

**Translation**

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**Summary of Consolidated Financial Results  
for the Six Months Ended September 30, 2023  
(Based on IFRS)**

November 9, 2023

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 Div.  
 Inquiries: Hiroyuki Nozaki TEL 03-6367-1111  
 Scheduled date to file Quarterly Securities Report: November 9, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts are rounded off to the nearest million yen)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	22,370	53.6	8,266	–	5,479	–	5,617	–	5,833	–
Six months ended September 30, 2022	14,564	(63.7)	(6,642)	–	(4,414)	–	(4,325)	–	(4,282)	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	123.19		121.80	
Six months ended September 30, 2022	(91.66)		(91.66)	

(Note Due to the application of IAS 12 “Income Taxes”, figures for the second quarter of the fiscal year ending March 31, 2023 have been retroactively applied.)

(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 September 30, 2023	221,297	81,865	79,552	35.9
As of March 31, 2023	216,275	81,972	80,030	37.0

(Note Due to the application of IAS 12 “Income Taxes”, figures for the fiscal year ending March 31, 2023 have been retroactively applied.)

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, 2023	–	0.00	–	37.00	37.00
Year ending March 31, 2024	–	0.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	–	–

(Note The dividend forecast for the fiscal year ending March 31, 2024 has not been determined.)

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

The Company does not disclose its consolidated financial results forecast because it is difficult to reasonably estimate the fair value of securities held by the Group at the end of the fiscal year in the field of startups investment etc.

The profit before tax in Platform solution segment, our revenue base that integrates payment and marketing businesses, etc., is expected to increase by approximately 15% compared to the consolidated financial results for FYE March 31, 2023.

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2023  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Changes in accounting policies and changes in accounting estimates
- Changes in accounting policies required by IFRS: Yes
- 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 September 30, 2023	47,614,800 shares	As of March 31, 2023	47,607,500 shares
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Number of treasury shares at end of period

As of September 30, 2023	2,739,371 shares	As of March 31, 2023	1,534,826 shares
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Average number of shares during period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	45,599,461 shares	Six months ended September 30, 2022	47,182,634 shares
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**Condensed quarterly consolidated financial statements**  
**Condensed quarterly consolidated statement of financial position**

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and cash equivalents	53,335	49,273
Trade and other receivables	20,765	23,257
Inventories	357	447
Operational investment securities	67,676	73,924
Other financial assets	281	277
Income taxes receivable	1,384	877
Other current assets	979	805
Total current assets	144,776	148,860
Non-current assets		
Property, plant and equipment	16,613	16,149
Goodwill	6,415	6,442
Intangible assets	4,548	4,890
Investment property	3,400	3,776
Investments accounted for using equity method	25,922	26,106
Other financial assets	14,245	14,772
Deferred tax assets	25	23
Other non-current assets	331	278
Total non-current assets	71,498	72,437
Total assets	216,275	221,297

	(Millions of yen)	
	As of March 31, 2023	As of September 30, 2023
Liabilities and equity		
Liabilities		
Current liabilities		
Bonds and borrowings	38,745	28,586
Trade and other payables	48,877	41,065
Other financial liabilities	1,691	1,691
Income taxes payable	1,388	606
Other current liabilities	4,080	3,406
Total current liabilities	94,780	75,353
Non-current liabilities		
Bonds and borrowings	13,957	37,330
Other financial liabilities	9,127	8,275
Retirement benefit liability	477	469
Provisions	476	478
Deferred tax liabilities	14,717	16,797
Other non-current liabilities	767	729
Total non-current liabilities	39,522	64,079
Total liabilities	134,303	139,432
Equity		
Share capital	7,830	7,840
Capital surplus	6,229	6,345
Treasury shares	(6,293)	(11,156)
Other components of equity	1,650	1,973
Retained earnings	70,614	74,551
Total equity attributable to owners of parent	80,030	79,552
Non-controlling interests	1,942	2,313
Total equity	81,972	81,865
Total liabilities and equity	216,275	221,297

## Condensed quarterly consolidated statements of income

First six months of fiscal year

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Revenue		
Revenue in recurring business	12,146	12,791
Revenue in operational investment securities	233	5,708
Other income	336	629
Finance income	1,041	1,371
Share of profit of investments accounted for using equity method	809	1,872
Total	<u>14,564</u>	<u>22,370</u>
Expenses		
Cost of sales	5,117	5,221
Selling, general and administrative expenses	7,869	8,570
Other expenses	167	175
Finance costs	8,052	138
Total	<u>21,206</u>	<u>14,104</u>
Profit (loss) before tax	<u>(6,642)</u>	<u>8,266</u>
Income tax expense	<u>(2,228)</u>	<u>2,787</u>
Profit (loss)	<u>(4,414)</u>	<u>5,479</u>
Profit (loss) attributable to		
Owners of parent	(4,325)	5,617
Non-controlling interests	(89)	(138)
Earnings (loss) per share		
Basic earnings (loss) per share	(91.66)	123.19
Diluted earnings (loss) per share	(91.66)	121.80

Stand-alone 2nd quarter of fiscal year

(Millions of yen)

	2nd quarter ended September 30, 2022	2nd quarter ended September 30, 2023
Revenue		
Revenue in recurring business	6,144	6,455
Revenue in operational investment securities	(7,301)	1,125
Other income	176	206
Finance income	(1,090)	399
Share of profit of investments accounted for using equity method	(1,099)	998
Total	<u>(3,170)</u>	<u>9,183</u>
Expenses		
Cost of sales	2,495	2,538
Selling, general and administrative expenses	4,112	4,403
Other expenses	87	90
Finance costs	7,982	66
Total	<u>14,676</u>	<u>7,096</u>
Profit (loss) before tax	<u>(17,846)</u>	<u>2,087</u>
Income tax expense	(5,992)	643
Profit (loss)	<u>(11,854)</u>	<u>1,444</u>
Profit (loss) attributable to		
Owners of parent	(11,813)	1,521
Non-controlling interests	(42)	(77)
Earnings (loss) per share		
Basic earnings (loss) per share	(250.10)	33.68
Diluted earnings (loss) per share	(250.10)	33.28

## Condensed quarterly consolidated statements of comprehensive income

First six months of fiscal year

	Six months ended September 30, 2022	(Millions of yen) Six months ended September 30, 2023
Profit (loss)	(4,414)	5,479
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	(828)	(300)
Share of other comprehensive income of investments accounted for using equity method	22	8
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	938	645
Share of other comprehensive income of investments accounted for using equity method	0	1
Other comprehensive income, net of tax	132	353
Comprehensive income	(4,282)	5,833
Comprehensive income attributable to		
Owners of parent	(4,199)	5,965
Non-controlling interests	(83)	(132)

Stand-alone 2nd quarter of fiscal year

	(Millions of yen)	
	2nd quarter ended September 30, 2022	2nd quarter ended September 30, 2023
Profit (loss)	(11,854)	1,444
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	(402)	(599)
Share of other comprehensive income of investments accounted for using equity method	22	1
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	346	178
Share of other comprehensive income of investments accounted for using equity method	0	0
Other comprehensive income, net of tax	(34)	(419)
Comprehensive income	(11,888)	1,025
Comprehensive income attributable to		
Owners of parent	(11,849)	1,101
Non-controlling interests	(39)	(76)



## Condensed quarterly consolidated statement of changes in equity

Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(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, 2022	7,692	6,147	(1,409)	613	1,660	0	2,273
Cumulative effect of accounting change							–
Restated balance	7,692	6,147	(1,409)	613	1,660	0	2,273
Profit (loss)							–
Other comprehensive income				(806)	932		125
Comprehensive income	–	–	–	(806)	932	–	125
Issuance of new shares	126	126					–
Changes in ownership interest in subsidiaries		13					–
Dividends							–
Share-based payment transactions		(59)	116				–
Purchase of treasury shares			(0)				–
Transfer from other components of equity to retained earnings				(54)			(54)
Total	126	80	116	(54)	–	–	(54)
Balance at September 30, 2022	7,818	6,226	(1,293)	(248)	2,592	0	2,344

(Millions of yen)

	Equity attributable to owners of parent		Non-controlling interests	Total
	Retained earnings	Total		
Balance at April 1, 2022	81,035	95,738	1,479	97,217
Cumulative effect of accounting change	(120)	(120)	(0)	(120)
Restated balance	80,916	95,618	1,479	97,097
Profit (loss)	(4,325)	(4,325)	(89)	(4,414)
Other comprehensive income		125	6	132
Comprehensive income	(4,325)	(4,199)	(83)	(4,282)
Issuance of new shares		251		251
Changes in ownership interest in subsidiaries		13	450	463
Dividends	(1,648)	(1,648)		(1,648)
Share-based payment transactions		57		57
Purchase of treasury shares		(0)		(0)
Transfer from other components of equity to retained earnings	54	–		–
Total	(1,594)	(1,326)	450	(877)
Balance at September 30, 2022	74,997	90,092	1,846	91,939

Six months ended September 30, 2023 (from April 1, 2023 to September 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				(293)	640		347
Comprehensive income	–	–	–	(293)	640	–	347
Issuance of new shares	10	10					–
Changes in ownership interest in subsidiaries		(3)					–
Change in scope of consolidation							–
Dividends							–
Share-based payment transactions		166	137				–
Purchase of treasury shares		(57)	(5,000)				–
Transfer from other components of equity to retained earnings				(24)			(24)
Other		1					–
Total	10	116	(4,863)	(24)	–	–	(24)
Balance at September 30, 2023	7,840	6,345	(11,156)	(787)	2,752	8	1,973

(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)	5,617	5,617	(138)	5,479
Other comprehensive income		347	6	353
Comprehensive income	5,617	5,965	(132)	5,833
Issuance of new shares		20		20
Changes in ownership interest in subsidiaries		(3)	453	450
Change in scope of consolidation		–	49	49
Dividends	(1,705)	(1,705)		(1,705)
Share-based payment transactions		303		303
Purchase of treasury shares		(5,057)		(5,057)
Transfer from other components of equity to retained earnings	24	–		–
Other		1		1
Total	(1,680)	(6,442)	502	(5,940)
Balance at September 30, 2023	74,551	79,552	2,313	81,865

## Condensed quarterly consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit (loss) before tax	(6,642)	8,266
Depreciation and amortization	1,804	1,857
Interest and dividend income	(24)	(26)
Interest expenses on borrowings and bonds	134	130
Share of loss (profit) of investments accounted for using equity method	(809)	(1,872)
Loss (gain) on investment securities	7,911	(526)
Loss (gain) on sales of shares of subsidiaries and associates	–	(1)
Decrease (increase) in trade and other receivables	4,494	(2,708)
Decrease (increase) in investment securities for sale	(1,082)	(5,696)
Decrease (increase) in inventories	(21)	(90)
Increase (decrease) in trade and other payables	7,784	(7,794)
Increase (decrease) in accrued consumption taxes	(273)	118
Other	(1,086)	(1,161)
Subtotal	12,190	(9,502)
Interest and dividends received	759	731
Interest paid	(50)	(58)
Income taxes refund (paid)	(659)	(612)
Net cash provided by (used in) operating activities	12,239	(9,440)
Cash flows from investing activities		
Purchase of property, plant and equipment	(234)	(411)
Purchase of intangible assets	(772)	(933)
Purchase of investment securities	(2)	(213)
Proceeds from sale of investment securities	128	149
Proceeds from dividend of investment partnership	61	793
Purchase of investments accounted for using equity method	(38)	(1)
Proceeds from sale of investments accounted for using equity method	–	58
Other	(38)	(2)
Net cash provided by (used in) investing activities	(894)	(560)

	(Millions of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,030	14,510
Proceeds from long-term borrowings	1,100	25,100
Repayments of long-term borrowings	(1,237)	(1,623)
Redemption of bonds	–	(25,000)
Repayments of lease liabilities	(867)	(858)
Capital contribution from non-controlling interests	463	499
Purchase of treasury shares	(0)	(5,076)
Dividends paid	(1,647)	(1,703)
Other	9	4
Net cash provided by (used in) financing activities	851	5,853
Effect of exchange rate changes on cash and cash equivalents	94	85
Net increase (decrease) in cash and cash equivalents	12,290	(4,062)
Cash and cash equivalents at beginning of period	43,415	53,335
Cash and cash equivalents	55,705	49,273