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November 20, 2008

T For Immediate Release:

Company name: Digital Garage, Inc.
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Notice of Business Merger Commemorative Dividend (First Payment)

As approved at the board meeting on November 20, 2008, we hereby announce the decision to deliver a dividend in commemoration of our business merger with the record date for payment being December 31, 2008.

Notes

1. Reason for commemorative dividend payment

We have been aggressively pursuing the growth of our four core businesses: (1) the solutions segment delivering IT development, marketing and promotional support and online advertising; (2) the portal/weblog segment, including Kakaku.com's internet media business; (3) the incubation segment engaging in investment and the development of new venture businesses and (4) the finance segment offering e-commerce settlement and distribution services.

In today's ever-changing economic environment, we recognize the need to deliver comprehensive solutions for business enterprises from consulting and IT development to advertising and marketing, as well as settlement infrastructure. We are also committed to becoming a "Hybrid Solution Partner." On October 27, we implemented a business merger within the Group between Digital Garage and e-context, Inc., DG&Ibex, Inc., Creative Garage, Inc., DG Media marketing, Inc. and DG Solutions, Inc., with Digital Garage as the surviving company. As a result, Digital Garage has re-emerged as an operating holding company.

Our success is attributed to the warm support of shareholders and all concerned parties. To extend our sincere gratitude to shareholders, we have decided to deliver a commemorative dividend payment of 5,000 yen per share.

Digital Garage regards returning profit to our shareholders as one of our most important focuses and is committed to the further expansion of our business in order to achieve this goal. Additionally, we plan to give positive consideration to a year-end dividend payment.

2. Dividend details

	Determined amount	Previous dividend forecast (announced on November 11, 2008)	Reference: Previous FYE performance (FYE June 2008)
Record date	December 31, 2008	December 31, 2008	June 30, 2008
Dividend per share	5,000.00 yen	0.00 yen	0.00 yen
Total dividend payment	929 million yen (forecast)	—	—
Effective date	Early March 2009 (pending)	—	—
Dividend resource	Capital surplus (see note)	—	—

Note: the net asset/dividend ratio will be announced upon final settlement of the second quarter financial results.

The details of the projected dividend are as follows:

Record date	Dividend per share (yen)		
	End of interim period	FYE	Annual
Dividend forecast		0.00 yen	5,000.00 yen
Current year actual	5,000.00 yen		
Previous year actual (FYE June 2008)	0.00 yen	0.00 yen	0.00 yen

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