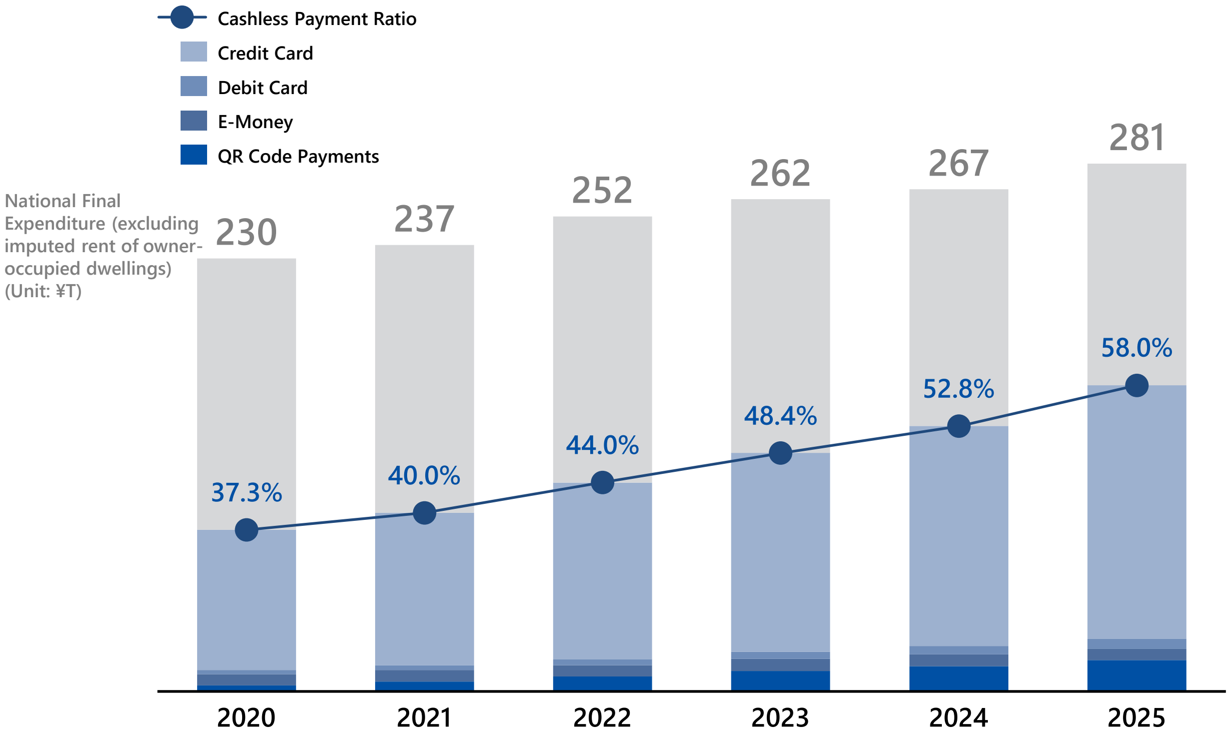
Reference Materials (2):
Business Model

B2C Cashless Market

Starting in 2026, METI is updating their cashless payment tracking methodology

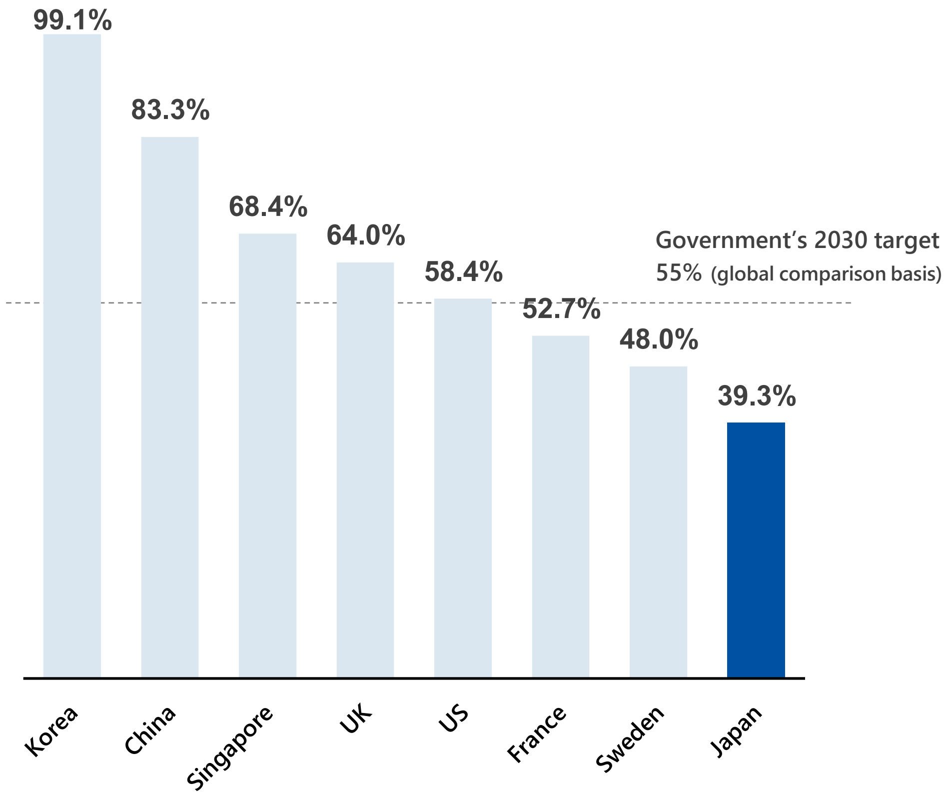
Specifically, stripping out non-transactional items such as imputed rent gives a clear picture of actual spending, and the government aims for 65% cashless penetration in Japan by 2030 (55% on a global comparison basis)

Cashless Market Size (Japan)



Cashless Rate by Country

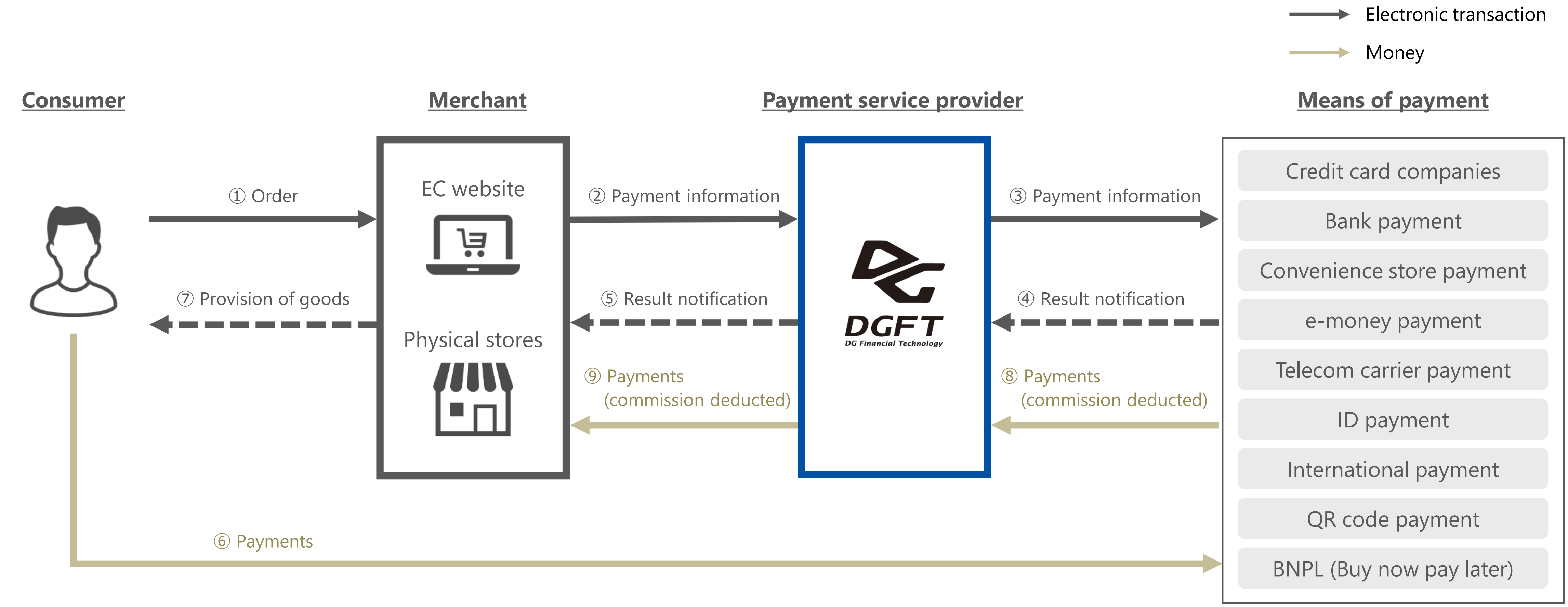
(As of 2023)



Sources: Japan Consumer Credit Association; Cabinet Office, "National Accounts"; Japan Debit Card Promotion Association (through 2015); Bank of Japan, "Payment and Settlement Systems Report" and "Payment and Settlement Statistics" (from 2016 onward); Payments Japan Association, "Survey on Code Payment Usage Trends"; and Cabinet Office, "National Accounts" (Nominal), Payments Japan Association, "Cashless Payment Ratio in Major Countries"

Structure of Payment Service Provider

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



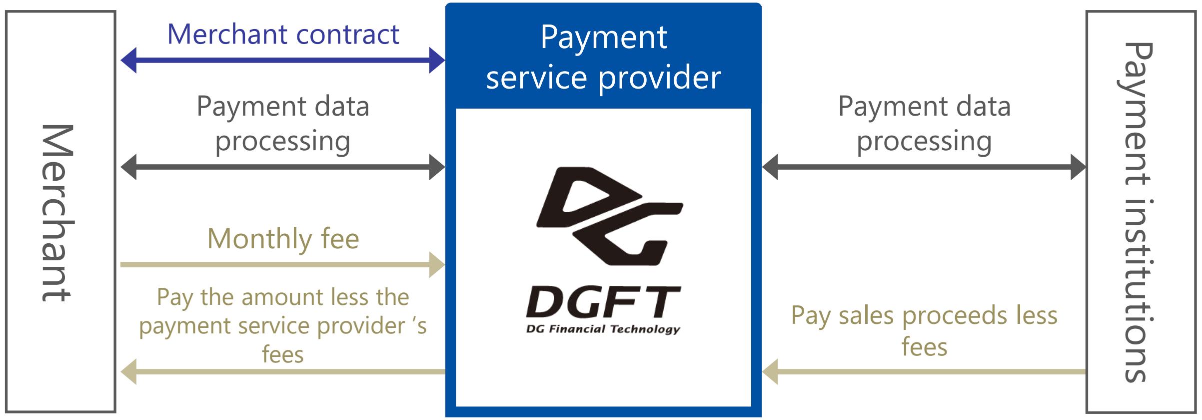
I PS Contract Type of Payment Service Provider

Digital Garage

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

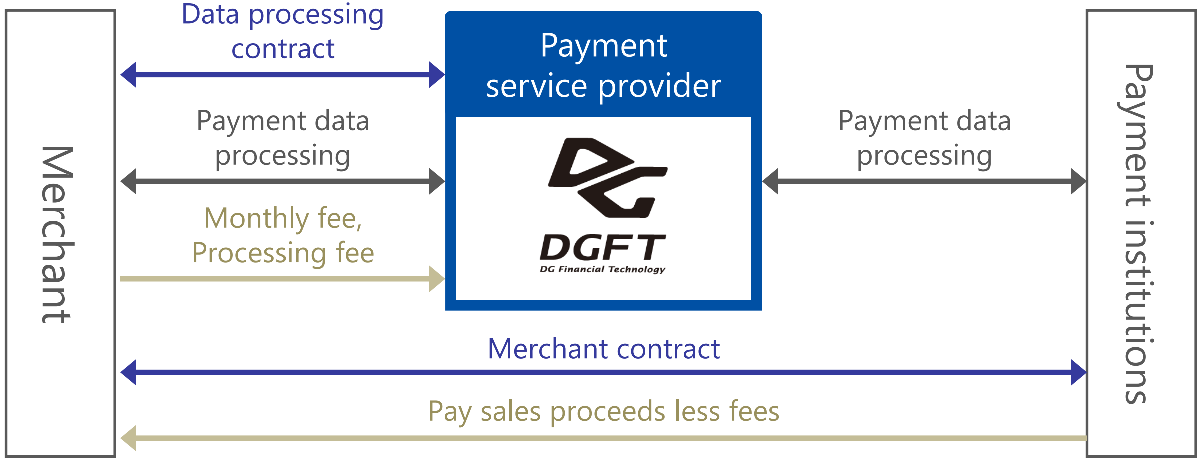


Payment data processing type（Direct contract）

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

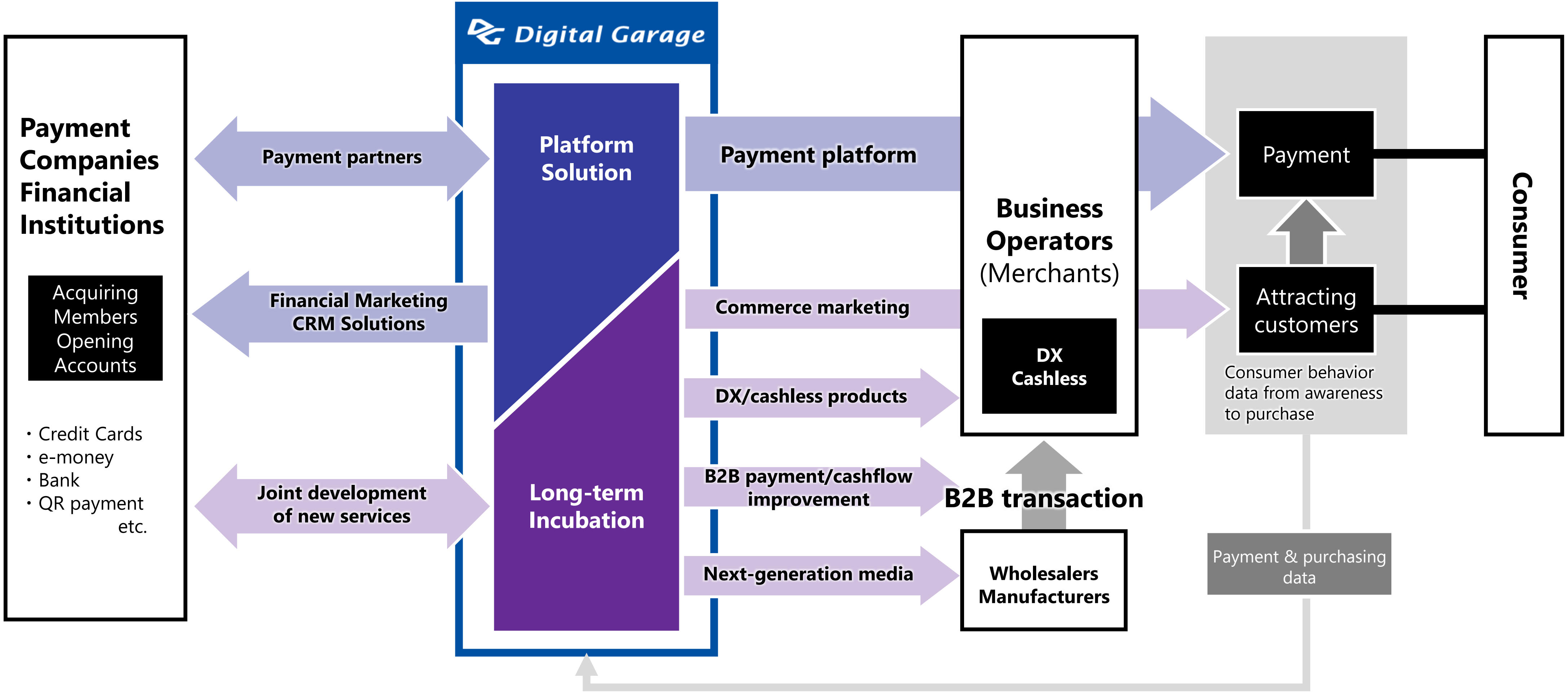
- Provide payment systems and automate card payment processing
- Merchants sign contracts directly with credit card companies
- Provide the necessary software and transaction management tools
- Also provide support for software installation

Electronic message
Money



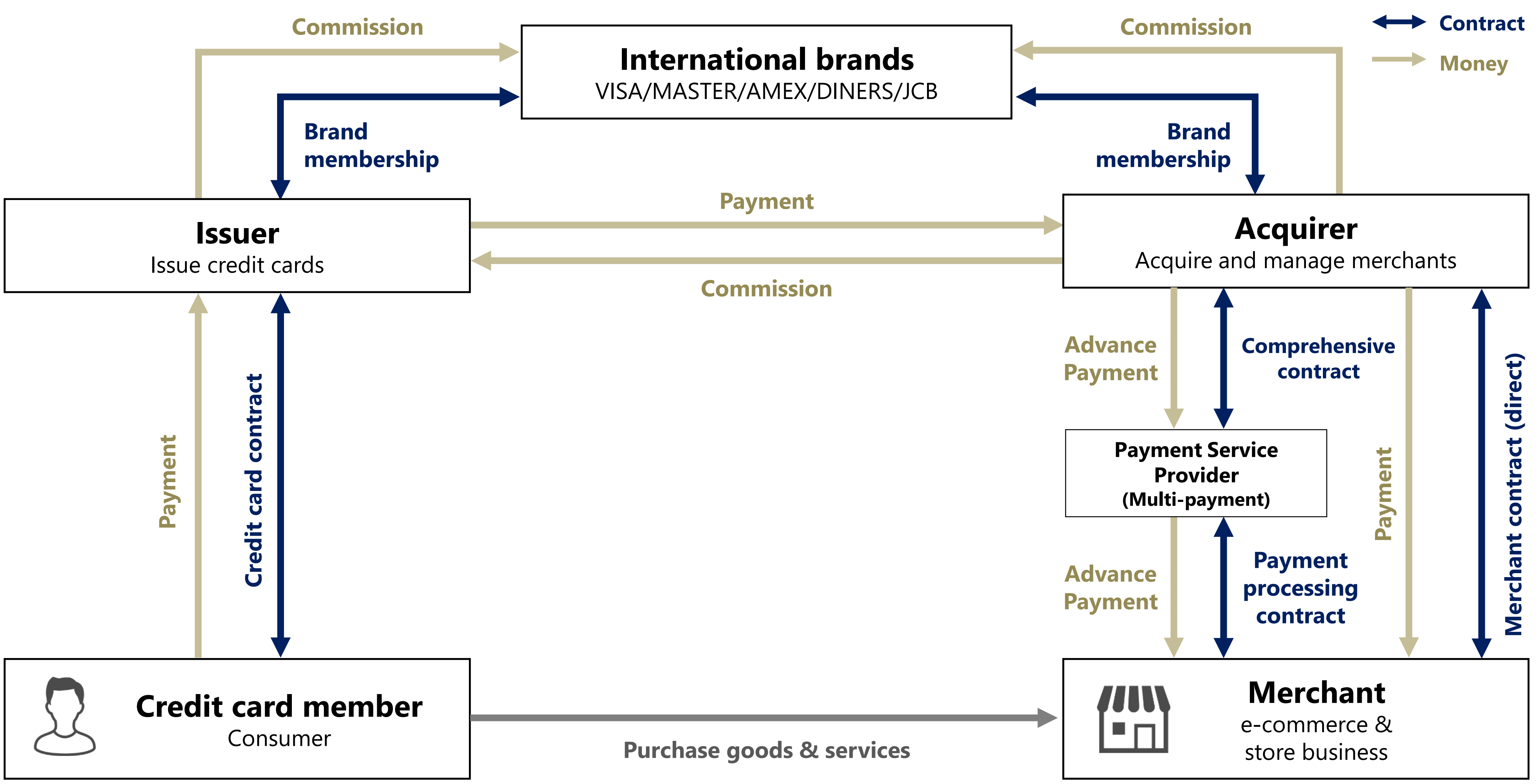
Multi-layered Business and Revenue Opportunities Related to Payments

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

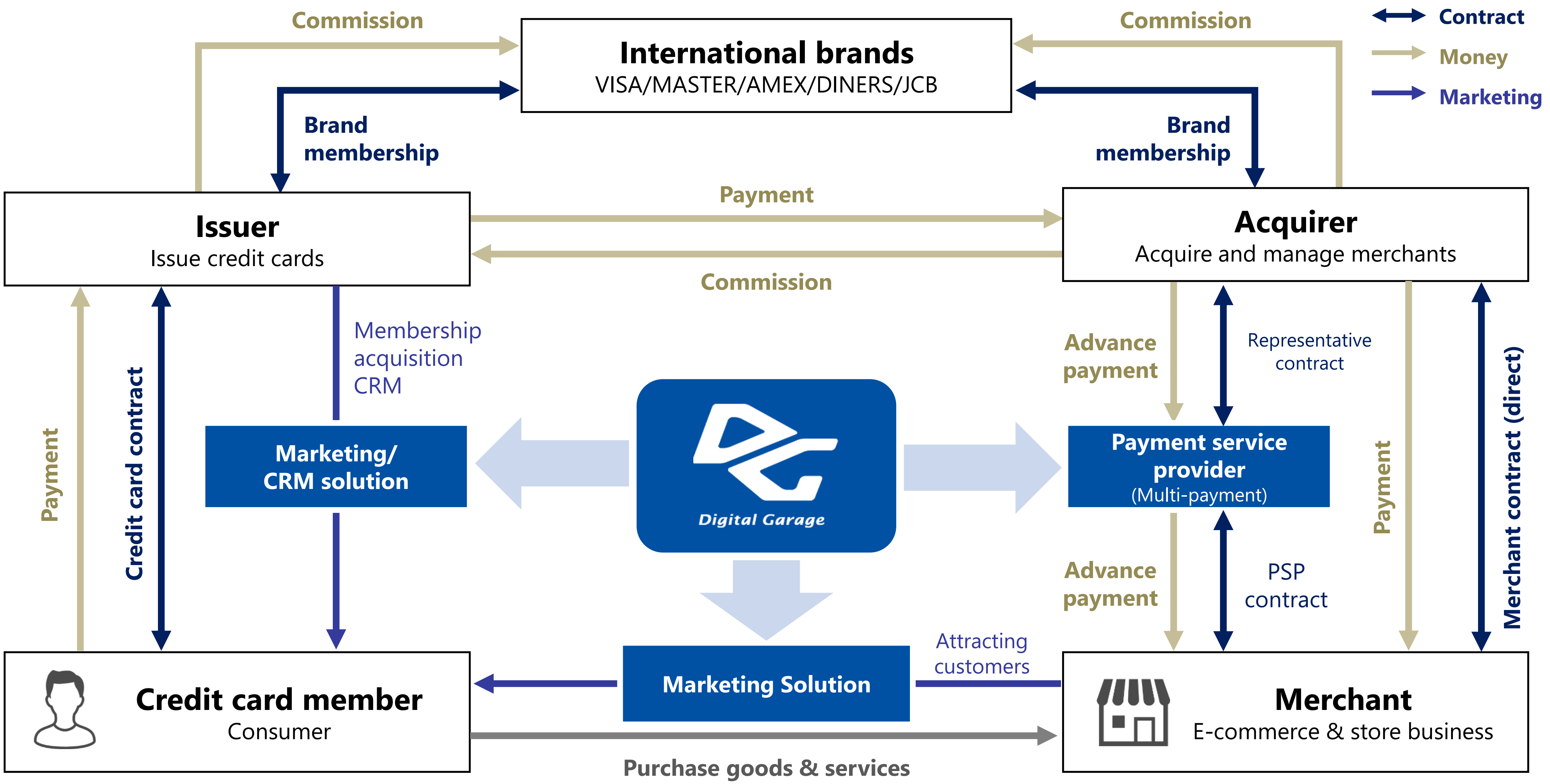


The Structure of Credit Card Industry

Digital Garage



DG's role in the Credit Card Industry



Reference Materials (3):
Cashflow Allocation / Shareholder Return

Cashflow Allocation

Digital Garage

PL	Revenue	Expenses	Distributable cash	Use of cash
Profit before tax in PS +Depreciation + Impairment/valuation gains/losses	Cashflow before tax Dividends from subsidiary and affiliates	Headquarter costs	Base business cashflow	Corporate tax Capex in PS Repayments of debt Shareholder returns (progressive dividend) New business development
	Investment Business Income ・Proceeds from the sales of securities ・Distribution income from funds ・Dividends Income	Costs for investment business	Investment business cashflow	Corporate tax etc. in investment business Additional Shareholder returns Startup investment Strategic investment M&A

10+ bn JPY in 5 years

Positive cashflow from new Business will be added to the Distributable cash

30+ bn JPY in 5 years

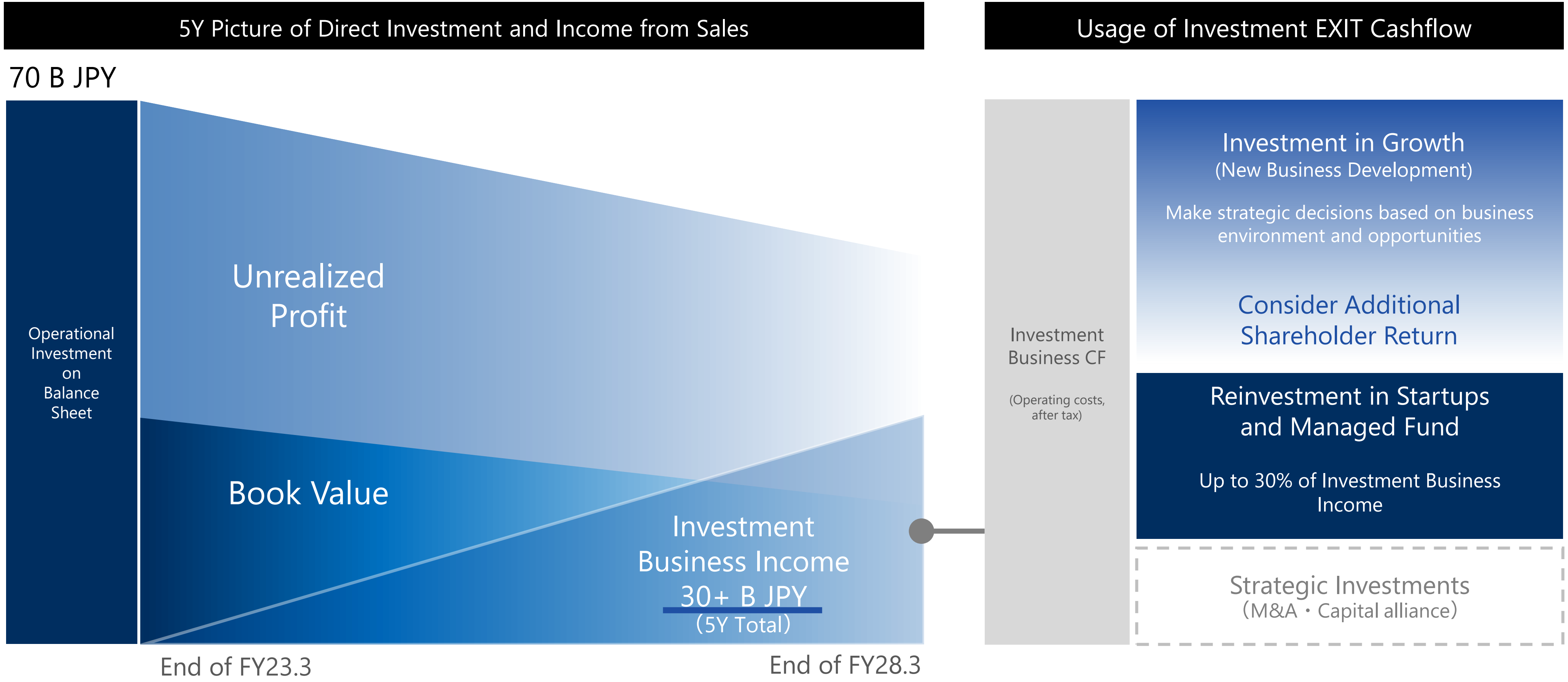
Up to 30% of investment business income

Finance

Debt, equity, asset sales, etc.

Financial Strategy and KPIs for Investment Business

- 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



Shareholder Return Policy

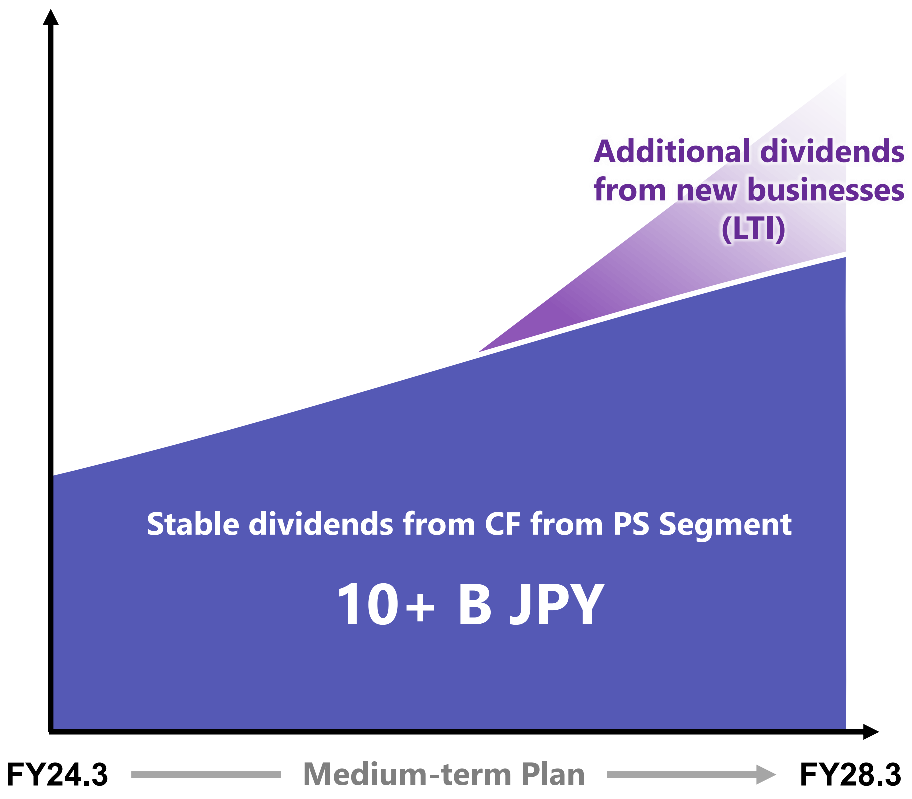
	Policy	Distributable Resources
Stable Dividends	Long-term stable dividends on a progressive dividend basis	Base Business Cashflow
Accelerating Dividend Increase	Increasing dividend growth rate by launching new businesses	
Additional Return	Special dividends/share buybacks based on portfolio sales progress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

Shareholder Return Policy

Digital Garage

- 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	2nd Layer (New businesses)	Aim to increase dividends by generating cashflow through launch of strategic businesses	Dividend payout ratio 30%
	1st layer (PS)	Plan to pay progressive dividends from cashflow of PS Segment, which is expected as continuous profit growth	

Reference Materials (4):
Sustainability Initiatives

External Ratings and GPIF Index Inclusion

Digital Garage

Driven by the progress of our sustainability initiatives, our scores from rating agencies continue to improve. As a result, we have been selected as a constituent of multiple ESG indices adopted by the GPIF (Government Pension Investment Fund)

FTSE Russell

Overall ESG Ratings

FTSE ESG score

3.4

Maximum score of 5.0

FY2026:3.4
↑
FY2025:1.7

Selected as a constituent of the FTSE JPX Blossom Japan Index

Adopted by the GPIF, this comprehensive index features companies demonstrating strong Environmental, Social, and Governance (ESG) practices based on FTSE Russell ratings. Built on the FTSE4Good Index Series, it utilizes an absolute scoring methodology that heavily weights the depth and transparency of a company's ESG reporting

Selected as a constituent of the FTSE JPX Blossom Japan Sector Relative Index

An ESG index adopted by the GPIF. It uses a sector-neutral approach to select top ESG performers within each sector. In the interest of accelerating decarbonization, companies in carbon-intensive sectors are only eligible for inclusion if they demonstrate tangible progress on the TPI Management Quality Score

CDP

Climate change

CDP Climate Change Score

B

Management Level

Execute policies & strategies

2023:D⇒2024:B−⇒2025:B

About CDP

One of the world's largest environmental disclosure platforms, operated by a U.K. NGO.
A score of 'B' ranks third highest on its 8-level scale

CDP 8-Level Evaluation

A,A−	Leadership	Implementing best practices
B,B−	Management	Executing policies & strategies
C,C−	Awareness	Understanding risks & impacts
D,D−	Disclosure	Environmental Disclosures

S&P Global

Overall ESG Ratings

S&P Global CSA Score

34

FY2025:34
↑
FY2024:30
↑
FY2023:21

Selected as a constituent of the S&P/JPX Carbon Efficient Index

Adopted by the GPIF, the S&P/JPX Carbon Efficient Index is an environmental-themed ESG benchmark jointly developed by S&P Dow Jones Indices and JPX. Using TOPIX as its universe, the index weights constituents based on their environmental disclosures and carbon efficiency, measured by emissions per unit of revenue.

*Note: The S&P CSA Overall Score is a corporate sustainability assessment based on questionnaire responses. It is a completely separate metric from inclusion in the S&P/JPX Carbon Efficient Index, which is determined strictly by a company's carbon efficiency and environmental disclosures within TOPIX

Digital Garage Group