

Digital Garage, Inc.

1Q of FYE March 31, 2023 Financial Report



<2020-2025 Mid-term Plan> **Designing our New Normal Context**

DG FinTech Shift



Introduction/CEO message

We put together a “Strategy Overview” of our

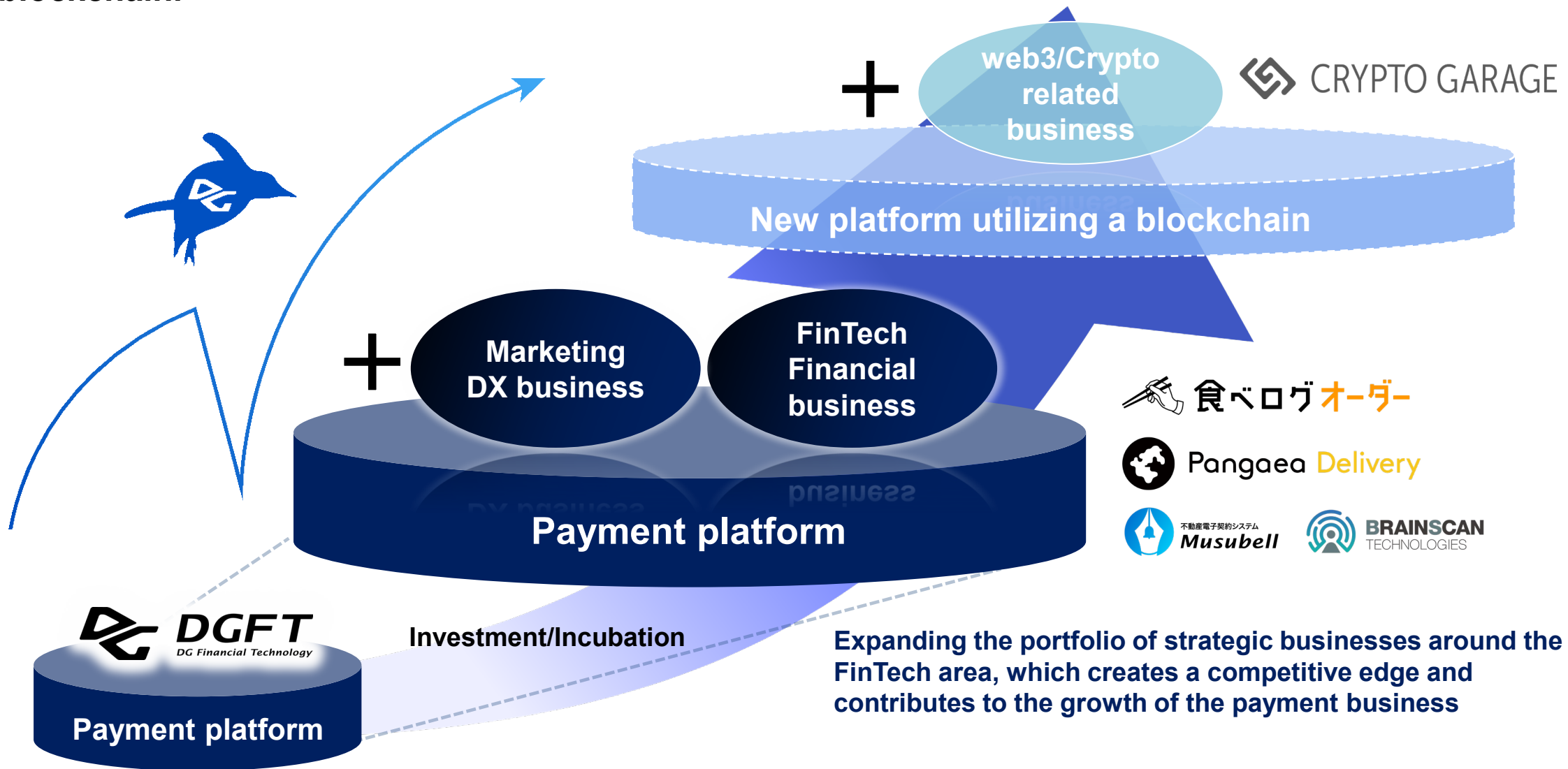


FINTECH SHIFT strategy we announced last year. It is an attempt to reflect a more strategic and cross-segmental perspective of the business from a medium-term view.

We continue to refine and execute this strategy and plan to announce more details of our updates during this fiscal year. The content of this quarter’s announcement is meant to be the first phase of the Group's business transformation preceding those updates.

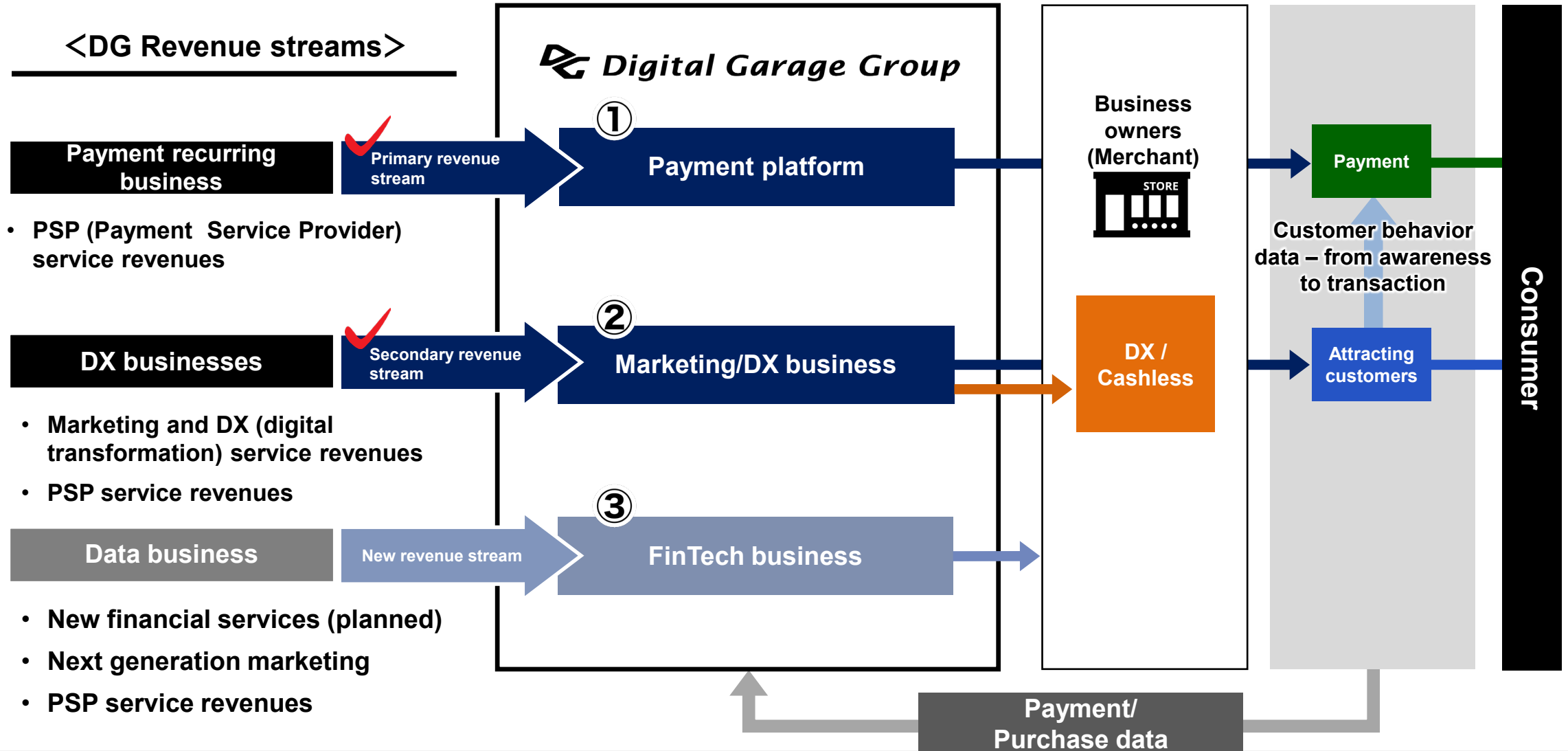


Driving “DG FinTech Shift” Strategy by utilizing the payment platform as a solid foundation. Beyond that, aiming to create new businesses in areas that will emerge non-linearly from technologies such as blockchain.





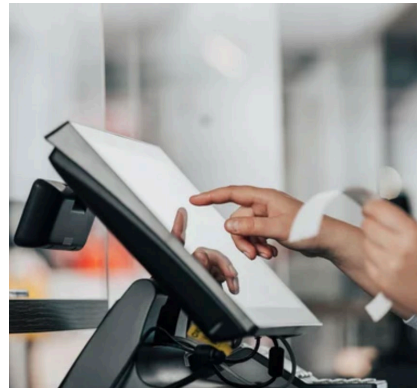
Aiming to become a platform that continuously generates stable revenue streams centered around the payment business. In addition to primary and secondary revenue streams, aiming to create new revenue opportunities, mainly utilizing data.





In July 2022, Digital Garage, Kakaku.com, a DG group company, and alliance partner Toshiba Tec entered into an agreement to promote DX (digital transformation) in the food service and retail industries, promoting the digital in-store mobile ordering service 食ペログオーダー (Tabelog Order)

【DX promotion agreement and roles of the three companies for the food service industry】



Payment Service Provider

Digital Garage TSE Prime Market 4819

Payment transaction volume: 3.6 trillion yen
 Number of Payment transactions: 720 million
 Member stores: 700,000



Capital and Business Alliance

Group Company

POS System

Toshiba Tec Corporation TSE Prime Market 6588

World's largest POS market share

Tabelog

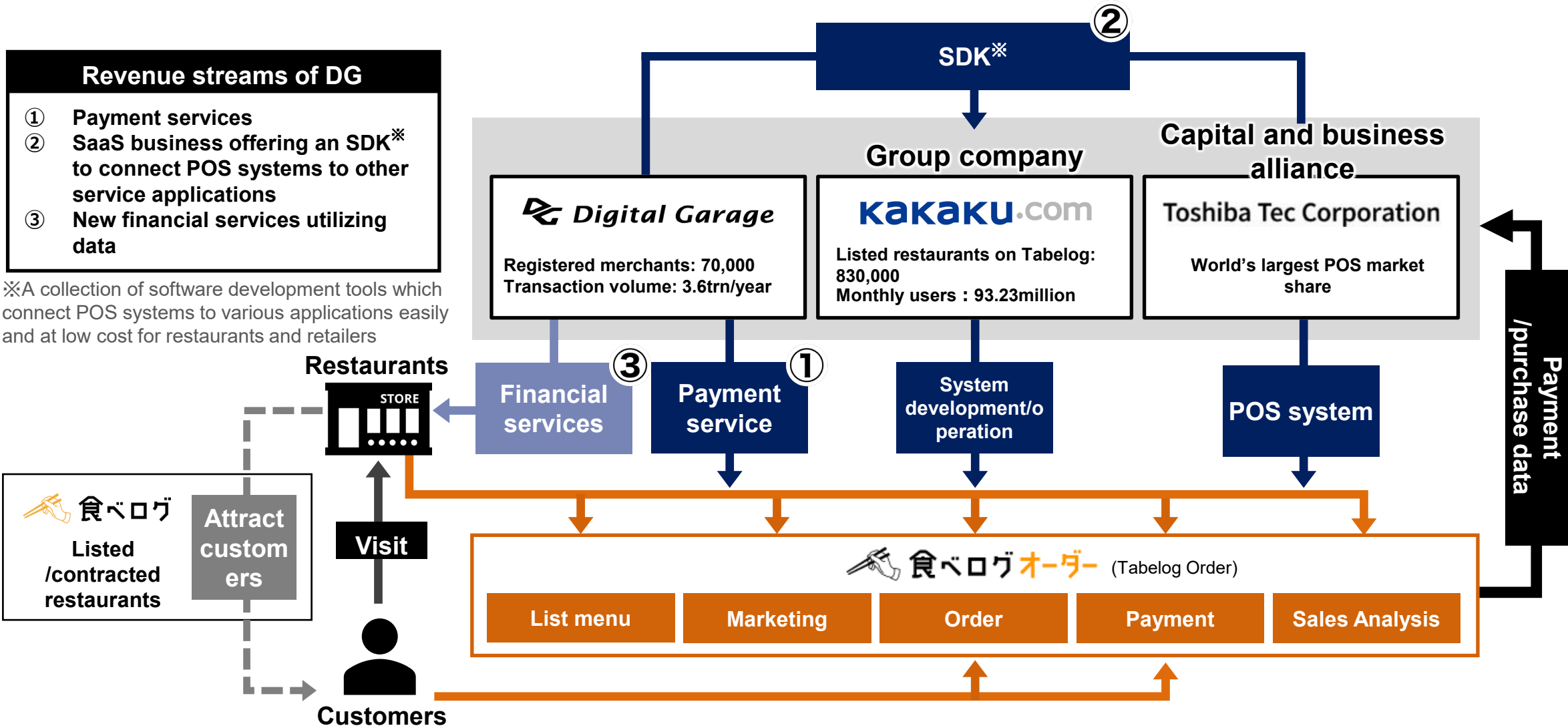
kakaku.com TSE Prime Market 2371

Restaurants listed on Tabelog: 830,000
 Monthly users: 93.23 million Monthly PV: 2.056 billion

Strategic business for the 3 companies, each representing their own industries, which aims to invigorate the food service industry also utilizing IT introduction government subsidies.



Starting from 食べログオーダー (Tabelog Order) , generate further revenue streams by developing new businesses utilizing the customer base of alliance companies



Organization	Feb. 2021	Announced group strategy of “ DG FinTech Shift ” Merged payment related subsidiaries
New business	Jun	Strategic subsidiary Crypto Garage registered as Japan’s first B2B-only crypto asset exchange service provider
Organization	Sep	Acquired India’s financial system development company (DG FutureTech India) as a new financial hub
New business	Sep	Started an electronic contract centralized management service to support the real estate industry’s digital transformation  Musubell
Alliance	Oct	At the same time as a capital and business alliance with Nomura Holdings, Inc. , a business alliance with a group company in the custody business
Alliance	Dec	Capital and business alliance with Toshiba Tec Corporation , which had already collaborated to establish JV
Alliance	Feb. 2022	Capital and business alliance with JCB Co., Ltd. , a long-term leading partner in the payment business
New business	Mar	Started business of online ordering service  Pangaea Delivery in collaboration with JCB Co., Ltd./Toshiba Tec Corporation
New business	Jul	Started a collaboration through  食ベログ オーダー with Kakaku.com, Inc. and Toshiba Tec Corporation

Investment Highlights





The Four Segments that make up  **FINTECH SHIFT** launched last year



FINANCIAL TECHNOLOGY SEGMENT

Provides a diversity of comprehensive payment platforms as one of Japan's largest payment system providers supporting social infrastructure



MARKETING TECHNOLOGY SEGMENT

Develops comprehensive digital marketing solutions and data marketing businesses utilizing various data



INCUBATION TECHNOLOGY SEGMENT

Invests in, incubates, and collaborates with entrepreneurs and startups mainly in technology and Fintech sectors



LONG-TERM INCUBATION SEGMENT

Nurtures new businesses through long-term and continuous incubation

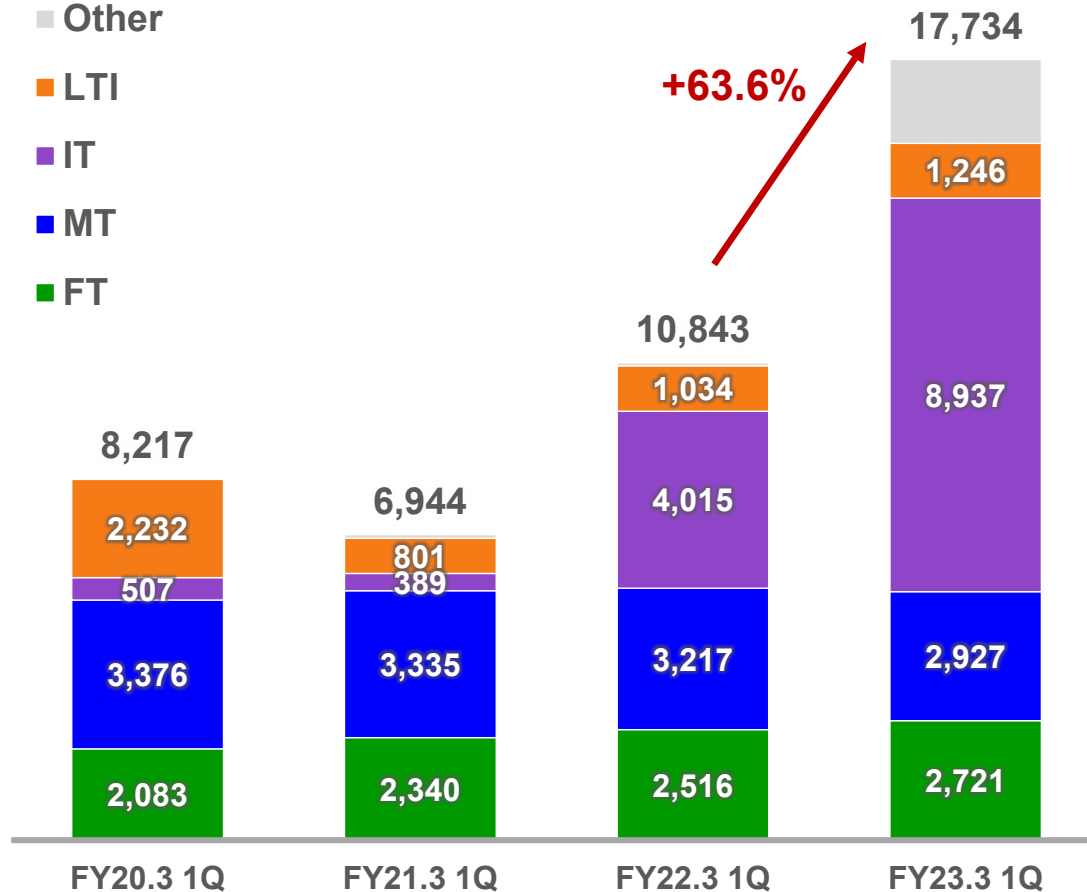


- Consolidated revenue and consolidated profit before tax hit a record high in 1Q.
- FT/IT/LTI business segments increased revenue and profit. Valuation gains on portfolio companies remained strong.

Consolidated Revenue

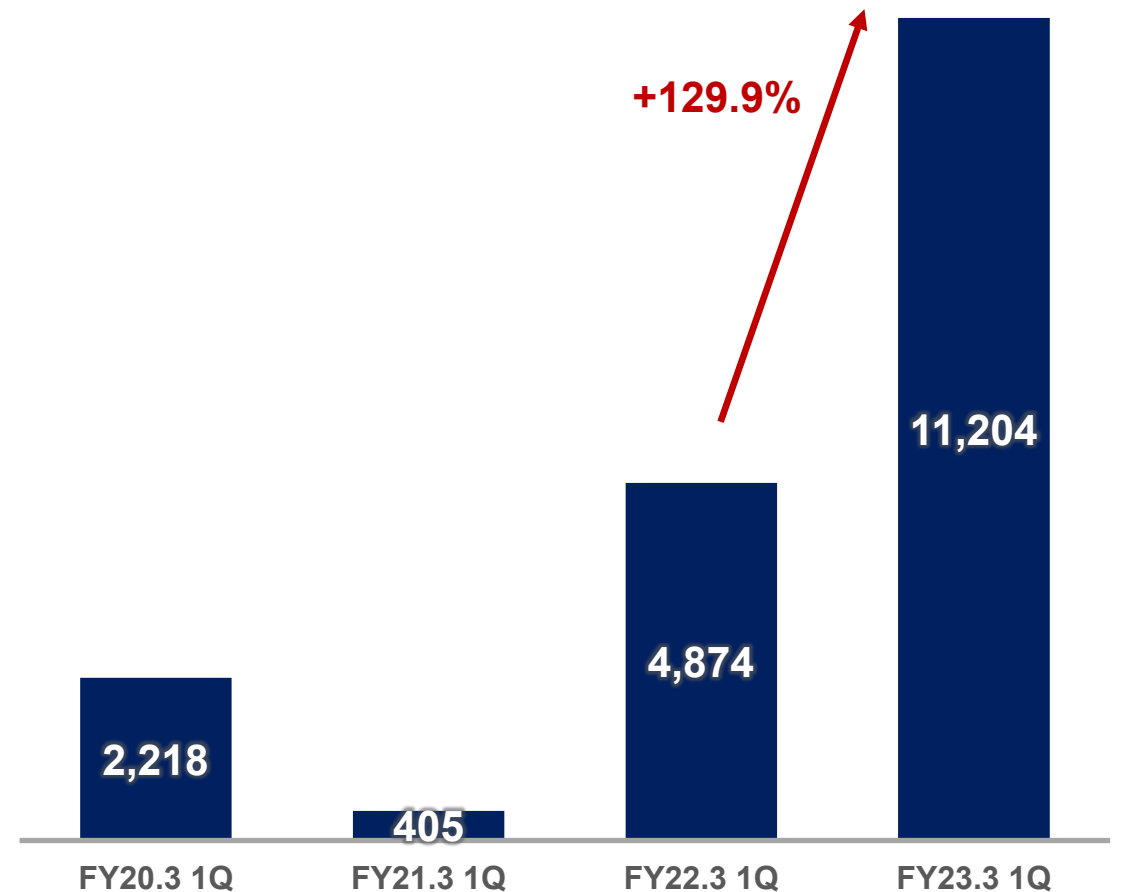
(Unit : M JPY)

- Other
- LTI
- IT
- MT
- FT



Consolidated Profit before tax

(Unit : M JPY)





- IT increased profit with valuation gains. FT increased profit with transaction volume growth. LTI increased profit amid recovery from Covid.
- FT increased profit by 13.4% in real terms after excluding the increase in system enhancement costs, etc., which began to be recorded in FY22.3 2Q.
- MT decreased profit, affected by a reactionary decline from large projects in real estate advertising recorded in FY22.3.

(M JPY)	FY 22.3 1Q	FY 23.3 1Q	YoY Increase/Decrease	YoY % Change	Remarks
Profit before tax	4,874	11,204	+6,330	+129.9%	1Q Profit hit a record high.
FT	1,108	1,121	+13	+1.2%	Profit increased by 13.4% in real terms after excluding the increase in system enhancement costs, etc., which began to be recorded in FY22.3 2Q. Expects double-digit profit growth from FY23.3 2H as the impact of increased costs fades.
MT	248	101	-147	-59.4%	Profit decreased, affected by a reactionary decline from large-scale projects in real estate advertising recorded in FY22.3.
IT	3,636	8,480	+4,844	+133.2%	Profit increased with the increase in fair value of investees, including appreciation of the U.S. dollar.
LTI	574	684	+110	+19.1%	Restaurant-related businesses, including Tabelog, are on a recovery trend with the lifting of priority preventive measures.
Others/Adjustments and Eliminations	-692	818	+1,510	-	-

※ Musubell business was reclassified from MT to LTI Segment from FY23.3. Results for the same period of the previous fiscal year were retroactively revised to reflect the change.



- Strategic alliances with various companies in the area of a face-to-face settlement worked successfully, resulting in settlement transaction volume growth.
- Investment profit on equity method from Kakaku.com, Inc. increased as the restaurant industry recovered.

Segment	KPI	Unit	FY 22.3 1Q	FY 23.3 1Q	YoY Increase/Decrease	YoY % Change
FT	Transaction Volume	100 M JPY	10,482	12,368	+1,886	+18.0%
	Non-face-to-face	100 M JPY	8,522	9,466	+944	+11.1%
	Face-to-face	100 M JPY	1,960	2,902	+942	+48.1%
MT	Digital Ads Volume	M JPY	7,728	7,395	-333	-4.3%
	Financial	M JPY	4,746	4,452	-294	-6.2%
IT	Investment Value	M JPY	50,820	86,565	+35,746	-
	Amount Sold	M JPY	2,826	236	-2,590	-
	Amount Invested	M JPY	2,992	874	-2,118	-
LTI	Investment profit on equity method from Kakaku.com	M JPY	563	863	+300	+53.4%

Segment Performance Review





Performance

	FY22.3 1Q	FY23.3 1Q	YoY Inc./Dec.	YoY % Chg
Segment Revenue	2,516 M JPY	2,721 M JPY	+205 M JPY	+8.1%
Segment Profit before tax	1,108 M JPY	1,121 M JPY	+13 M JPY	+1.2%

Note) Revenue is external revenue. Profit before tax is before intersegment eliminations.

Major Group Companies / Businesses

▶ **DG Financial Technology, Inc.**
Japan's leading payment service provider



▶ **NaviPlus Co., Ltd.**
Subsidiary of DG Financial Technology, Inc. Provides SaaS business for value-added services for EC, such as recommendation and search engines



▶ **Scudetto Corporation**
Provides fraud detection/prevention solutions, marketing solutions, etc.



▶ **TD Payment Corporation** (49% stake/equity method)
JV with Toshiba Tec Corporation. Deploys multi-payment solutions for POS systems



▶ **ANA Digital Gate, Inc.** (49% stake/equity method)
JV with All Nippon Airways Trading Co., Ltd. Develops and provides new payment solutions using FinTech



▶ **SCORE Co., Ltd.** (49% stake/equity method)
JV with Nissen Co., Ltd. Develops post-payment settlement business and various financial businesses utilizing settlement data





Back-ground

- Unify management indicators following the business integration of two main settlement subsidiaries
- Disclose results of strategic alliances more quantitatively

Major changes

- ① Unify the definition of the number of transactions to “the number of purchases”
- ② Change the classification of settlement transaction volume to non-face-to-face/face-to-face
- ③ Disclose settlement transaction volume and the number of settlement transactions , including ones acquired through alliances

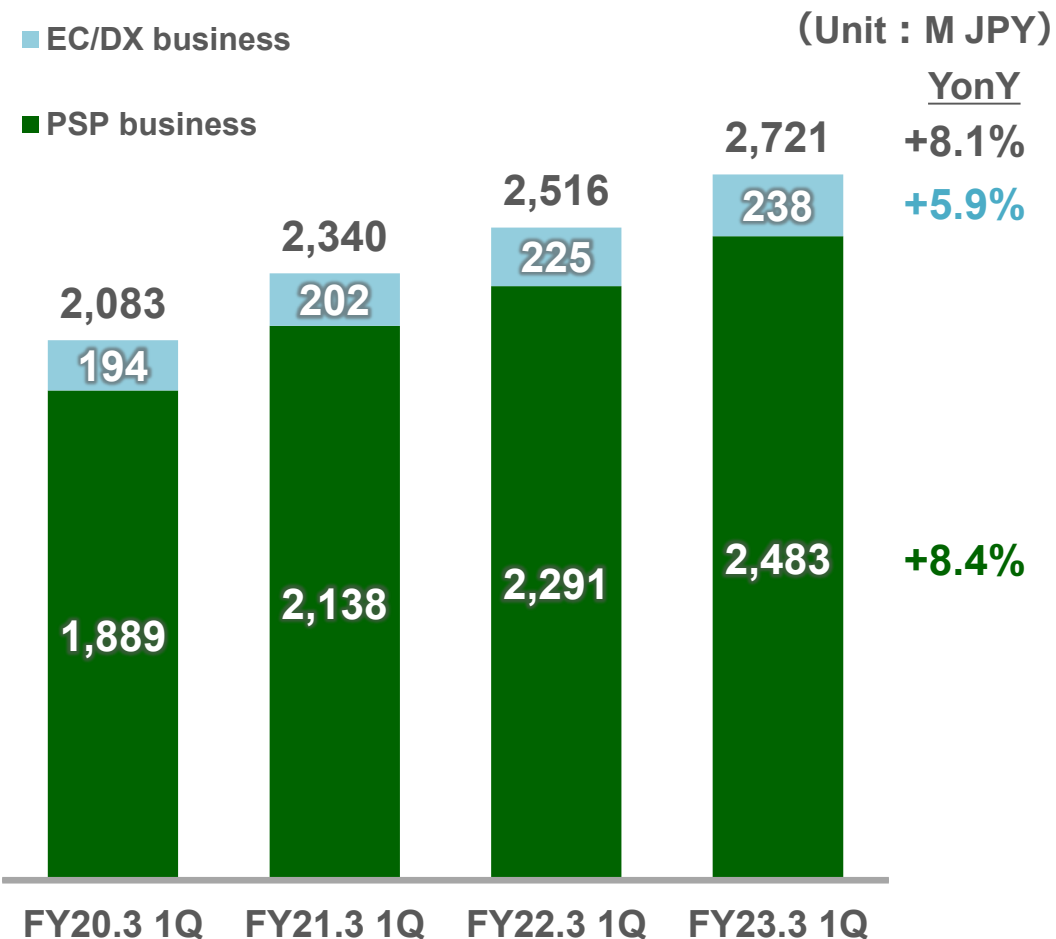
New classification

Category	Classification	Items included
Revenue	PSP business	Settlement fee / Basic monthly fee, Settlement fee revenue from OEM offerings, Fees for account transfer, post-settlement payment, fraud detection, remittance service, etc., Revenue from contracted development, Revenue from investments accounted for using equity method
	EC/DX business	Revenue of NaviPlus
Settlement Transaction Volume	Non-face-to-face	E-commerce (non-face-to-face) settlements, including volume provided by OEMs
	Face-to-face	Settlements at real retail stores (face-to-face), including ones handled through OEM offerings and joint ventures

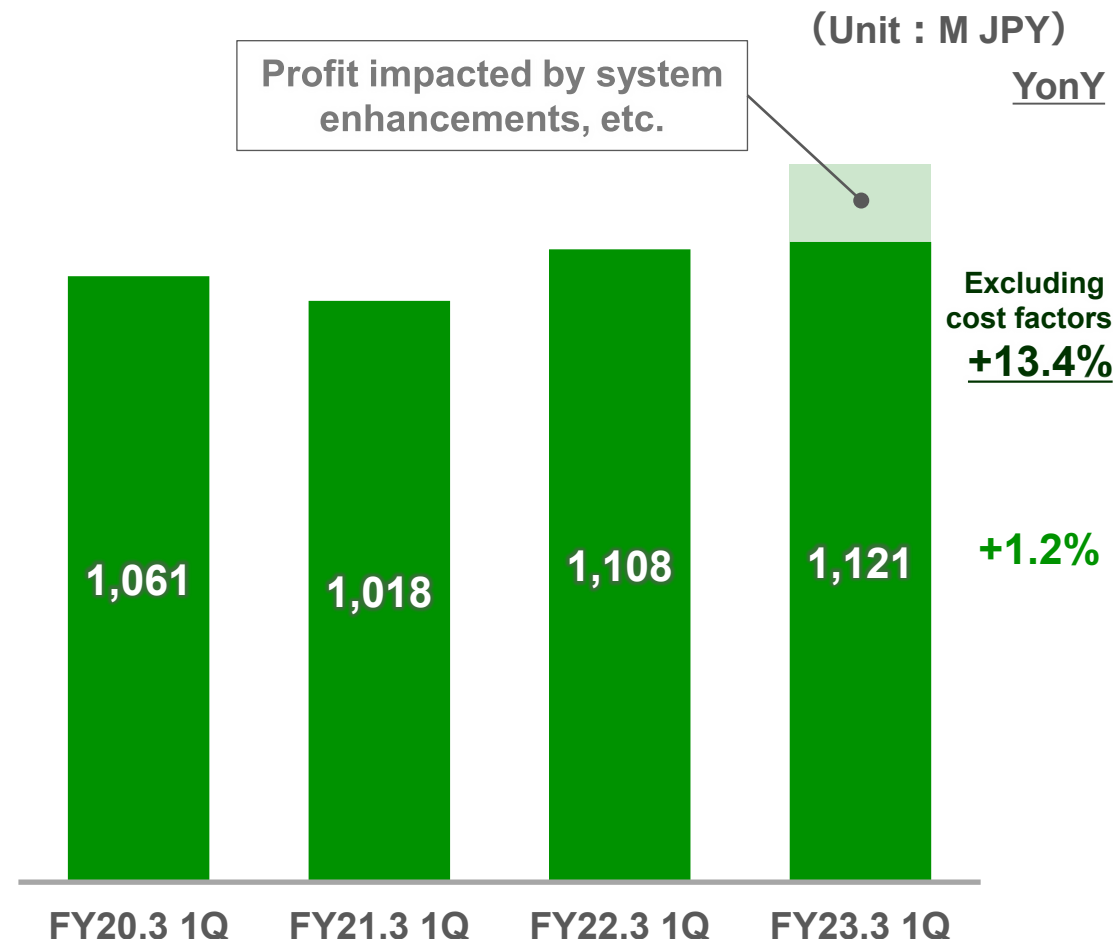


- Revenue continued to increase steadily with growth in transaction volume in both non-face-to-face and face-to-face areas.
- Profit increased by 13.4% in real terms after excluding the increase in system enhancement costs, etc., which began to be recorded in FY22.3 2Q.

Segment Revenue



Segment Profit before tax

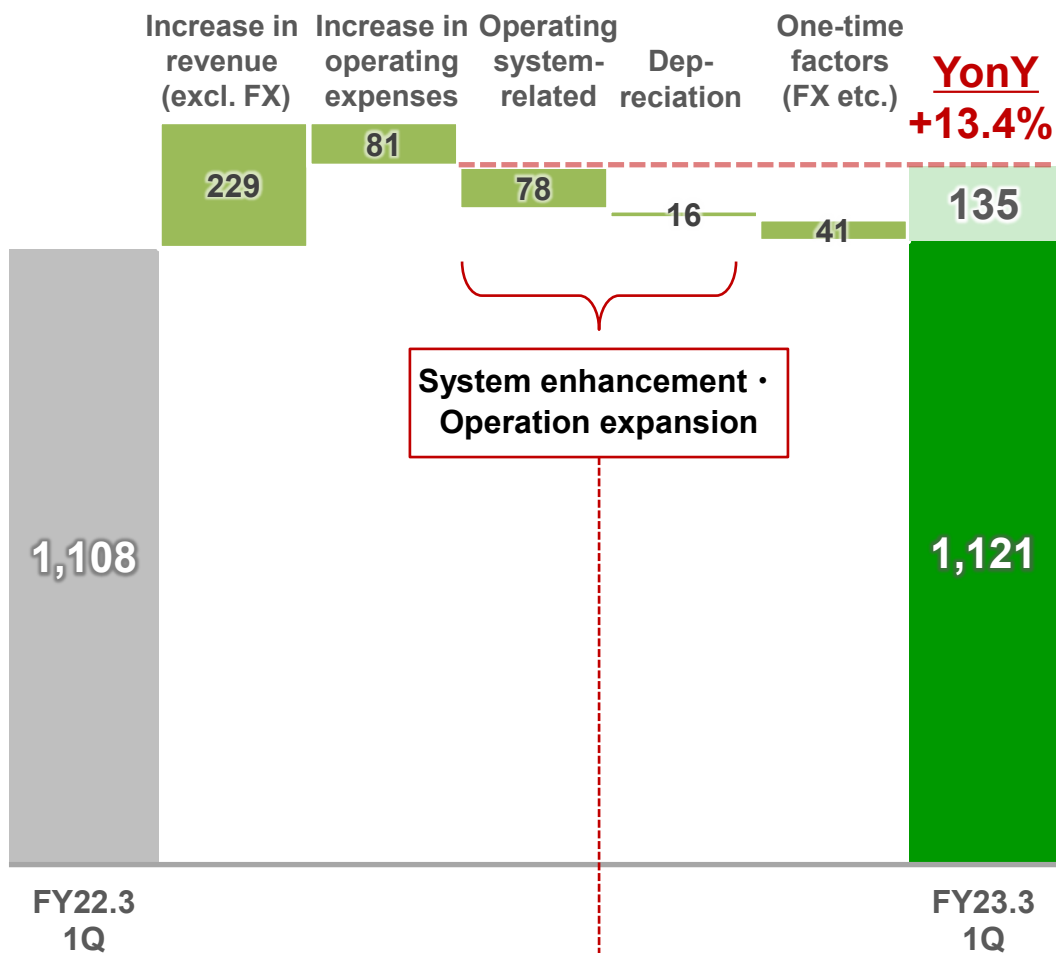




Enhanced settlement systems that require high stability and security as social infrastructure. Began recording costs for the enhancement in FY22.3 2Q. Settlement business was in a steady condition with a **double-digit increase** in profit after excluding the increase in these costs and other one-time factors.

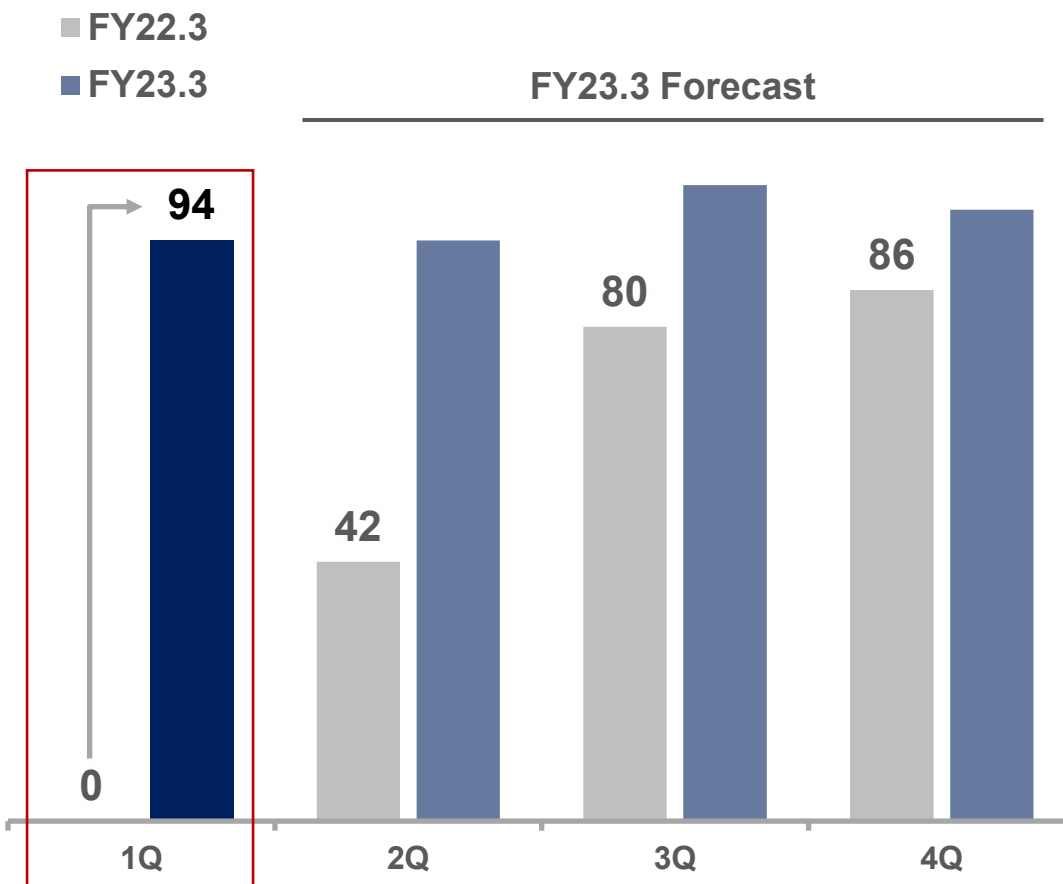
Breakdown of change in profit before tax for 1Q

(Unit : M JPY)



Forecasted expenses for system and operational enhancements

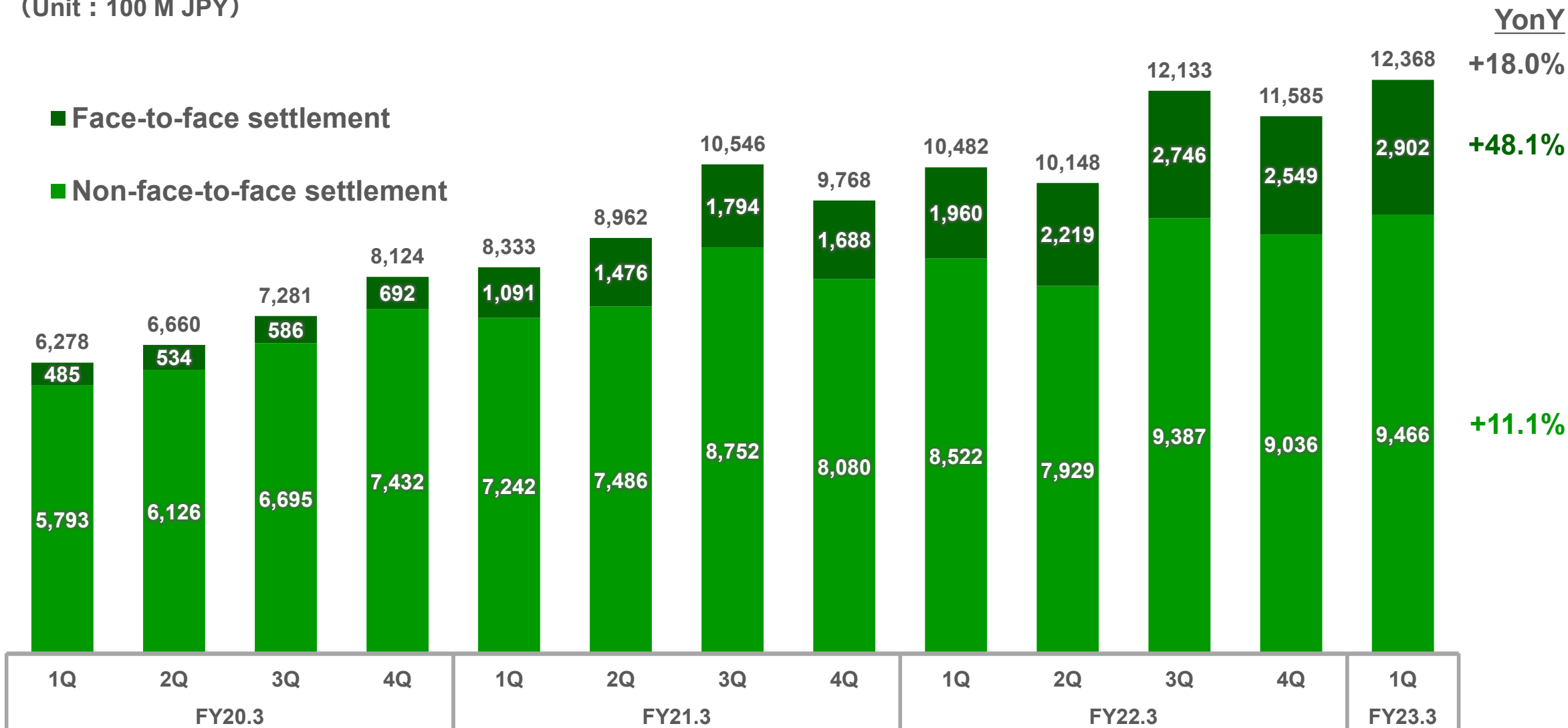
The difference between increase and decrease due to an increase in fixed costs is expected to fade in FY23.3 1H.





- Face-to-face settlement continues to grow at a high rate, and market penetration continues to expand steadily.
- Non-face-to-face settlement remains strong despite a rebound in Covid demand.

(Unit : 100 M JPY)



+11.1%

+48.1%

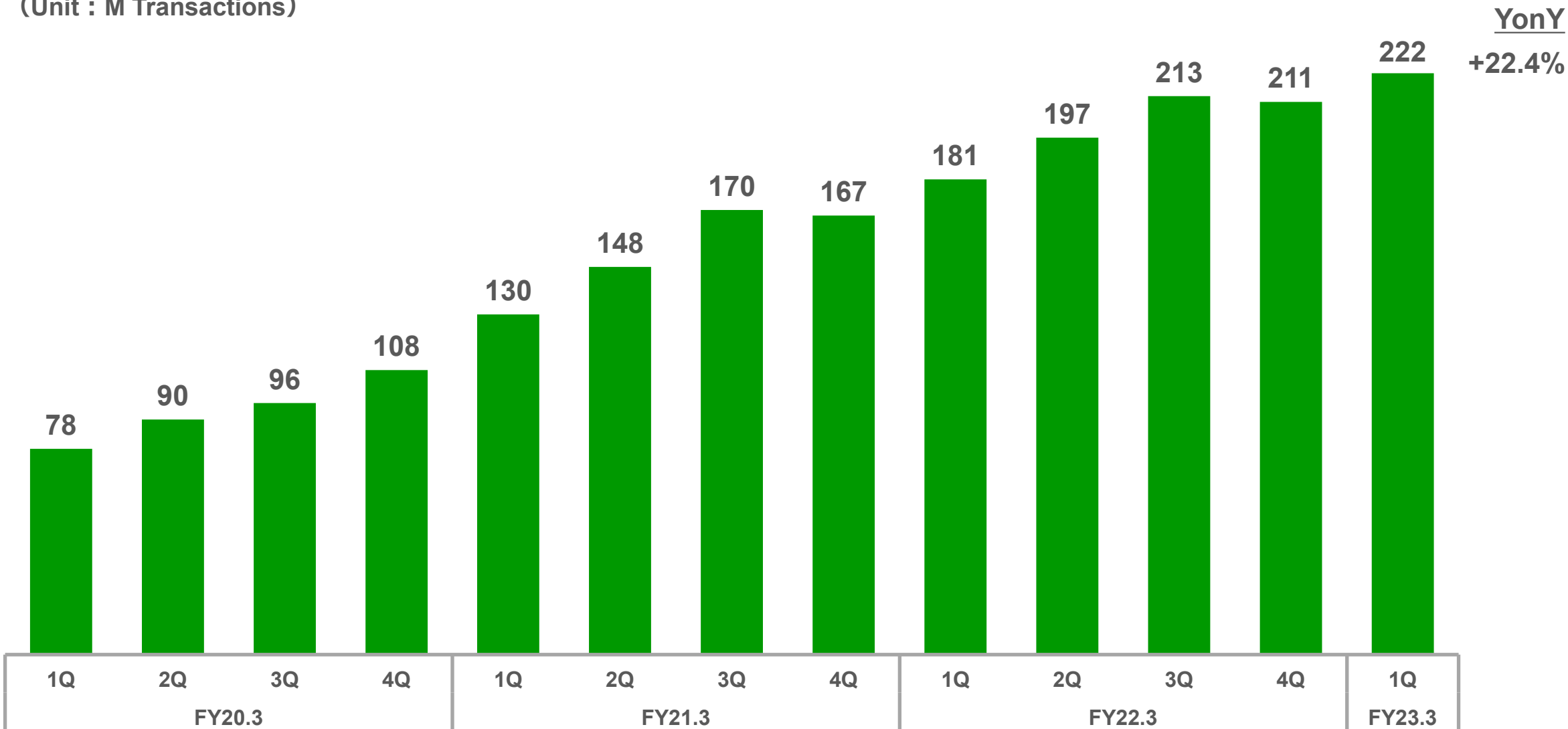
YoY

+18.0%



- The number of settlement transactions continued to grow by 22.4% YoY
- Data volume of settlement purchase transactions handled by FT continued to grow.

(Unit : M Transactions)

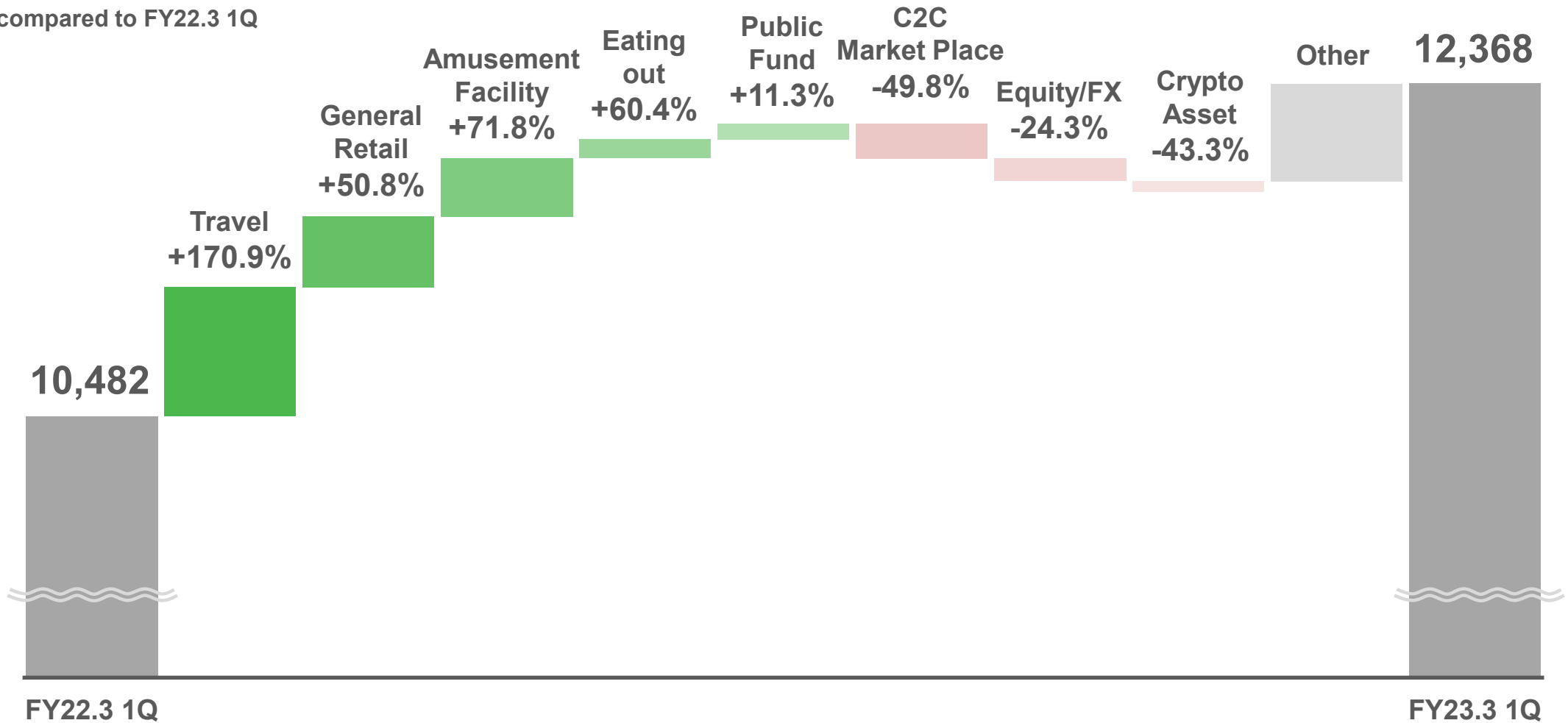




- Travel, amusement, and food service-related transactions increased as corona restrictions were relaxed.
- Equity/FX and Crypto asset related decreased due to the deteriorating investment environment.

(Unit : 100 M JPY)

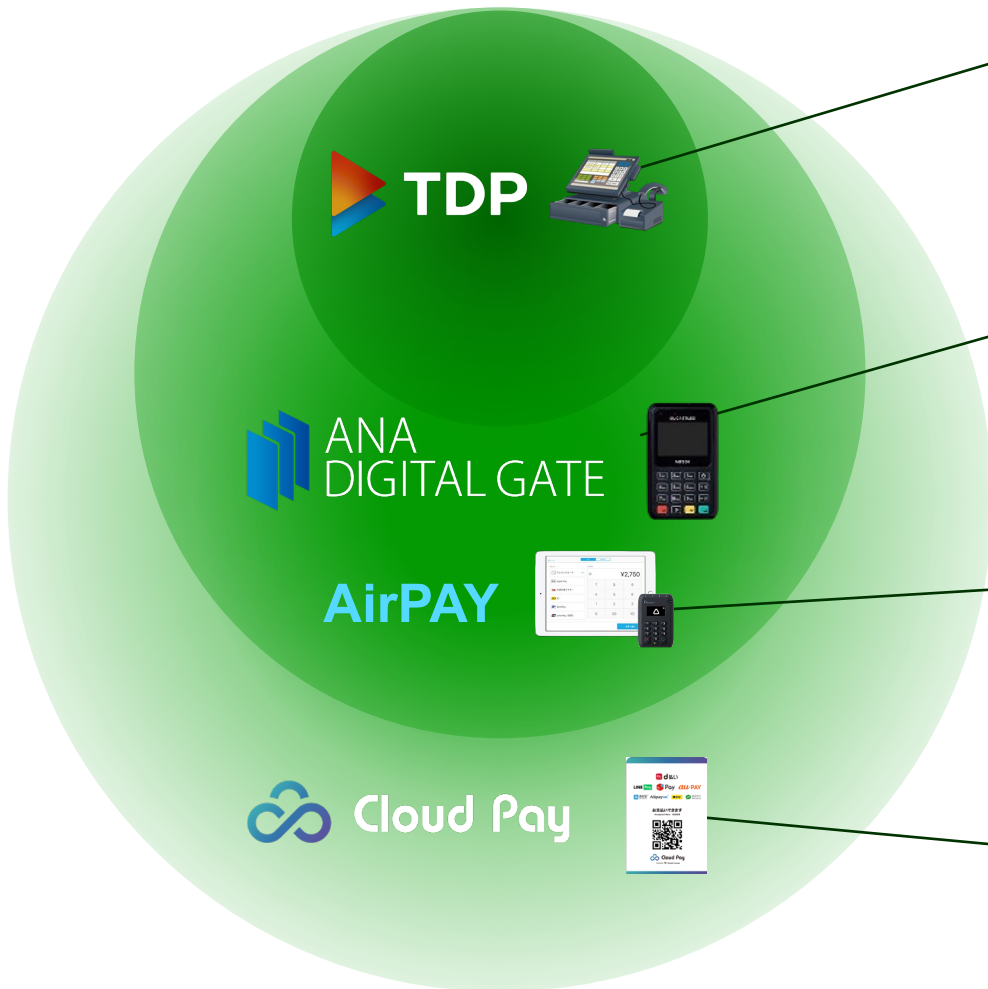
※% compared to FY22.3 1Q





Collaborate with the alliance companies to develop products to match needs of various types of merchants.

Face-to-face settlement market



Toshiba Tec Corporation \times **Digital Garage**

Accelerate the provision of multi-payment solution/systems for large-scale stores with Toshiba Tec, the domestic top share company providing POS systems and our capital alliance partner. Established JV (TD Payment) to propel the business

\times **Digital Garage**

Provide multi-payment solutions/systems together through JV with ANA Group. Mainly continue to capture consumption of shops and restaurants in airports, travel industry and tourists to Japan

Recruit \times **Digital Garage**

Provide a QR code payment solution for AirPAY operated by Recruit Co., Ltd.

Digital Garage \times 14 big players of QR payments

Operate DG product of Cloud Pay. Introducing to small-scale stores as an MPM-type payment which is a consortium-type multi-QR solutions that integrate various QR code payments into one QR code

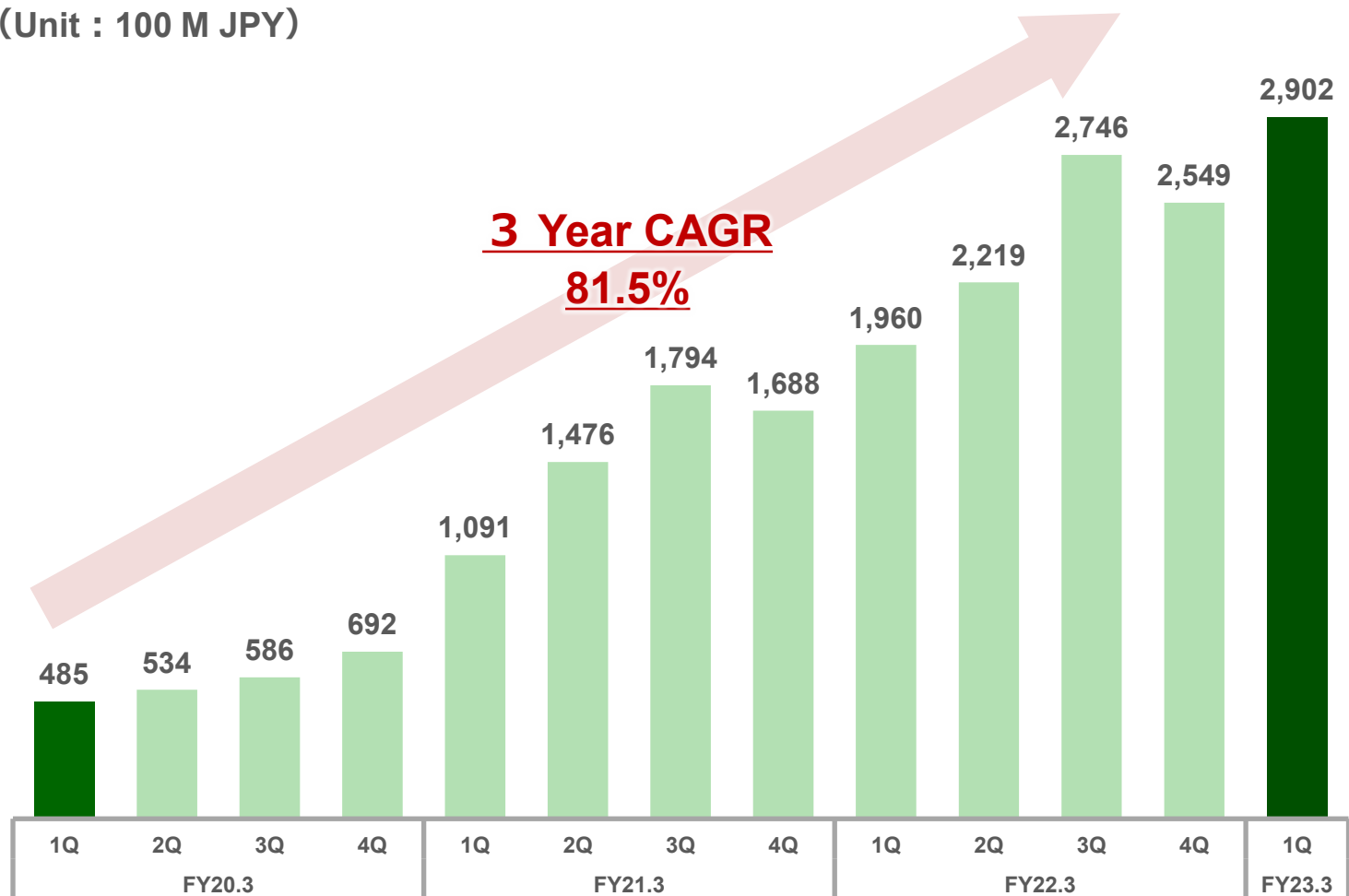
※MPM (Merchant Presented Mode): Method in which consumers scan QR codes displayed at stores with their smartphones to make payments



Alliance strategy in a face-to-face settlement worked successfully, continuing high growth in settlement transaction volume in each area.

Face-to-Face Settlement Transaction Volume

(Unit : 100 M JPY)



Size of Merchants	YonY
Large	+40.4%
Small to Mid	+72.5%
Small	+43.1%



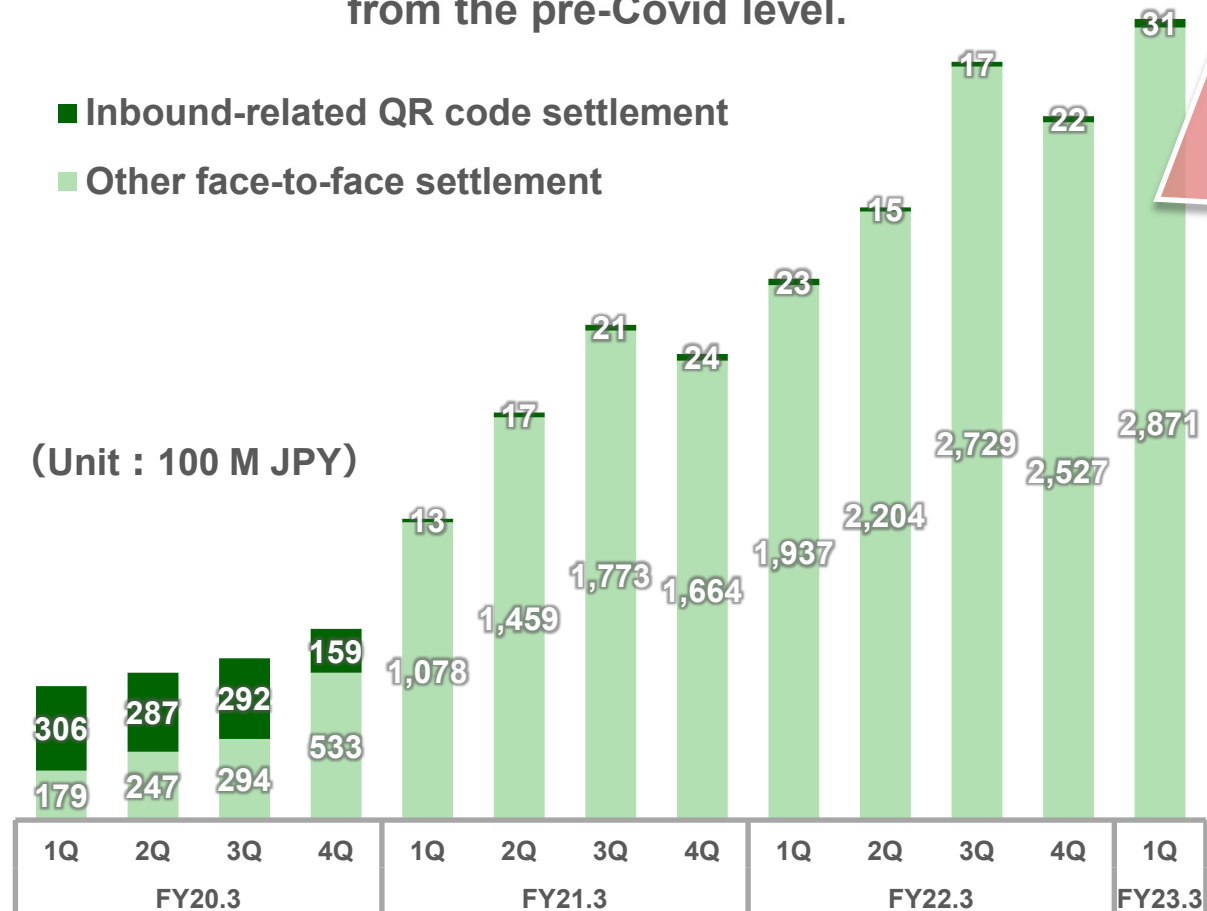
- Inbound-related settlements, which had highly contributed to business performance, remain less than 10% of the pre-Covid level.
- With the easing of entry restrictions, there is significant potential for recovery and expansion, in addition to high growth in domestic transactions.

Face-to-face Settlement Transaction Volume

FT's inbound-related settlements are down 90% from the pre-Covid level.

- Inbound-related QR code settlement
- Other face-to-face settlement

(Unit : 100 M JPY)



Number of Visitor Arrivals to Japan

FT's Potential Transaction Volume of Inbound-related Settlement

Over 300 B JPY per year

Government Goals
60 M visitors

2019
Visitor Arrivals to Japan
31 M


2021
0.24 M visitors

Source) "Visitor Arrivals to Japan", Japan National Tourism Organization



- Not a single payment platform, but a package of various products demanded by the retail industry
- Profit structure produces double income in MT segment and LTI segment with payment business

Digital Garage Group

Area	Payment		Marketing/DX
	Face-to-face settlement area	Non-face-to-face settlement area	Various industry cut
Strategy	Acquisition via partner sales through the alliance	Acquisition via direct marketing	Acquisition via in-house sales
	<p style="text-align: center;"><u>Alliance strategy</u></p> <p style="text-align: center;">Promote sales strategically through collaborations with alliance partners</p> <p style="text-align: center;">Toshiba Tec Corporation</p> <p style="text-align: center;">ANA JCB Recruit</p>	<p style="text-align: center;"><u>Branding</u></p> <p style="text-align: center;">Strengthen brand through integration of major payment subsidiaries</p> <p style="text-align: center;"></p>	<p style="text-align: center;"><u>Package sales of added value other than payment service</u></p> <ul style="list-style-type: none"> • Product provision of marketing and DX that the retail industry demands • Upsell/package service for the customers • Build a sales structure for each business segment within the group

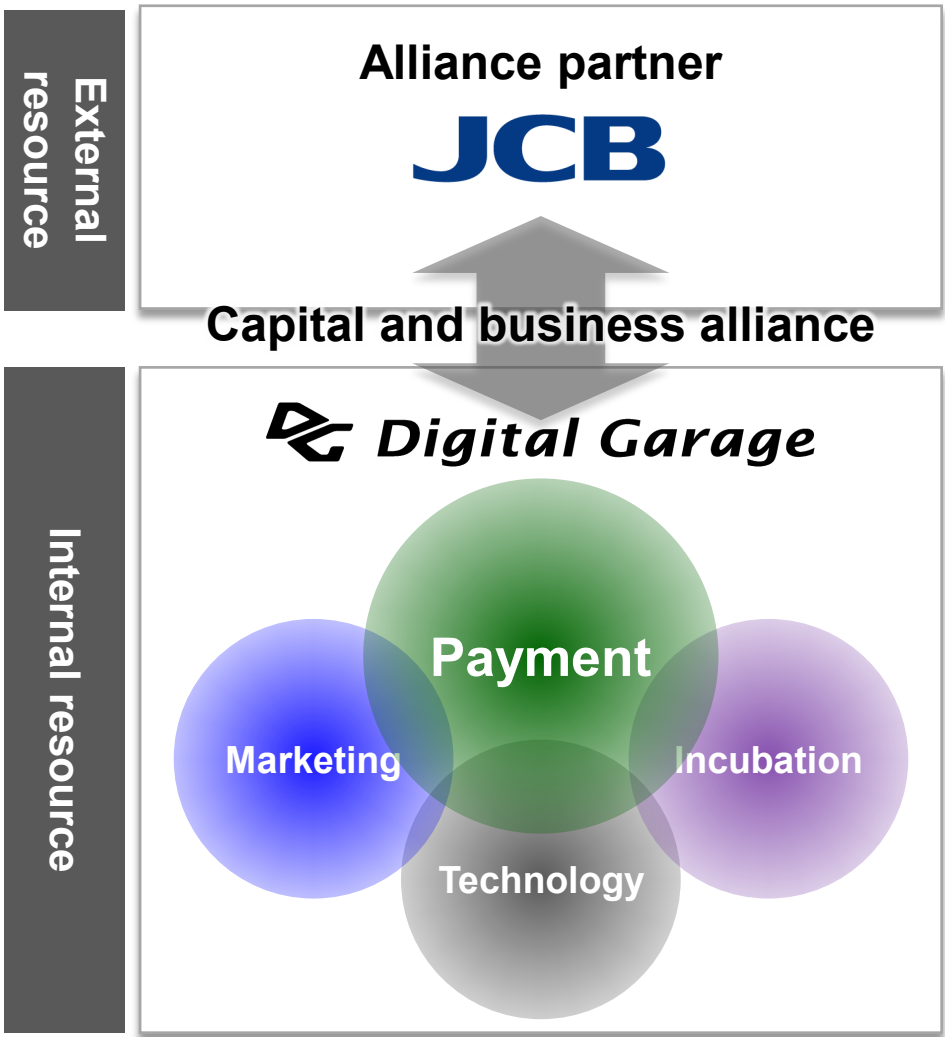
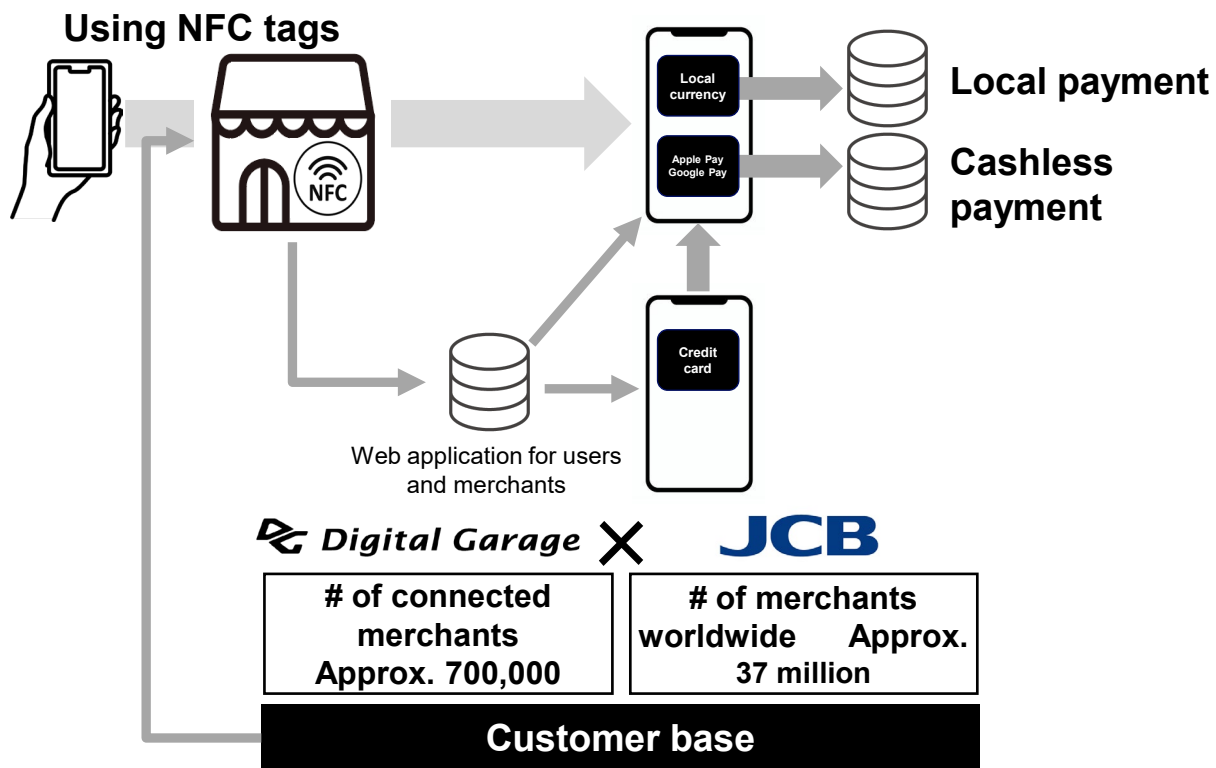


Collaborate with JCB, a capital and business alliance partner, and utilize internal and external resources to start providing a new payment service for Shibuya City ✕

✕Shibuya city digital community currency business

Overview of Shibuya city digital community currency business

**New payment service using NFC tags.
Starting with Shibuya city, expanding to local governments nationwide**





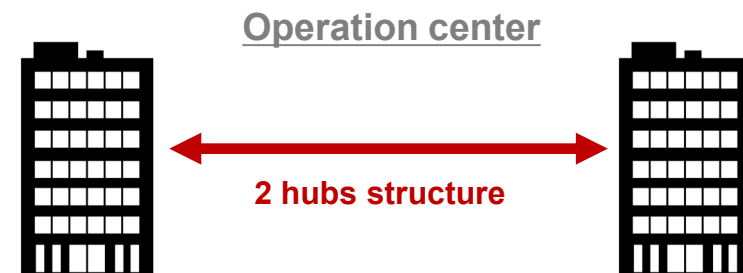
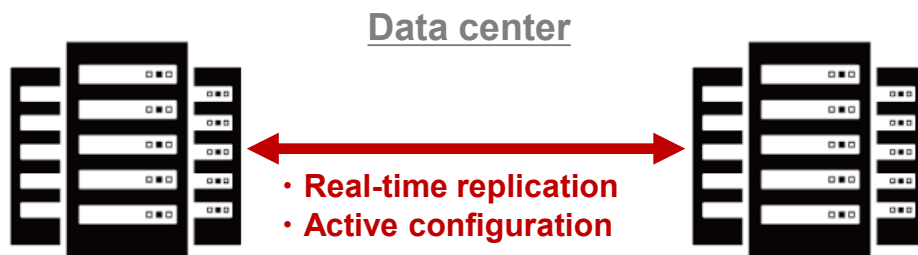
- As a government-designated critical infrastructure operator, thoroughly investing in stable operation and security 24 hours a day, 365 days a year.
- Strengthen system to minimize downtime risk due to unforeseen failures, etc.

Strengthen systems

- Japan's first introduction of state-of-the-art technology used in highly public areas such as finance and transportation as a regular payment system
- Non-disruptive system operation with two-way real-time replication/redundant database in active configuration

Expanding operation center

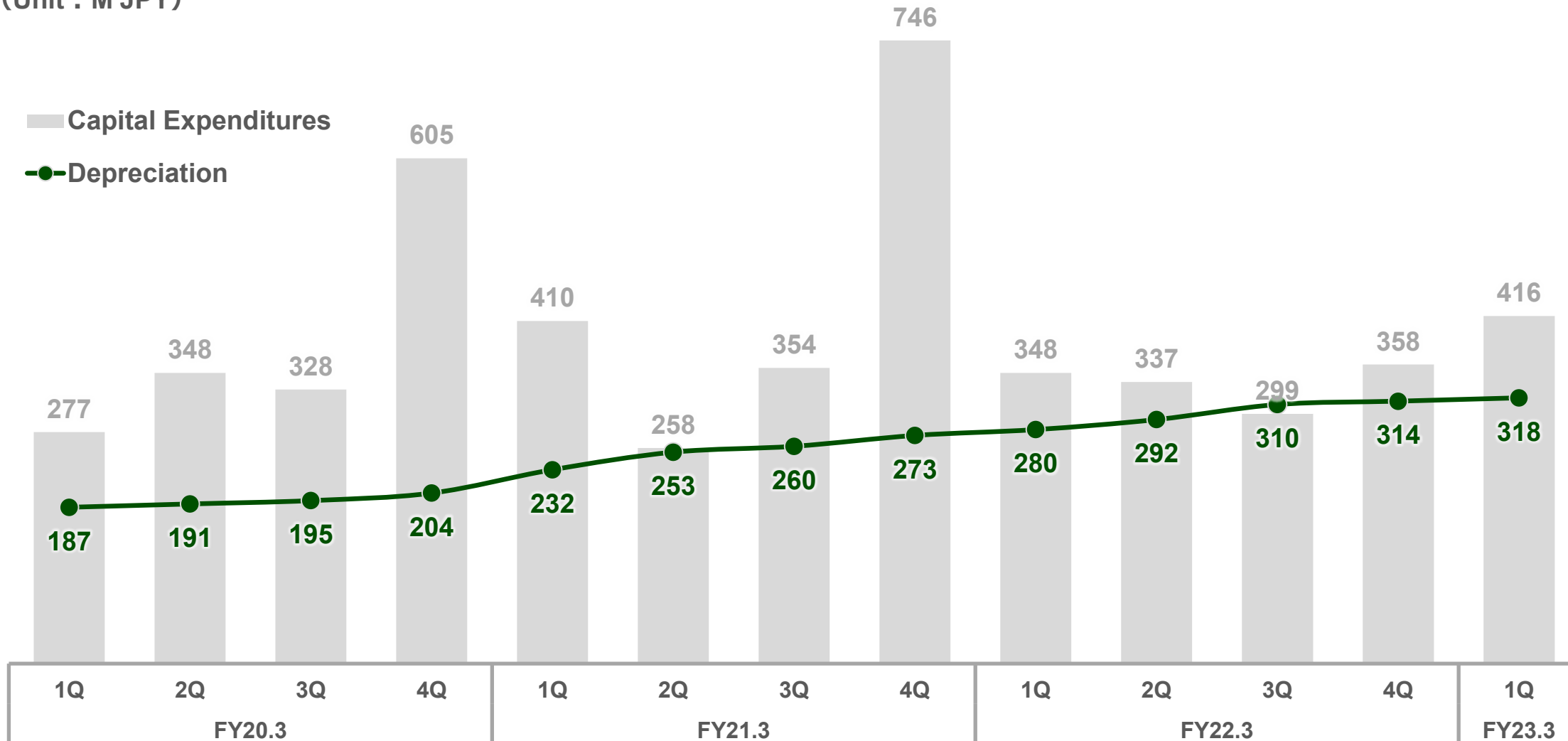
- Expanding hubs to respond to the increase and complexity of operations in anticipation of future growth in payment transaction volume
- Thoroughly improve the reliability of the disaster recovery system
- Minimize manned response 24 hours a day, 365 days a year by introducing technologies such as RPA (Robotic Process Automation)





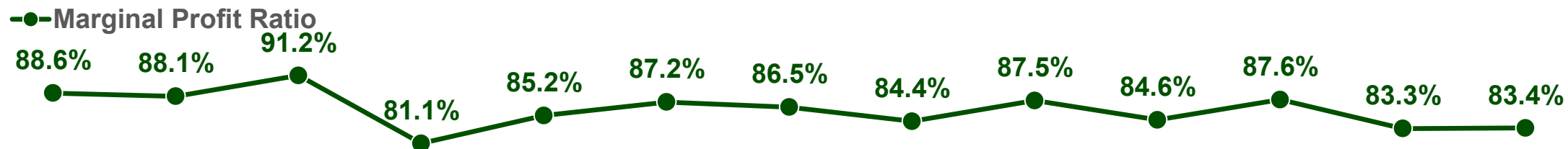
- Continues to invest in systems to ensure stable 24/365 operation and improve robustness of security.
- Depreciation is expected to normalize around year 2025 with efficiency gains from system integration.

(Unit : M JPY)



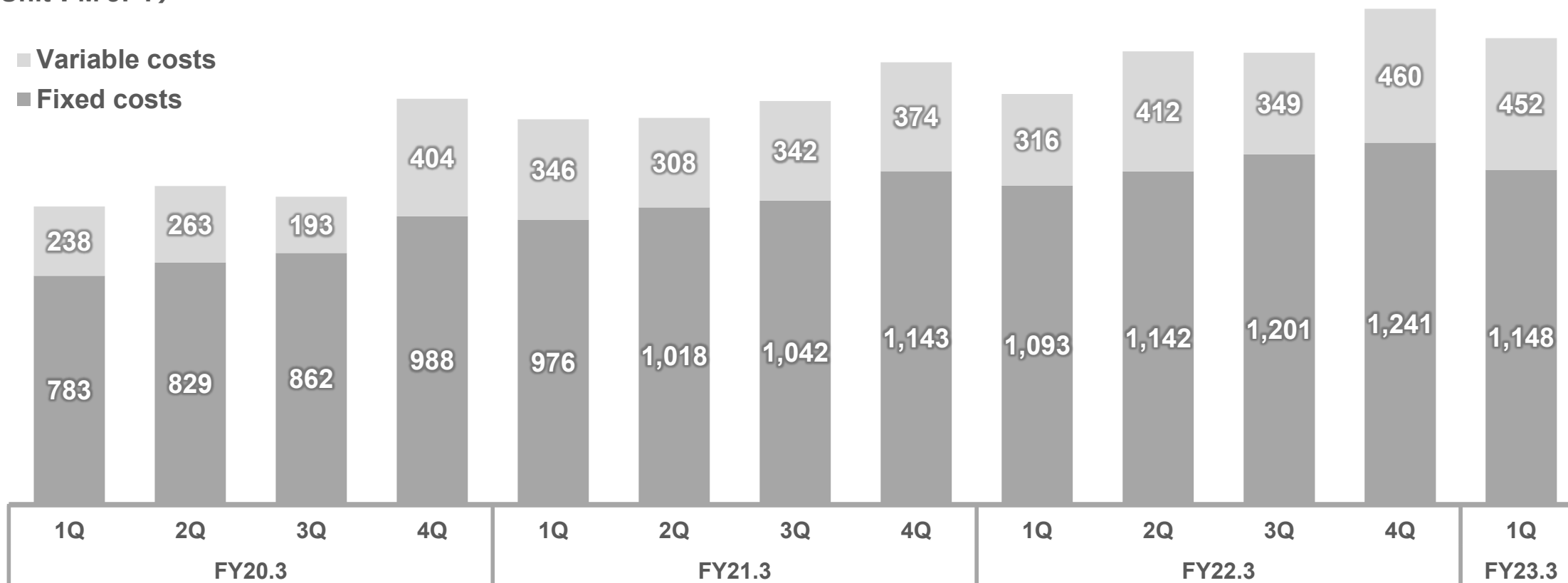


- Fixed costs are on an increase trend due to system-related depreciation and operational redundancy.
- Marginal profit is expected to remain at a current level.



(Unit : M JPY)

■ Variable costs
■ Fixed costs





Cashless settlement market is expected to continue to grow at a high rate for both non-face-to-face and face-to-face settlements.

Continue to promote cashless in this market, expand merchant network assets, and drive Fintech business

Private final consumption expenditure

305

289

(Unit : T JPY)

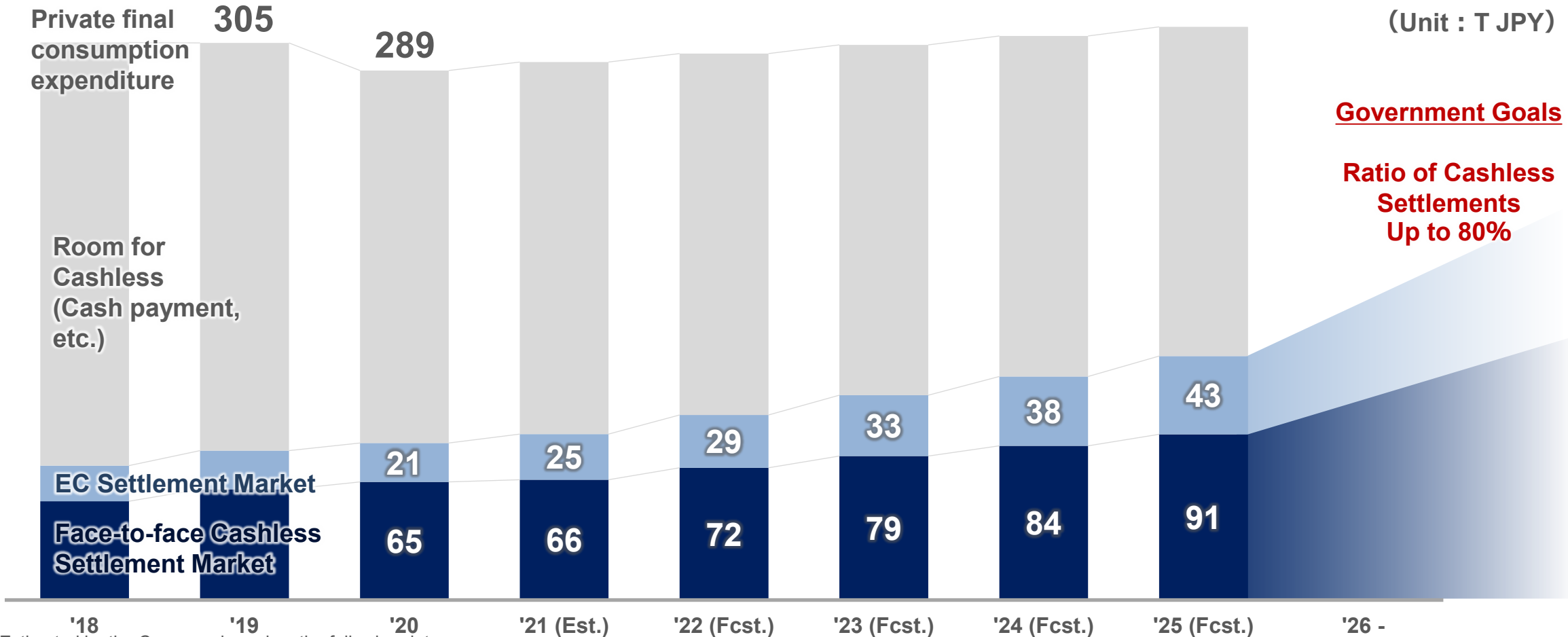
Room for Cashless (Cash payment, etc.)

Government Goals

Ratio of Cashless Settlements Up to 80%

EC Settlement Market

Face-to-face Cashless Settlement Market



Estimated by the Company based on the following data

“System of National Accounts for 2020”, Cabinet Office / “Domestic Cashless Settlement Market 2022”, Yano Research Institute / “Cashless Roadmap 2021”, Ministry of Economy, Trade and Industry / “Results of FY2020 E-Commerce Market Survey Compiled”, Ministry of Economy, Trade and Industry / “Current Status and Outlook of the Internet Settlement Services Market in EC, FY2021 Edition”, Deloitte Tohmatsu MIC Research Institute



Performance

	FY22.3 1Q	FY23.3 1Q	YoY Inc./Dec.	YoY % Chg
Segment Revenue	3,217 M JPY	2,927 M JPY	-289 M JPY	-9.0%
Segment Profit before tax	248 M JPY	101 M JPY	-147 M JPY	-59.4%

Note) Revenue is external revenue. Profit before tax is before intersegment eliminations.

Major Group Companies / Businesses

▶ **Marketing Technology Company**

Supports client's business through performance-based ads, web marketing, CRM marketing, and DX businesses



▶ **DG Communications Co., Ltd.**

Develops real estate advertising business



▶ **BI.Garage, Inc.**

Contextual ads business and media consortium business



▶ **CyberBuzz, Inc.** (20% stake / equity method) Ticker : 7069

Provides the social media marketing platform structured with influencers as its center part



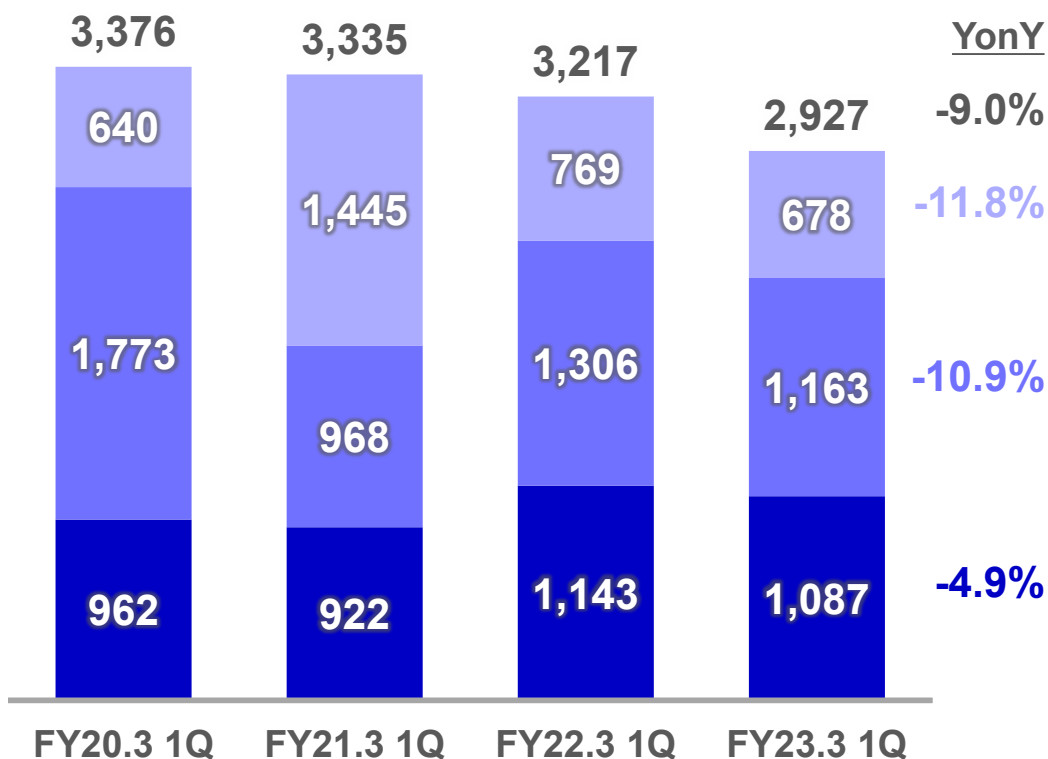


- Volume of the financial sector remains stable in addition to an increase in the volume of D2C projects.
- Both revenue and profit decreased in 1Q due to a reactionary drop from large-scale projects in the real estate advertising recorded in FY22.3.

Segment Revenue

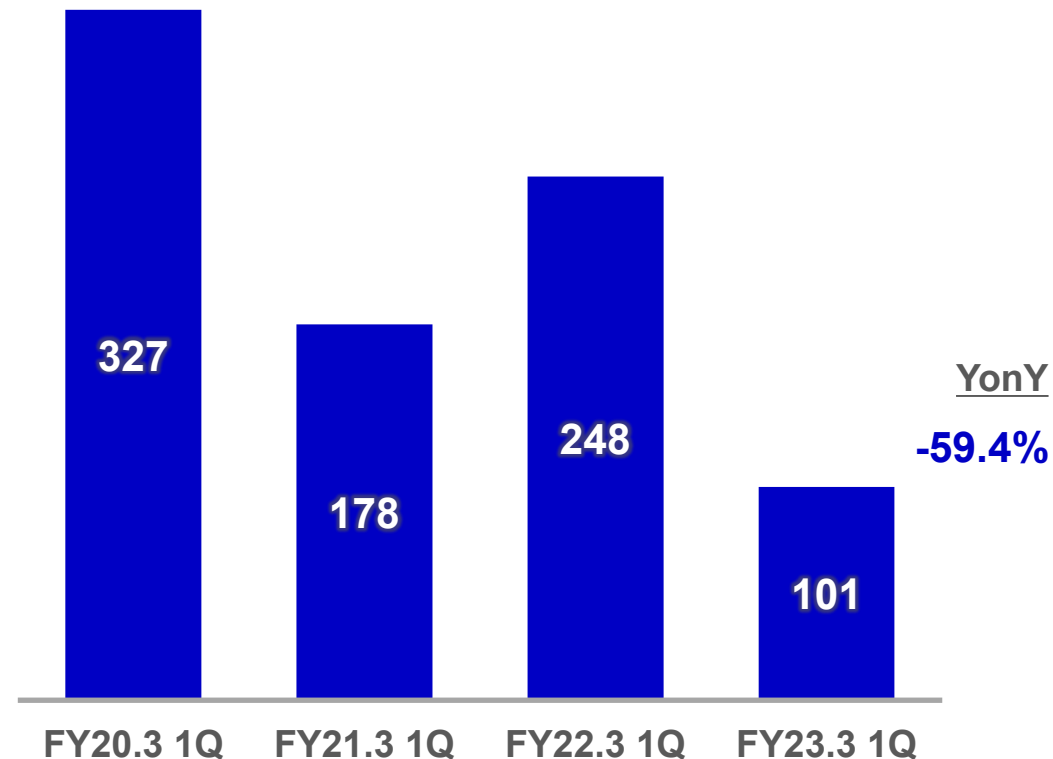
(Unit : M JPY)

- CRM, etc.
- Real Estate
- Digital Ads



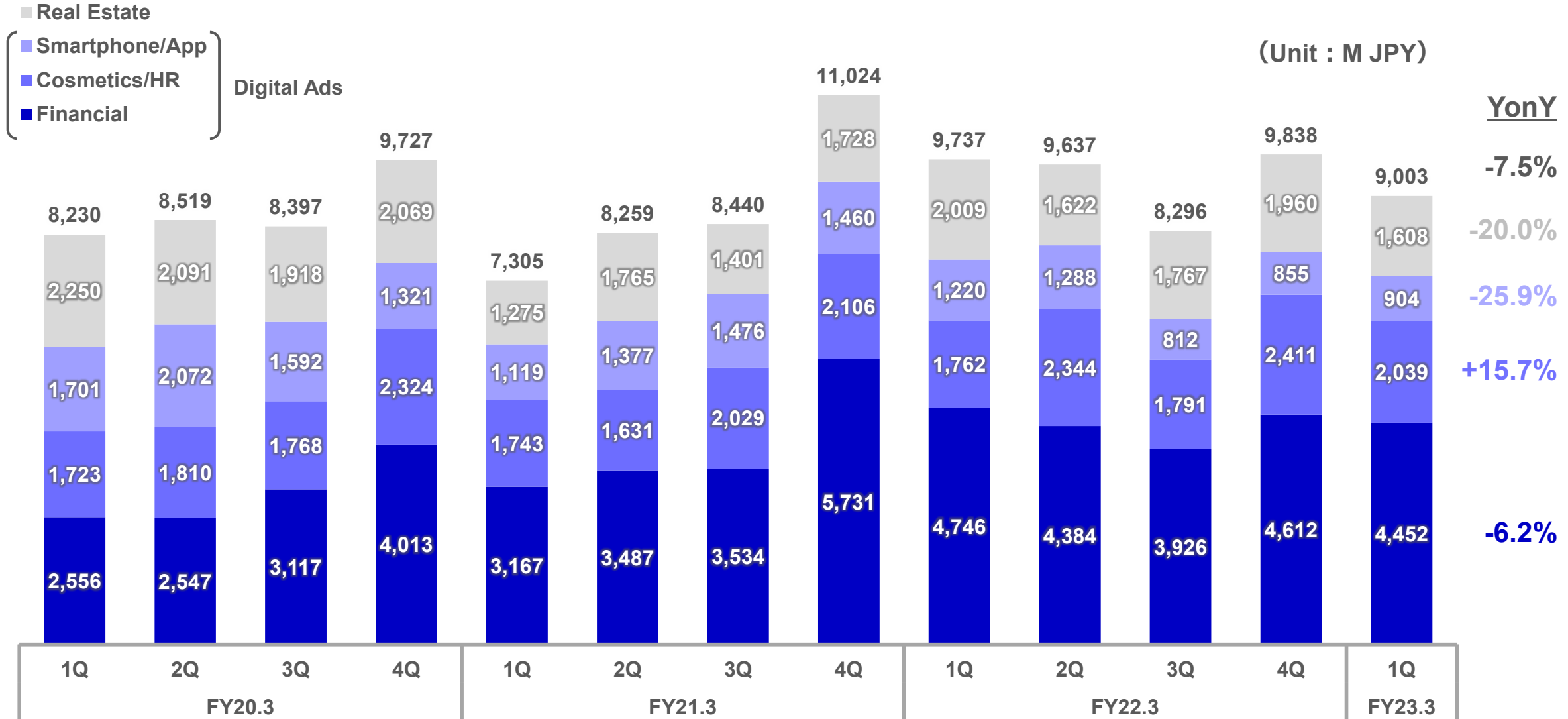
Segment Profit before tax

(Unit : M JPY)



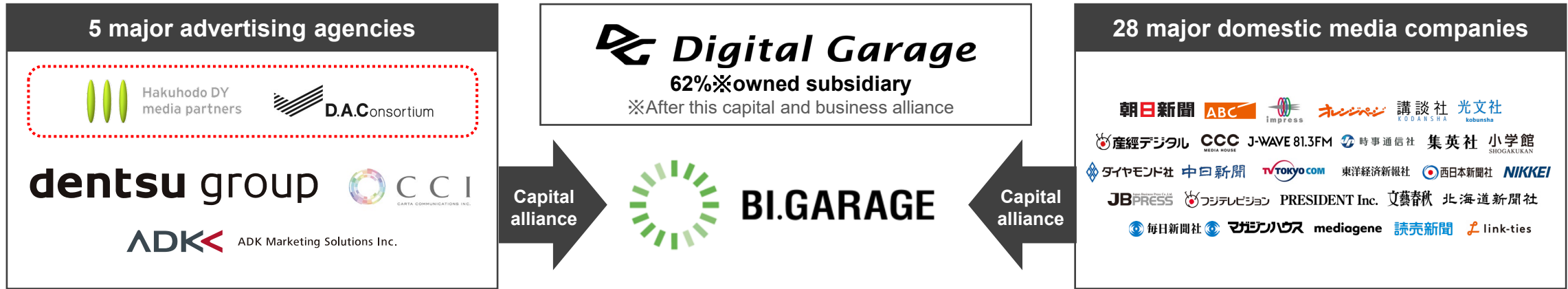


- Digital ads are recovering from the budgetary austerity of companies placing ads in the Corona disaster.
- Steady growth mainly in the financial sector, where MT has a high market share.





- In June 2022, BI.GARAGE signed a capital and business alliance agreement with two Hakuholdo DY Group companies.
- Accelerate the contextual targeting advertising business in the post-cookie era



Cookieless contextual targeting ads for each article

Future Plan: Application to EC/Fintech Shift deployment

150 premium media of 28 leading domestic media companies.
Analyzing data from 100 million profiles



Contextual targeting ads example

Use the analysis results to extract pages that match related keywords



Related keywords

Example of ESG: Environmental issues, decarbonization, renewable energy, diversity and LGBT, etc.

Use the extracted results to match advertisements with placements that meet the target of the advertisement



Reaching Specific Context Interest Groups

Clients: Otsuka Pharmaceutical, Shiseido, Takara Leben, Coca-Cola Japan, Nintendo, Panasonic, Rinnai, etc.


 Performan
ce

	FY22.3 1Q	FY23.3 1Q	YoY Inc./Dec.	YoY % Chg
Operational Investment Securities	50,819 M JPY	86,565 M JPY	+35,746 M JPY	+70.3%
Amount Sold	2,826 M JPY	236 M JPY	-	-
Amount Invested	2,992 M JPY	864 M JPY	-	-

 Major Group Companies /
Businesses

▶ **DG Ventures Inc.**

Invests in and incubates cutting-edge internet startups



▶ **Open Network Lab** (Program)

Seed Accelerator Program



▶ **DG Incubation, Inc.**

Supports startups that challenge the world through incubation and fund management



▶ **DG Daiwa Ventures, Inc.** (50% stake/equity method)

Manages DG Lab Fund to invest in startups with next-generation technologies



▶ **Digital Garage US, Inc.**

The US-based global strategy headquarters



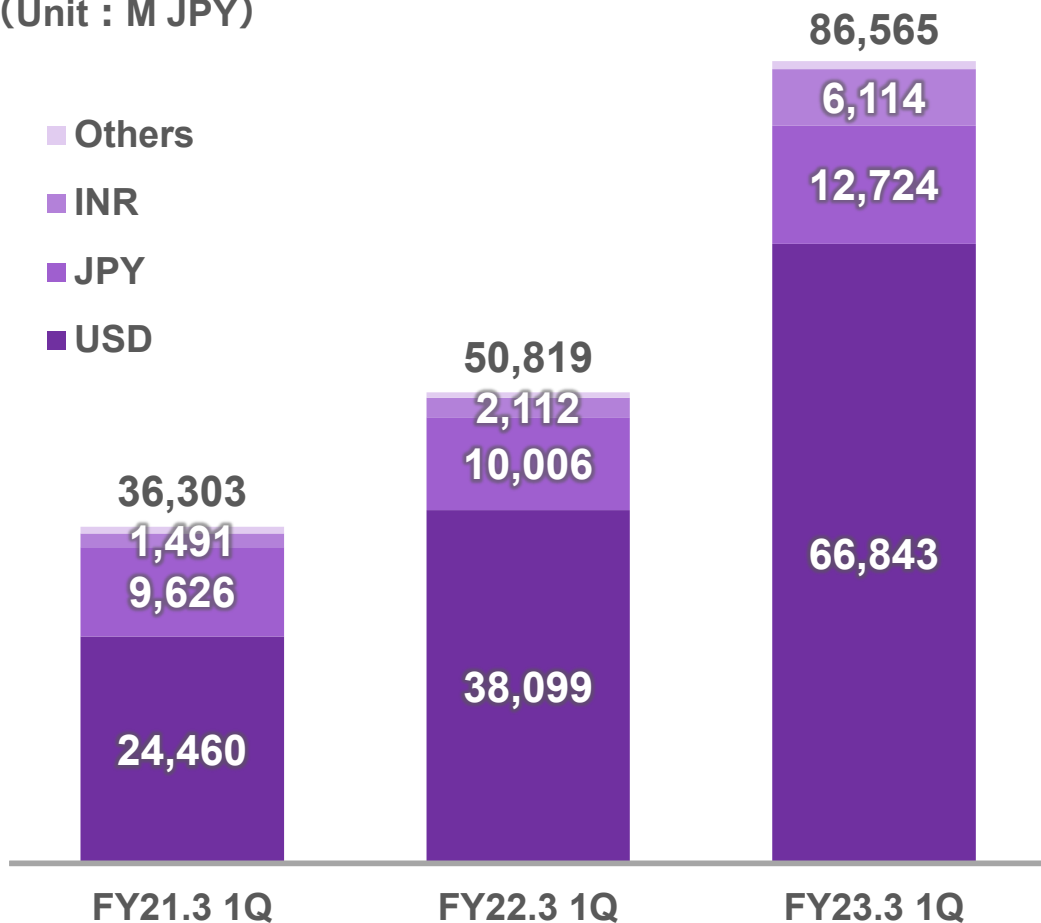


- The fair value of portfolio companies excluding the impact of foreign exchange grew steadily, while equity markets in Japan and the U.S. continued to be weak.
- The fair value at the end of June was 86.6 B JPY (+11.1% vs. the end of FY22.3), primarily driven by the strong U.S. dollar.

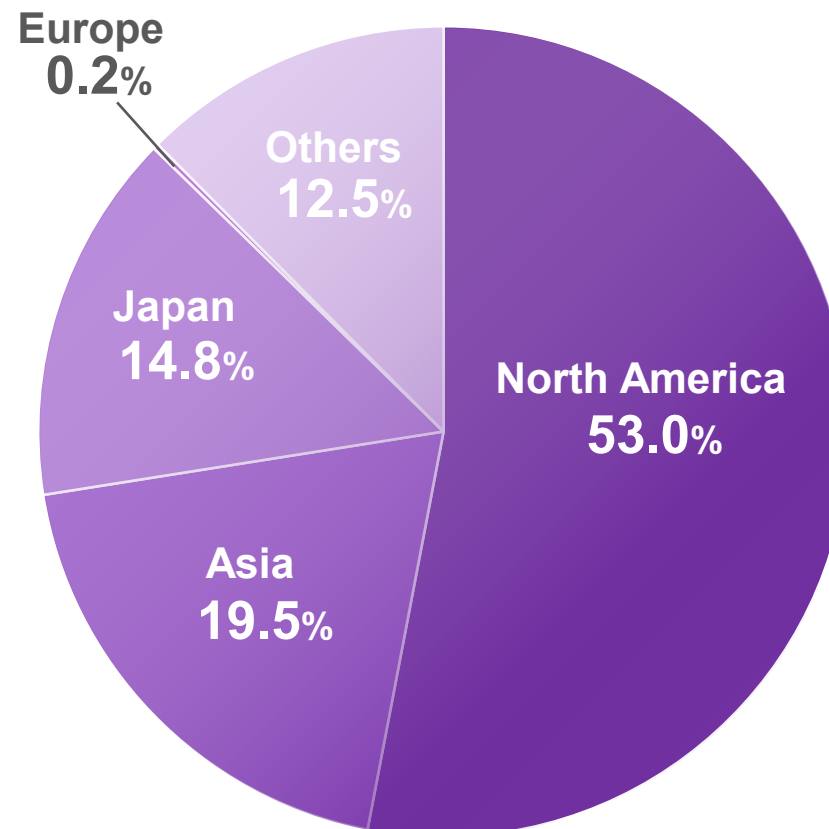
**Balance of Operational investment securities
(Breakdown by Currency)**

(Unit : M JPY)

- Others
- INR
- JPY
- USD



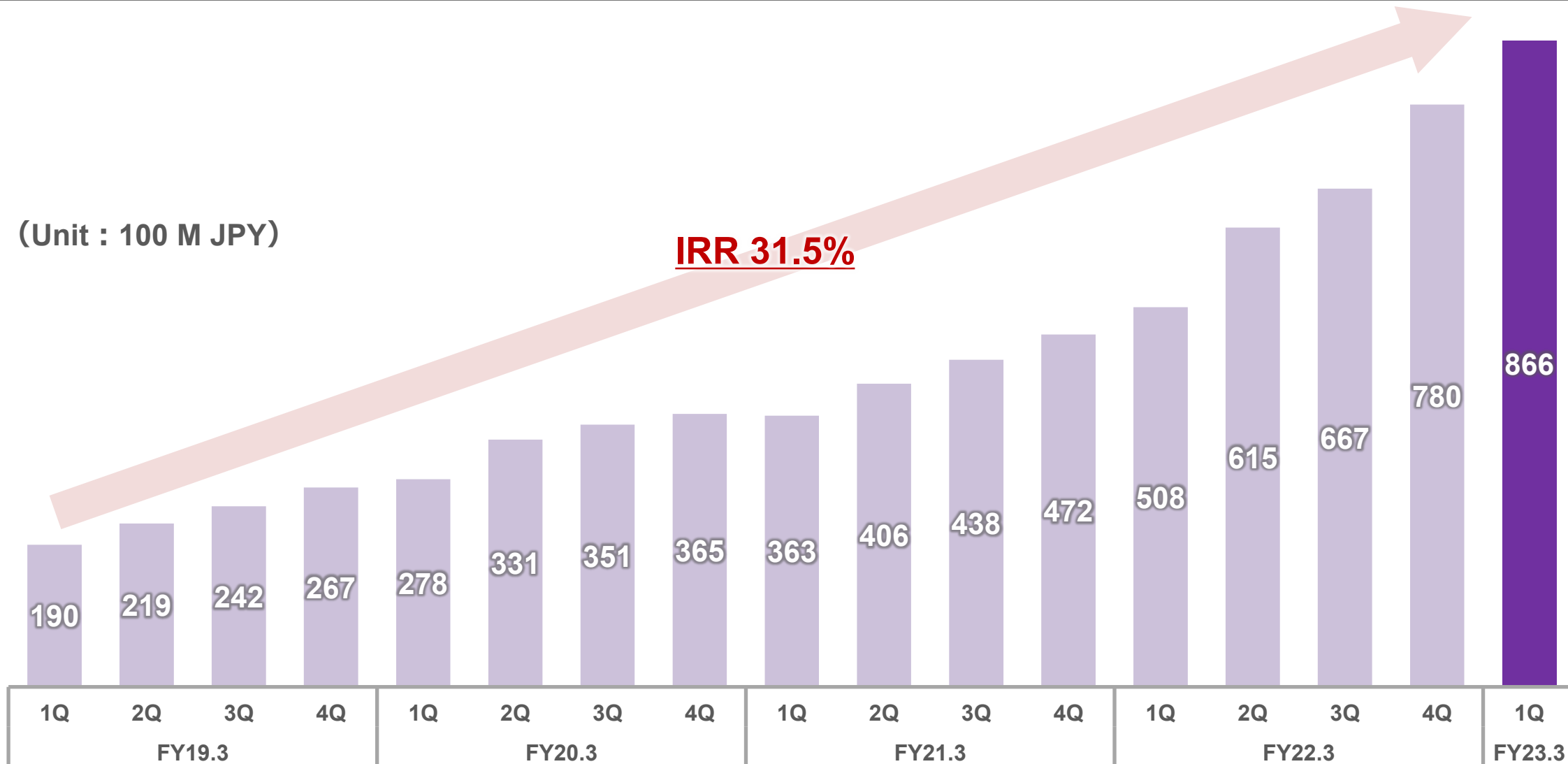
Portfolio by Region





Built a global portfolio focusing on the U.S., Asia, and Japan. Achieved sustainable growth in fair value through diversification of investments in each growth stage.

(Unit : 100 M JPY)



IRR 31.5%

866



Fintech/DX promising portfolio companies in the With Corona era grew in Asia, Japan, North America, and other areas. Steady progress was made in fundraising, listing, and exit of investees.



DG Group's Fintech business collaboration projects

Asia

Droom

[India] 2.0% stake

Operates Droom, India's largest automotive buying and selling online marketplace



NoBroker Technologies

Solutions

[India] 1.4% stake

Operates India's peer-to-peer property marketplace. Users can rent/buy houses online without brokers



Expedient Healthcare

Marketing

[India] 8.4% stake

Operates medical web service "Healthians.com," which offers online booking for health checkups at clinics, related information from doctors/experts, etc.



Ralali

[Indonesia] 4.0% stake

Operates BtoB marketplace for office appliances, etc.



GoTo Group

Listed

[Indonesia] 0.1% stake

Indonesian technology company formed in a merger between ride-hailing giant Gojek and e-commerce platform Tokopedia



Japan



AGE technologies
[Japan] 12.4% stake



A member of the 18th Open Network Lab Seed Accelerator Program. Provides "Souzoku.com," a service that completes various procedures occurring at the time of inheritance on the Internet.



THIRD
[Japan] 13.3% stake



Provides cost reduction consulting services for construction, machinery, and electrical work, and AI-based real estate management platform "Kanri Roid"



Pocket Change
[Japan] 10.4% stake



Provides "pocket change" service for collection, redemption, and exchange of foreign coins, linked to electronic money and point services

GOYOH

[Japan] 5.0% stake



Develops and operates IT services for real estate, commercial and residential properties in Japan and abroad. Develops EaSyGo, a real estate tech service that increases real estate value through stakeholder ESG behavior change

North America · Europe

MX Technologies
[US] 3.2% stake



Offers a PFM (personal financial management) tool for financial institutions in the US

Helium Systems
[US] 1.3% stake



Operates IoT business through smart sensor devices that can be provided at low cost



Blockstream
[US] 7.2 % stake



Develops Sidechain, a technology for using Blockchain, Bitcoin's core technology, in various applications

* % stake includes investment securities held by Digital Garage, Inc.



Pie Systems
[Denmark] 11.6% stake



Develops mobile app that automatizes refund workflow for international VAT (Value-Added Tax) and bypasses airport kiosk



Performance

	FY22.3 1Q	FY23.3 1Q	YoY Inc./Dec.	YoY % Chg
Segment Revenue	1,034 M JPY	1,246 M JPY	+212 M JPY	+20.5%
Segment Profit before tax	574 M JPY	684 M JPY	+110 M JPY	+19.1%

Note) Revenue is external revenue. Profit before tax is before intersegment eliminations.

Major Group Companies / Businesses

▶ **Kakaku.com, Inc.** (20% stake/equity method) Ticker : 2371

Operates purchase support service Kakaku.com, restaurant review and restaurant service Tabelog, and New Media and Solutions

▶ **Crypto Garage, Inc.**

Promotes development of advanced financial services utilizing blockchain technology and cryptography technology with Tokyo Tanshi Co., Ltd., and Nomura Holdings, Inc.

▶ **Brainscan Technologies, Inc.**

MRI business for drivers

▶ **Musubell business**

Develops and provides "Musubell," a system to promote DX of contracting and other operations in the real estate industry

▶ **Academie Du Vin Co., Ltd.**

Runs wine school and wine sales business and develops EC business

▶ **Welby Inc.** (19% stake/equity method) Ticker : 4438

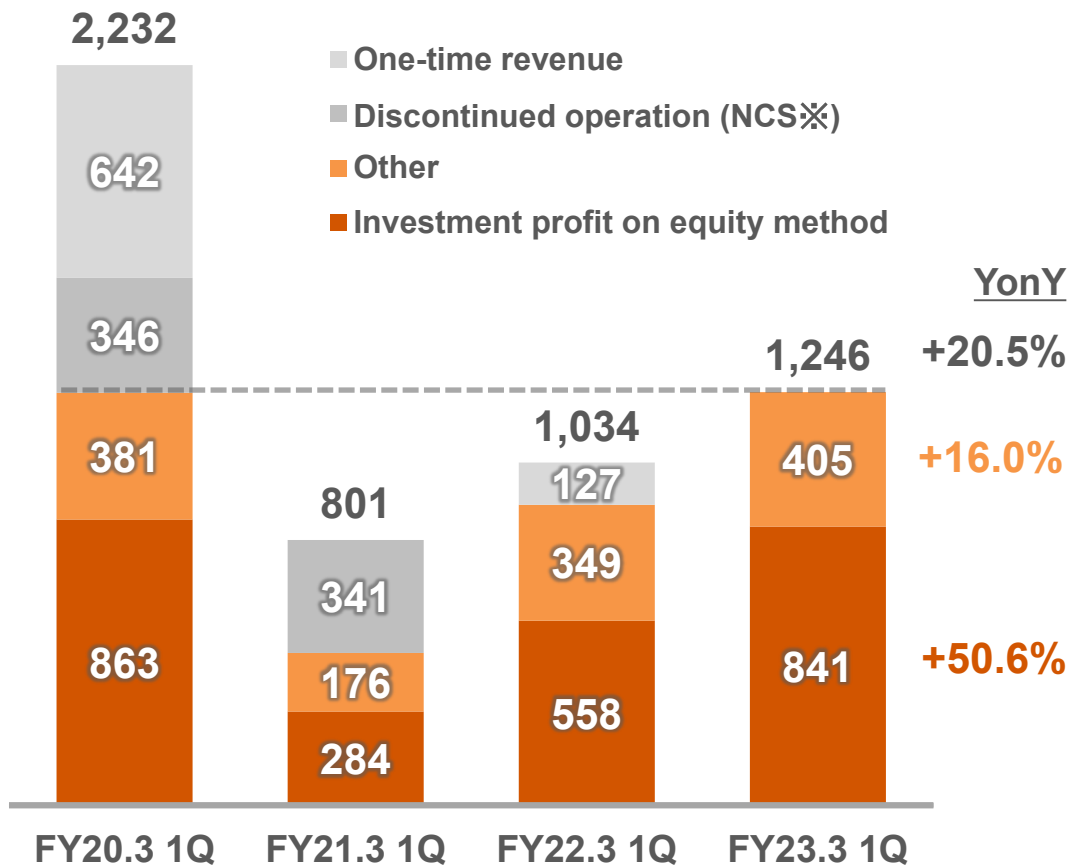
Develops medical record business, disease solution business, and medical data research business



- Restaurant-related businesses, including Tabelog, are on a recovery trend as the priority preventive measures, etc., were lifted.
- Core revenue, excluding one-time factors and discontinued operations, has recovered to the pre-Covid level.

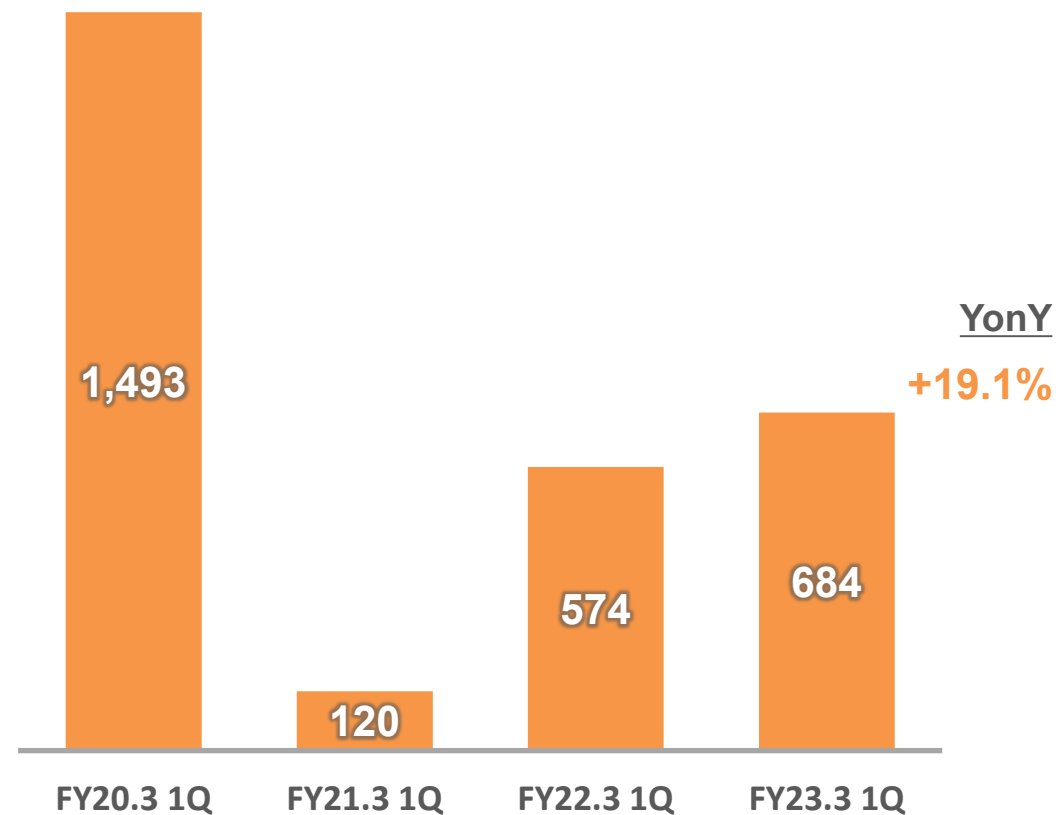
Segment Revenue

(Unit : M JPY)



Segment Profit before tax

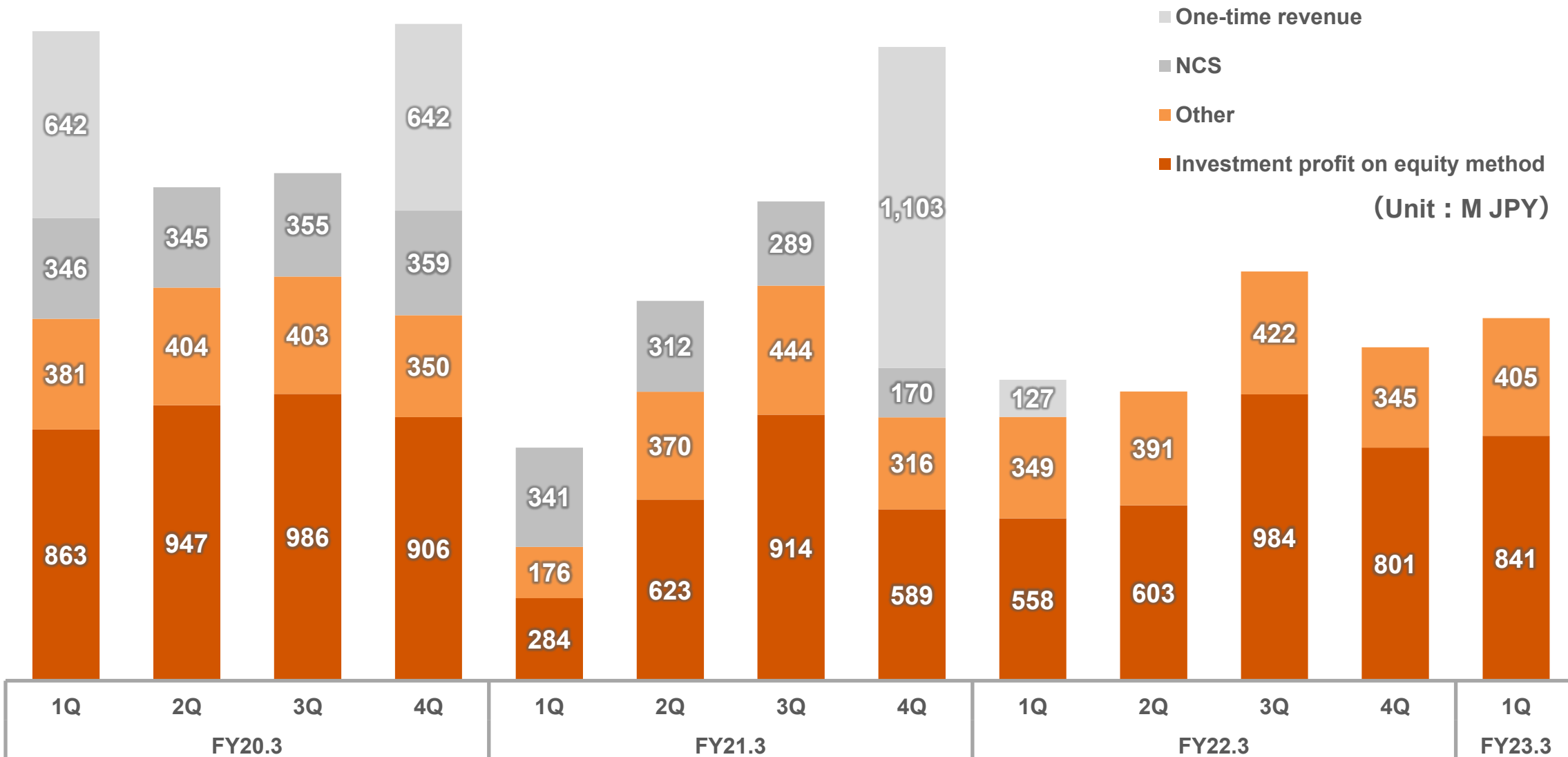
(Unit : M JPY)



※ Transferred all operations of New Context Services, Inc. in FY21.3.



Although the activity restrictions of the Corona disaster mainly affected investment profit on equity method from Kakaku.com, core revenue, excluding one-time factors and discontinued operations, has stabilized under the current circumstances.



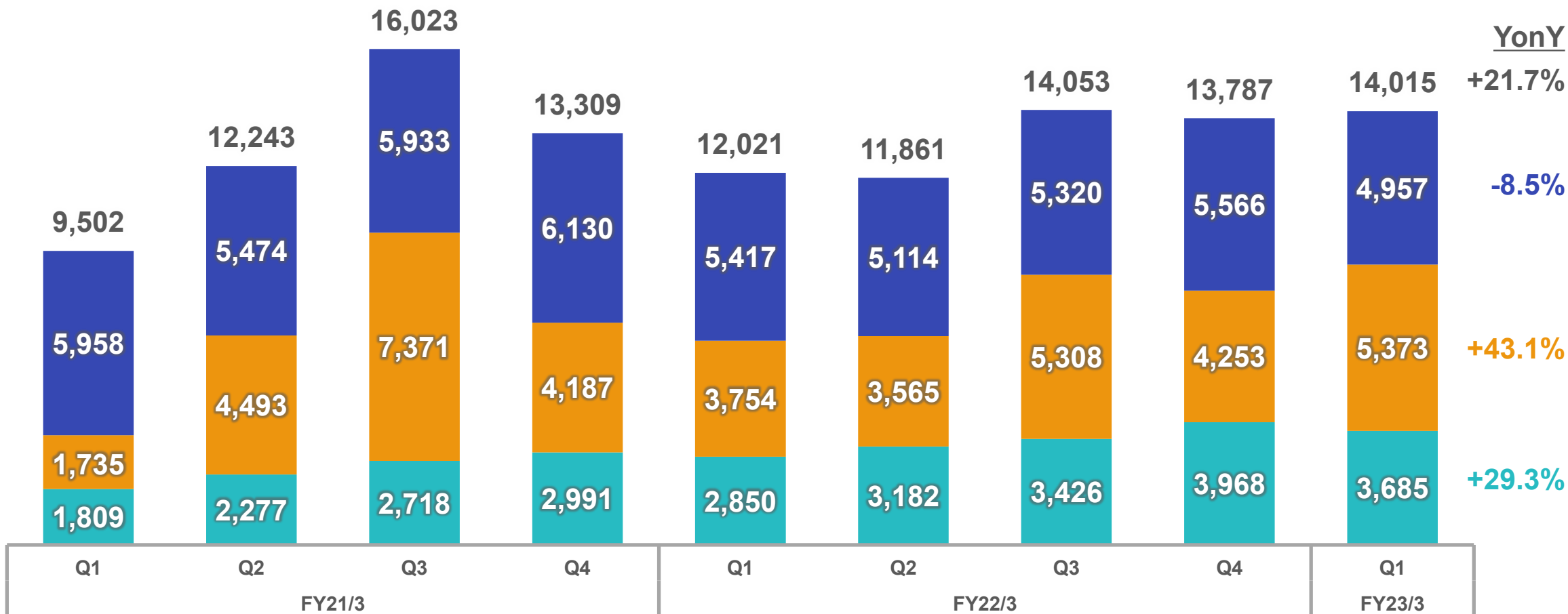


Source) "Results Briefing for the First Quarter of the Fiscal Year ending March 31, 2023", Kakaku.com, Inc.

Kakaku.com, Inc. Quarterly Revenue by Business

(Unit : M JPY)

- Kakaku.com
- Tabelog
- New Media and Solutions/Finance



Financial Information





JPY in Millions	FY21.3				FY22.3				FY23.3	YonY (1Q)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	Increase/Decrease	% Change
Revenue	6,944	12,320	9,447	11,767	10,843	29,266	12,779	20,067	17,734	+6,891	+63.6%
Revenue in recurring business	6,148	6,301	6,138	6,357	6,004	6,068	6,226	6,532	6,002	-3	-0.0%
Revenue in operational investment securities	302	4,968	2,226	3,535	3,893	9,834	4,378	10,163	7,534	+3,641	+93.5%
Other income	193	207	214	1,335	326	223	202	202	159	-167	-51.2%
Finance income	1	0	17	40	18	11,382	513	1,247	2,131	+2,113	+11502.9%
Share of profit of investments accounted for using equity method	300	843	853	499	600	1,758	1,461	1,923	1,907	+1,307	+217.8%
Expenses	6,539	6,689	6,123	6,811	5,969	6,715	6,526	8,352	6,530	+561	+9.4%
Cost of sales	2,764	2,829	2,459	2,645	2,531	2,617	2,662	2,703	2,622	+91	+3.6%
Selling, general and administrative expenses	3,453	3,588	3,400	4,095	3,304	3,831	3,696	3,988	3,758	+454	+13.7%
Other expenses	69	109	69	370	72	117	99	1,594	80	+8	+11.1%
Finance costs	252	163	195	-299	62	151	69	68	70	+8	+13.6%
Profit before tax	405	5,632	3,324	4,956	4,874	22,551	6,253	11,715	11,204	+6,330	+129.9%
Profit attributable to owners of parent	224	3,779	2,290	3,493	3,343	15,152	4,305	7,529	7,467	+4,124	+123.4%



JPY in Millions	FY21.3				FY22.3				FY23.3	YoY (1Q)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	Increas/ Decrease	% Change
Revenue	6,944	12,320	9,447	11,767	10,843	29,266	12,779	20,067	17,734	+6,891	+63.6%
Financial Technology	2,340	2,409	2,525	2,392	2,516	2,675	2,814	2,757	2,721	+205	+8.1%
Marketing Technology	3,335	3,257	2,958	3,499	3,217	3,098	3,087	3,618	2,927	-289	-9.0%
Incubation Technology	389	5,269	2,225	3,599	4,015	12,214	5,008	11,549	8,937	+4,922	+122.6%
Long-term Incubation	801	1,305	1,646	2,179	1,034	994	1,406	1,146	1,246	+212	+20.5%
Others/Adjustments and Eliminations	79	81	94	97	61	10,286	465	996	1,903	+1,842	+3041.6%
Profit before tax	405	5,632	3,324	4,956	4,874	22,551	6,253	11,715	11,204	+6,330	+129.9%
Financial Technology	1,018	1,083	1,141	875	1,108	1,120	1,264	1,057	1,121	+13	+1.2%
Marketing Technology	178	78	202	276	248	183	150	442	101	-147	-59.4%
Incubation Technology	72	4,916	1,861	3,415	3,636	11,886	4,593	11,100	8,480	+4,844	+133.2%
Long-term Incubation	120	485	843	1,205	574	504	813	-639	684	+110	+19.1%
Others/Adjustments and Eliminations	-983	-931	-724	-815	-692	8,858	-567	-244	818	+1,510	-

JPY in Millions	End of FY22.3	End of FY22.6	Increase/Decrease	Reason for change / Remarks
Current assets	147,642	155,828	+8,186	
Cash and cash equivalents	43,415	46,748	+3,333	
Trade and other receivables	24,462	19,926	-4,536	FT business-related items
Operational investment securities	77,950	86,565	+8,616	Increase in fair value of investee companies
Non-current assets	83,965	86,433	+2,468	
Property, plant and equipment	18,423	18,224	-199	
Intangible assets	4,194	4,260	+66	
Investments accounted for using equity method	27,808	28,880	+1,072	Equity in earnings of affiliates
Other financial assets	23,317	24,485	+1,167	Increase in fair value of investee companies
Total assets	231,607	242,261	+10,653	
Current liabilities	59,242	60,525	+1,284	
Borrowings	9,223	11,333	+2,111	Borrowing for working capital
Trade and other payables	43,900	43,908	+8	
Non-current liabilities	75,149	78,301	+3,153	
Bonds and borrowings	40,710	40,999	+289	
Other financial liabilities	10,683	10,304	-379	
Deferred tax liabilities	22,001	25,203	+3,202	Increase in estimated tax expense on unrealized gains on securities
Total liabilities	134,390	138,827	+4,436	
Total equity attributable to owners of parent	95,738	101,766	+6,028	
Share capital	7,692	7,810	+117	
Capital surplus	6,147	6,077	-70	
Treasury shares	-1,409	-1,409	+0	
Other components of equity	2,273	2,435	+162	
Retained earnings	81,035	86,854	+5,819	Increased profit
Non-controlling interests	1,479	1,668	+189	
Total equity	97,217	103,434	+6,217	



Starting this fiscal year, the information previously disclosed in the “Supplementary Explanatory Material” section will be posted as a datasheet at the Company's website.

URL: <https://www.garage.co.jp/en/ir/library/>

We continue to enhance information disclosure to provide information that contributes to investment decisions by our shareholders and investors.



Digital Garage

Please note that the business forecasts and strategies covered in today's presentation are based on our current evaluation and future results may vary significantly depending on unforeseeable events or circumstances. This announcement is solely for the purpose of the investors relationship and is not for making any solicitation for investment in any securities. This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or any other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. Any securities of our consolidated subsidiaries have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements.