

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2024
(Based on IFRS)**

August 8, 2024

Company name: Digital Garage, Inc.
 Stock exchange listing: Tokyo
 Securities code: 4819 URL <https://www.garage.co.jp/>
 Representative: Representative Director, Kaoru Hayashi
 President Executive Officer and Group CEO
 Corporate Officer Deputy Head of Corporate
 Inquiries: Div. Hiroyuki Nozaki TEL 03-6367-1111
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Revenue		Profit before tax		Profit		Profit attributable to owners of parent		Comprehensive income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	12,436	(5.7)	4,744	(23.2)	3,157	(21.8)	3,170	(22.6)	4,238	(11.8)
Three months ended June 30, 2023	13,187	(25.6)	6,179	(44.8)	4,035	(45.8)	4,096	(45.3)	4,807	(36.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	67.04	66.31
Three months ended June 30, 2023	88.97	80.77

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of June 30, 2024	241,089	94,065	91,178	37.8
As of March 31, 2024	231,431	92,138	89,251	38.6

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2024	–	0.00	–	40.00	40.00
Year ending March 31, 2025	–	–	–	–	–
Year ending March 31, 2025 (Forecast)	–	0.00	–	53.00	53.00

(Note) Revision of dividend forecast from the latest announcement: None

Breakdown of year-end dividend for the fiscal year ending March 31, 2025 (forecast): Ordinary dividend: 43.00 yen
 Special/commemorative dividend: 10.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

In the Platform Solution segment, which is the Group's revenue base, the Company expects stable growth in the payment business and forecasts a 20% increase in the profit before tax compared to the previous fiscal year. The Company also forecasts a 20% to 25% increase in profit before tax for the entire Platform Solution segment.

The Company does not disclose its consolidated financial results forecast, because it is difficult to reasonably estimate the fair value of securities, which the Group holds through investments primarily in startup companies, at the end of the period.

* Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: No

(2) Changes in accounting policies and changes in accounting estimates

Changes in accounting policies required by IFRS: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

(3) Number of issued shares (ordinary shares)

Total number of issued shares at end of period (including treasury shares)

As of June 30, 2024	47,621,300 shares	As of March 31, 2024	47,619,100 shares
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Number of treasury shares at end of period

As of June 30, 2024	427,771 shares	As of March 31, 2024	239,371 shares
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Average number of shares during period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	47,284,938 shares	Three months ended June 30, 2023	46,042,642 shares
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(Note) Treasury shares include shares of the Company held in the exclusive trust for the Digital Garage Employee Stockholding Association.

* The summary of financial results is not subject to review by a certified public accountant or auditing firm.

* Explanation of the appropriate use of financial results forecasts and other special notes

(Method of obtaining supplementary financial results materials)

Supplementary materials for financial results are available on the Company's website.

Condensed quarterly consolidated financial statements
Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and cash equivalents	49,571	57,846
Trade and other receivables	30,154	24,432
Inventories	428	437
Operational investment securities	69,569	71,190
Other financial assets	279	279
Income taxes receivable	1,204	1,384
Other current assets	890	1,185
Total current assets	152,094	156,752
Non-current assets		
Property, plant and equipment	14,990	14,907
Goodwill	6,964	7,624
Intangible assets	5,625	6,007
Investment property	1,912	2,029
Investments accounted for using equity method	33,965	35,895
Other financial assets	14,974	17,002
Deferred tax assets	509	512
Other non-current assets	397	362
Total non-current assets	79,337	84,337
Total assets	231,431	241,089

	(Millions of yen)	
	As of March 31, 2024	As of June 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	55,706	54,848
Trade and other payables	42,568	50,860
Other financial liabilities	1,669	1,710
Income taxes payable	365	395
Other current liabilities	4,092	3,624
Total current liabilities	104,401	111,436
Non-current liabilities		
Bonds and borrowings	11,633	11,439
Other financial liabilities	7,426	7,069
Retirement benefit liability	460	459
Provisions	479	490
Deferred tax liabilities	14,312	15,595
Other non-current liabilities	582	536
Total non-current liabilities	34,892	35,588
Total liabilities	139,293	147,024
Equity		
Share capital	7,846	7,849
Capital surplus	5,385	5,439
Treasury shares	(975)	(1,456)
Other components of equity	1,613	2,691
Retained earnings	75,382	76,656
Total equity attributable to owners of parent	89,251	91,178
Non-controlling interests	2,887	2,887
Total equity	92,138	94,065
Total liabilities and equity	231,431	241,089

Condensed quarterly consolidated statements of income and condensed quarterly consolidated statements of comprehensive income
Condensed quarterly consolidated statements of income

	Three months ended June 30, 2023	(Millions of yen) Three months ended June 30, 2024
Revenue		
Revenue in recurring business	6,336	6,714
Revenue in operational investment securities	4,583	3,713
Other income	423	283
Finance income	972	384
Share of profit of investments accounted for using equity method	873	1,341
Total	13,187	12,436
Expenses		
Cost of sales	2,683	2,895
Selling, general and administrative expenses	4,167	4,638
Other expenses	85	84
Finance costs	72	74
Total	7,008	7,691
Profit before tax	6,179	4,744
Income tax expense	2,144	1,587
Profit	4,035	3,157
Profit (loss) attributable to		
Owners of parent	4,096	3,170
Non-controlling interests	(61)	(13)
Earnings per share		
Basic earnings per share	88.97	67.04
Diluted earnings per share	80.77	66.31

Condensed quarterly consolidated statements of comprehensive income

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	4,035	3,157
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	298	279
Share of other comprehensive income of investments accounted for using equity method	6	7
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	467	794
Share of other comprehensive income of investments accounted for using equity method	1	1
Other comprehensive income, net of tax	772	1,082
Comprehensive income	4,807	4,238
Comprehensive income attributable to		
Owners of parent	4,864	4,246
Non-controlling interests	(56)	(8)

Condensed quarterly consolidated statement of changes in equity

Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			Total
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Remeasurements of defined benefit plans	
Balance at April 1, 2023	7,830	6,229	(6,293)	(469)	2,111	8	1,650
Profit (loss)							–
Other comprehensive income				305	463		767
Comprehensive income	–	–	–	305	463	–	767
Changes in ownership interest in subsidiaries		(3)					–
Dividends							–
Share-based payment transactions		33					–
Purchase of treasury shares		(4)	(1,001)				–
Transfer from other components of equity to retained earnings				(15)			(15)
Total	–	26	(1,001)	(15)	–	–	(15)
Balance at June 30, 2023	7,830	6,255	(7,294)	(180)	2,574	8	2,402

(Millions of yen)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance at April 1, 2023	70,614	80,030	1,942	81,972
Profit (loss)	4,096	4,096	(61)	4,035
Other comprehensive income		767	5	772
Comprehensive income	4,096	4,864	(56)	4,807
Changes in ownership interest in subsidiaries		(3)	453	450
Dividends	(1,705)	(1,705)		(1,705)
Share-based payment transactions		33		33
Purchase of treasury shares		(1,005)		(1,005)
Transfer from other components of equity to retained earnings	15	–		–
Total	(1,690)	(2,680)	453	(2,226)
Balance at June 30, 2023	73,020	82,213	2,340	84,553

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

(Millions of yen)

	Equity attributable to owners of parent						
	Share capital	Capital surplus	Treasury shares	Other components of equity			Total
				Financial assets measured at fair value through other comprehensive income	Exchange differences on translation of foreign operations	Remeasurements of defined benefit plans	
Balance at April 1, 2024	7,846	5,385	(975)	(1,124)	2,737	(0)	1,613
Profit (loss)							–
Other comprehensive income				286	790		1,076
Comprehensive income	–	–	–	286	790	–	1,076
Issuance of new shares	3	3					–
Changes in ownership interest in subsidiaries							–
Dividends							–
Share-based payment transactions		52					–
Purchase of treasury shares			(500)				–
Disposal of treasury shares		(1)	19				–
Transfer from other components of equity to retained earnings				1			1
Total	3	54	(481)	1	–	–	1
Balance at June 30, 2024	7,849	5,439	(1,456)	(836)	3,527	(0)	2,691

(Millions of yen)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance at April 1, 2024	75,382	89,251	2,887	92,138
Profit (loss)	3,170	3,170	(13)	3,157
Other comprehensive income		1,076	5	1,082
Comprehensive income	3,170	4,246	(8)	4,238
Issuance of new shares		6		6
Changes in ownership interest in subsidiaries		–	8	8
Dividends	(1,895)	(1,895)		(1,895)
Share-based payment transactions		52		52
Purchase of treasury shares		(500)		(500)
Disposal of treasury shares		18		18
Transfer from other components of equity to retained earnings	(1)	–		–
Total	(1,896)	(2,319)	8	(2,311)
Balance at June 30, 2024	76,656	91,178	2,887	94,065

Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from operating activities		
Profit before tax	6,179	4,744
Depreciation and amortization	930	983
Interest and dividend income	(23)	(27)
Interest expenses on borrowings and bonds	68	73
Share of loss (profit) of investments accounted for using equity method	(873)	(1,341)
Loss (gain) on investment securities	(376)	(312)
Loss (gain) on sales of shares of subsidiaries and associates	(1)	–
Decrease (increase) in trade and other receivables	2,537	5,634
Decrease (increase) in investment securities for sale	(4,526)	(1,373)
Decrease (increase) in inventories	(79)	(8)
Increase (decrease) in trade and other payables	367	8,120
Increase (decrease) in accrued consumption taxes	41	(126)
Other	(897)	(620)
Subtotal	3,347	15,745
Interest and dividends received	728	865
Interest paid	(26)	(69)
Income taxes refund (paid)	(1,264)	(348)
Net cash provided by (used in) operating activities	2,785	16,193
Cash flows from investing activities		
Purchase of property, plant and equipment	(68)	(133)
Purchase of intangible assets	(2,413)	(793)
Proceeds from sale of intangible assets	1,933	–
Purchase of investment securities	(141)	(986)
Proceeds from sale of investment securities	71	1
Proceeds from dividend of investment partnership	793	–
Purchase of investments accounted for using equity method	–	(1,503)
Proceeds from sale of investments accounted for using equity method	58	–
Payments for acquisition of businesses	–	(642)
Other	(2)	(70)
Net cash provided by (used in) investing activities	232	(4,125)

	(Millions of yen)	
	Three months ended June 30, 2023	Three months ended June 30, 2024
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	4,430	(600)
Proceeds from long-term borrowings	–	500
Repayments of long-term borrowings	(838)	(1,038)
Repayments of lease liabilities	(430)	(438)
Capital contribution from non-controlling interests	450	8
Purchase of treasury shares	(1,006)	(500)
Proceeds from disposition of treasury shares	–	18
Dividends paid	(1,687)	(1,877)
Other	(3)	2
Net cash provided by (used in) financing activities	916	(3,924)
Effect of exchange rate changes on cash and cash equivalents	57	131
Net increase (decrease) in cash and cash equivalents	3,991	8,275
Cash and cash equivalents at beginning of period	53,335	49,571
Cash and cash equivalents	57,325	57,846