



— 2021 Slogan —

DECENTRALIZED SMART ECOSYSTEMS



we are one
Pongaea

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

Digital Garage, Inc.

3Q of FYE March 31, 2021 Financial Report



Digital Garage

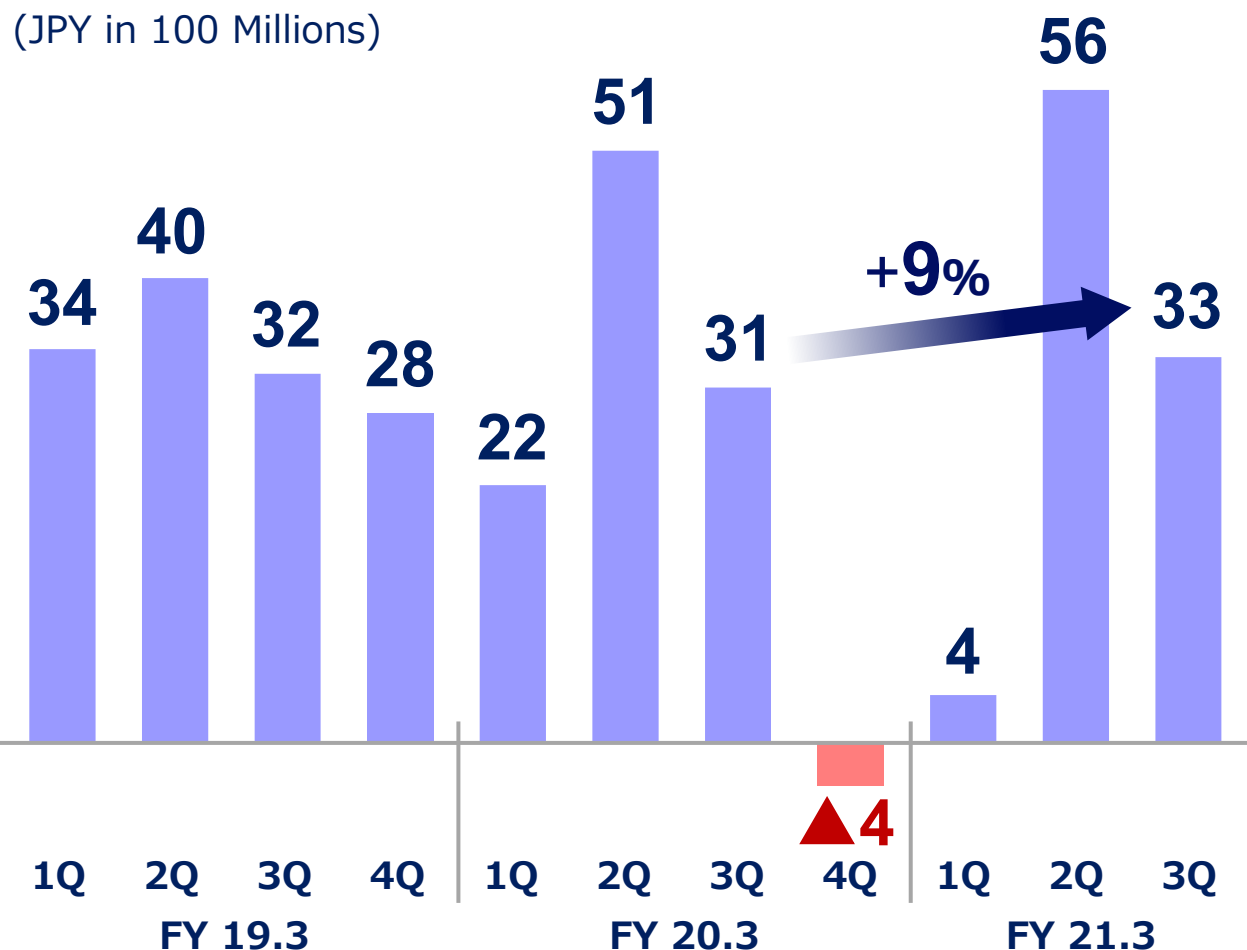
2021.2.10



Profit before tax increased 9% YoY to 3.3 B JPY, beyond the previous 3Q before the outbreaks of COVID-19
 ~ FT posted record-high profits, overcoming significant decrease in travel and inbound-related payments;
 fair value grew in IT; MT was recovering ~

Transition of profit before tax

(JPY in 100 Millions)



Consolidated profit before tax [3Q(Oct.-Dec.)]

	FY20.3 3Q	FY 21.3 3Q	(YoY)
Consolidated	3.1 B JPY	3.3 B JPY	+9%

Profit before tax by segments

FT	1.1 B JPY	1.1 B JPY	+1%
MT	0.5 B JPY	0.2 B JPY	▲61%
IT	1.1 B JPY	1.9 B JPY	+67%
LTI	0.9 B JPY	0.8 B JPY	▲5%



Transaction volume in FT continued high growth, rising 32% YoY to 0.9 T JPY in 3Q(Oct.-Dec.)

~ IT's fair value increased due to strategic investment in DX advanced global companies.
Ad volume of MT's main area also steady progressed ~

KPI by Segments

Outlook by Segments

FT

- Transaction volume **850.7 B JPY (YoY +32%)**
of which, face-to-face settlement **49.1 B JPY (YoY -20%)**
- Number of Transaction **182 million (YoY +42%)**

- EC payments etc.** : Settlement transactions increased favorably due to such as take-out (fast food) and delivery in addition to the expansion of the EC market and digital contents by a going out self-restraint.
- Face-to-face settlement** : Despite a significant decrease in inbound-related payments, domestic QR code payments increased 4 times YoY.

MT

- Digital Ad volume **7.0 B JPY (YoY +9%)**
- Other volume **1.4 B JPY (YoY -11%)**
(Next-generation user database business, etc.)

- Digital Ads** : Steady growth in volume, mainly in financial-related such as credit card and telecommunications advertising etc.
- CRM etc.** : Travel and inbound-related volume etc. decreased.

IT

- Investment / Sold **2.1 B JPY / 0.2 B JPY**
- Fair valuation **43.8 B JPY (from E of Mar.2020 +20%)**

- Global** : Financial environment surrounding companies recovered, and strategic investments in DX advanced companies have achieved a good performance
- Domestic** : Following stmn, inc., QD Laser, Inc. listed on February 5th

LTI

- Investment profit on equity method of Kakaku.com **0.9 B JPY (YoY -9%)**
- BioHealth/
Number of Brain MRI consultation **About 8,000 (YoY+184%)**

- Kakaku.com** : Recovered to the level of the same period of the previous fiscal year due to "Tabelog". Kakaku.com's traffic was strong due to a going out self-restraint.
- BioHealth** : The MRI business (Brainscan Technologies, Inc.) grew to profitability for the full fiscal year. Full-scale launch of data business utilizing AI.

FY21.3 3Q Consolidated P/L Summary (IFRS)



Revenues in 3Q(Oct.-Dec.) increased 4% YoY to 9.4 B JPY, profit before tax increased 9% YoY to 3.3 B JPY

~ Share of profit of investments accounted for using equity method decreased, but both Revenue and profit before tax increased due to strong performance in FT and significant growth in revenue in operational investment securities ~

JPY in Millions	FY20.3				FY21.3			YoY		QonQ	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	%	Amount	%	Amount
Revenue	8,217	11,379	9,078	8,262	6,944	12,320	9,447	+4.1%	+369	-23.3%	-2,873
Revenue in recurring business	6,138	6,718	6,576	7,256	6,148	6,301	6,138	-6.7%	-438	-2.6%	-163
Revenue in operational investment securities	459	3,332	968	-739	302	4,968	2,226	1.3 x	+1,257	-55.2%	-2,743
Other income	817	422	301	877	193	207	214	-28.9%	-87	+3.2%	+7
Finance income	1	16	28	48	1	0	17	-38.9%	-11	58.3 x	+17
Share of profit of investments accounted for using equity method	803	891	1,205	821	300	843	853	-29.2%	-352	+1.1%	+9
Expenses	5,999	6,271	6,016	8,643	6,539	6,689	6,123	+1.8%	+107	-8.5%	-566
Cost of sales	2,740	2,976	2,853	3,467	2,764	2,829	2,459	-13.8%	-394	-13.1%	-370
Selling, general and administrative expenses	2,951	3,138	3,121	4,813	3,453	3,588	3,400	+9.0%	+279	-5.2%	-188
Other expenses	78	86	74	254	69	109	69	-5.8%	-4	-36.2%	-39
Finance costs	230	71	-32	109	252	163	195	-	+226	+19.4%	+32
Profit before tax	2,218	5,108	3,062	-381	405	5,632	3,324	+8.6%	+262	-41.0%	-2,308
Profit attributable to owners of parent	1,624	3,647	2,253	-105	224	3,779	2,290	+1.6%	+36	-39.4%	-1,490

NOTE: The above Revenue, Expenses, and Profit before tax refers to the continuing operations excluding discontinued operations

FY21.3 3Q Consolidated Segment P/L Summary (IFRS)



Profits steadily increased in FT / MT / LTI based on recurring revenue by QonQ

~ FT covered upfront costs and converted to higher profits; MT and LTI will recover from the impact of the COVID-19, aiming for growth in the next fiscal year ~

JPY in Millions	FY20.3				FY21.3			YonY		QonQ	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	%	Amount	%	Amount
Revenue	8,217	11,379	9,078	8,262	6,944	12,320	9,447	+4.1%	+369	-23.3%	-2,873
Financial Technology	2,083	2,204	2,184	2,138	2,340	2,409	2,525	+15.6%	+340	+4.8%	+116
Marketing Technology	3,376	3,984	3,705	4,311	3,335	3,257	2,958	-20.2%	-747	-9.2%	-298
Incubation Technology	507	3,462	1,405	-506	389	5,269	2,225	+58.3%	+819	-57.8%	-3,045
Long-term Incubation	2,232	1,696	1,744	2,257	801	1,305	1,646	-5.6%	-98	+26.2%	+341
Others/Adjustments and Eliminations	19	33	39	63	79	81	94	1.4 x	+54	+15.1%	+12
Profit before tax	2,218	5,108	3,062	-381	405	5,632	3,324	+8.6%	+262	-0.4 x	-2,308
Financial Technology	1,061	1,112	1,129	746	1,018	1,083	1,141	+1.0%	+12	+5.4%	+58
Marketing Technology	327	676	512	336	178	78	202	-60.5%	-310	1.6 x	+124
Incubation Technology	146	3,138	1,114	-835	72	4,916	1,861	+67.1%	+747	-62.1%	-3,055
Long-term Incubation	1,493	932	890	1,385	120	485	843	-5.3%	-47	+73.9%	+358
Others/Adjustments and Eliminations	-810	-751	-584	-2,013	-983	-931	-724	-	-139	-	+207

NOTE: Segment revenue and profit before tax are before elimination of intersegment transaction and corporate revenue and expenses.

FY21.3 3Q Consolidated B/S Summary (IFRS)



JPY in Millions	End of FY20.3	End of FY21.3 3Q	Difference	Reason for change / Remarks
Current assets	98,852	116,667	+17,815	
Cash and cash equivalents	32,702	49,065	+16,362	
Trade and other receivables	26,657	21,967	-4,690	FT business-related items and decrease of account receivables
Operational investment securities	36,546	43,780	+7,234	Increase in fair value of investee companies
Non-current assets	63,444	65,778	+2,335	
Property, plant and equipment	21,367	19,945	-1,423	Decrease by depreciation
Investments accounted for using equity method	21,475	22,227	+752	Equity in earnings of affiliates
Other financial assets	6,319	9,192	+2,873	Increase due to mark-to-market valuation of listed shares
Total assets	162,296	182,445	+20,150	
Current liabilities	50,838	63,757	+12,920	
Borrowings	4,927	9,290	+4,363	Borrowing for operating funds and Transferred to long-term loans payable within one year FT business-related items
Trade and other payables	41,203	48,458	+7,254	
Non-current liabilities	58,663	59,301	+638	
Bonds and borrowings	38,247	36,760	-1,487	
Other financial liabilities	13,553	12,721	-832	
Deferred tax liabilities	5,426	7,899	+2,473	
Total liabilities	109,501	123,059	+13,558	
Total equity	52,795	59,386	+6,592	
Total equity attributable to owners of parent	52,033	58,423	+6,389	
Share capital	7,591	7,628	+37	
Capital surplus	4,409	4,599	+190	
Treasury shares	-5,012	-4,915	+97	
Other components of equity	324	1,846	+1,522	Increase due to mark-to-market valuation of listed shares
Retained earnings	44,721	49,265	+4,544	Increased profit
Non-controlling interests	762	964	+202	
Total liabilities and equity	162,296	182,445	+20,150	

Segment Performance Review





I Financial Technology Segment

	Revenue	Profit before tax
FY20.3 3Q (October to December)	2,184 M JPY	1,129 M JPY
FY21.3 3Q (October to December)	2,525 M JPY	1,141 M JPY

▶ **econtext, Inc.**

Integrates online and offline business as the convenience store payment pioneer



▶ **VeriTrans Inc.**

Provides leading e-commerce payment solutions



▶ **econtext ASIA Ltd.**

Payment business in Hong Kong



▶ **NaviPlus Co., Ltd.**

Subsidiary of VeriTrans Inc. Offers website support tools including personalized recommendation engines



▶ **ANA Digital Gate, Inc.** (49% stake/equity method)

Develops and offers the new payment solution by FinTech



▶ **SCORE Co., Ltd** (49% stake/equity method)

Development of post-settlement payment business and various financial businesses utilizing settlement data



▶ **TD Payment Corporation** (49% stake/equity method)

Offers multiple payment solutions for POS systems



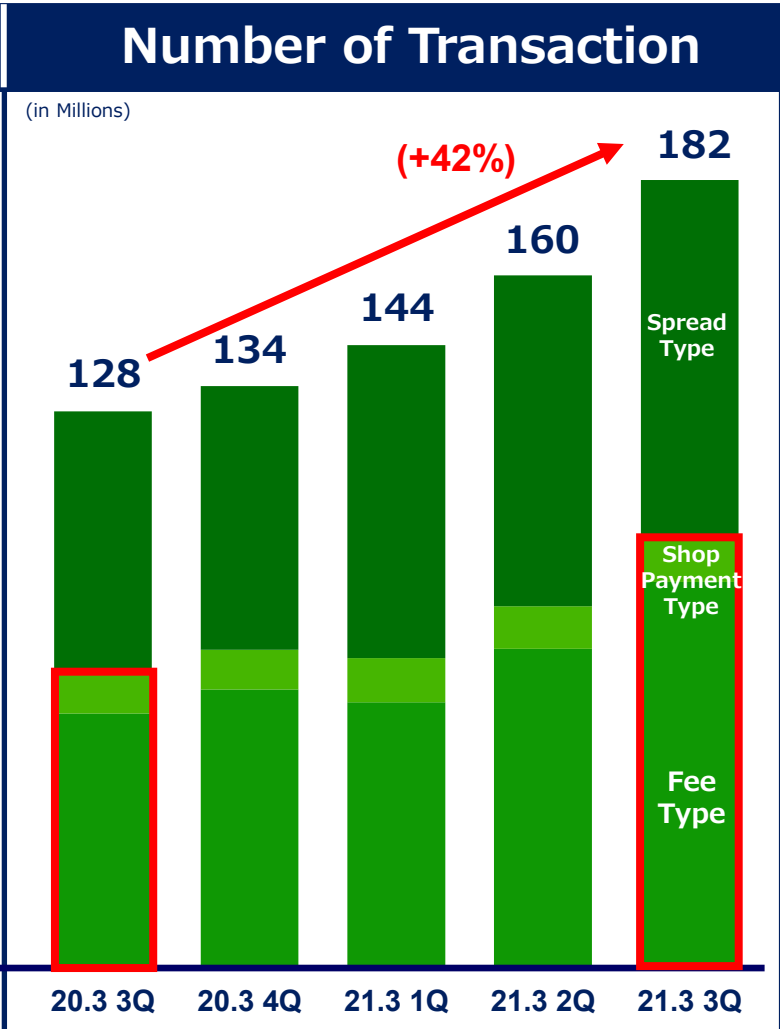
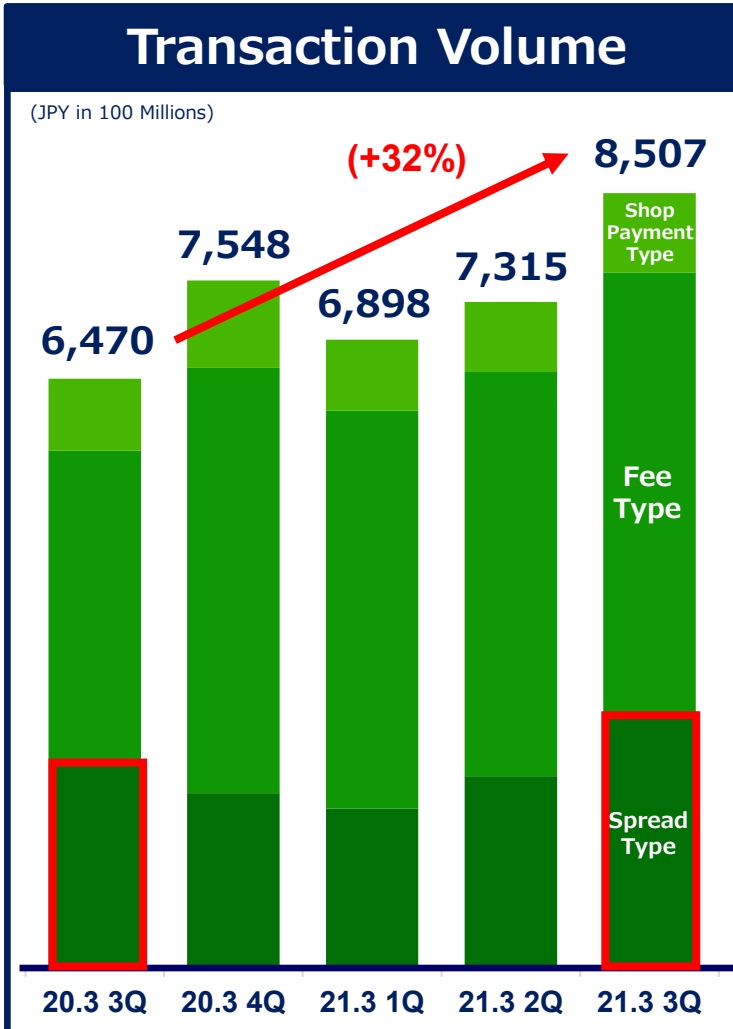
NOTE: Revenue here shows revenue from external customers. Profit before tax is before elimination of intersegment transaction.

FT Segment – Highlights (KPI)



Transaction volume increased 32% YoY to 0.9 T JPY, and the number of transactions increased 42% YoY to 182 million, continuing high growth in 3Q (Oct.-Dec.)

~ Although travel and inbound-related transaction significantly decreased, total transaction volume is increasing due to a going out self-restraint such as EC, digital contents etc. ~



Spread Type

Transaction Volume	YoY	+22.2%
Number of Transaction	YoY	+35.1%

- Travel and inbound-related payments were significantly decreased. Credit Card and domestic QR code payments increased steadily.

Fee Type

Transaction Volume	YoY	+42.3%
Number of Transaction	YoY	+52.0%

- In addition to the increase in EC payments by a going out self-restraint, increased the number of transactions mainly in digital contents such as Games and Video distribution services and take-out (fast-food), delivery etc.

Shop payment Type

Transaction Volume	YoY	+10.7%
Number of Transaction	YoY	+18.4%



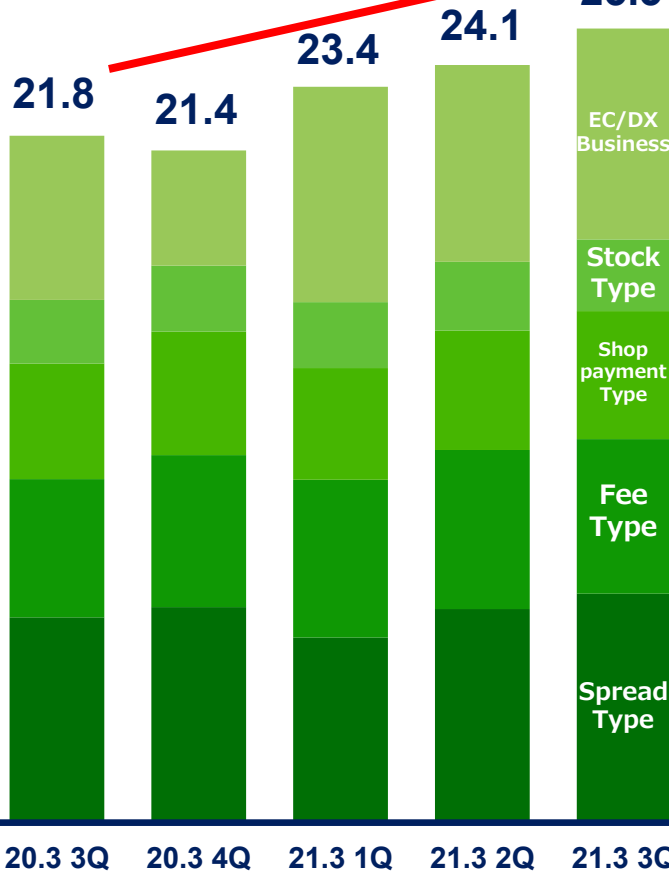
Transaction volume and the number of transactions strongly increasing, revenue in 3Q (Oct.-Dec.) marked 2.5 B JPY, +16% YoY

~ Renewed record high profit by overcoming a significant decrease in travel and inbound-related payments and increased costs due to development investment, etc. ~

Revenue

(JPY in 100 Millions)

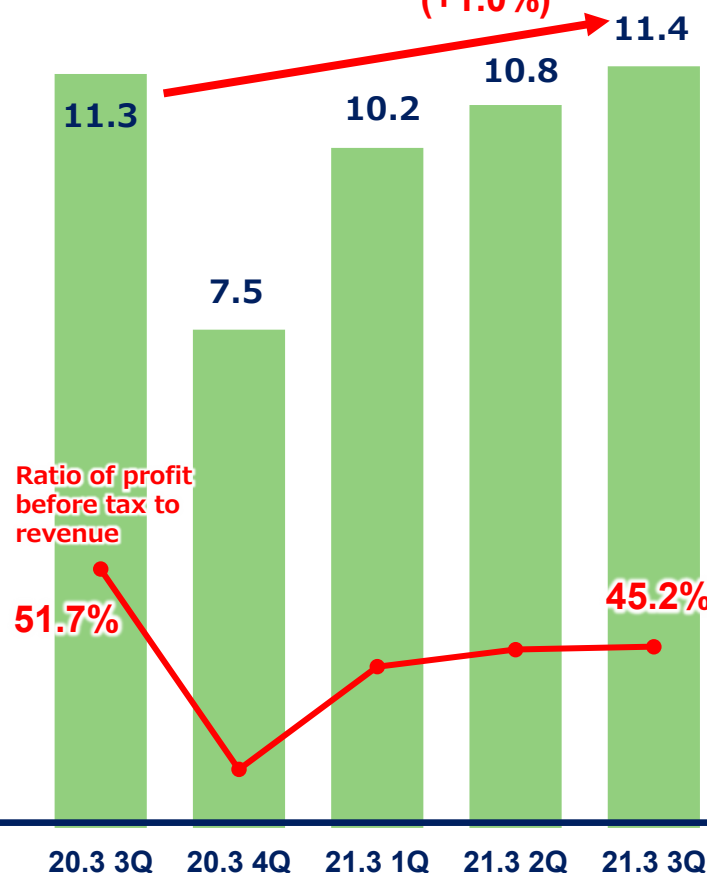
(+16%)



Profit before tax

(JPY in 100 Millions)

(+1.0%)



Revenue

Spread Type

- Decrease in highly profitable travel and inbound-related settlement transactions, but increase of 13% due to the expansion of the favorable EC market

Fee Type

- Increased by 24% due to favorable growth in EC, digital contents and take-out (fast-food), delivery, etc. by a going out self-restraint

EC/DX Business

- Growth in peripheral businesses such as fraud detection services and e-commerce optimization businesses

Profit before tax

- ✓ Achieved record-high profits by overcoming the following capital expenditures to support CAGR30% in transaction volume
 - Costs related to the development of links to multilayered payment instruments
 - Expansion of offices, such as the establishment of new bases for operations centers
 - Fully redundant largest database project in Japan in cooperation with Oracle Corporation Japan



Payment methods that match all store sizes and strategy support for O2O business

Face-to-face settlement transaction volume was 49.1 B JPY, and domestic QR code payment increased despite a significant decrease in inbound-related payments



POS Register

Direct



TD Payment Corporation

- Introduced real-time settlement systems that respond to the new situation of the COVID-19, such as online customer service sales of LUMINE Co., Ltd., pre-order take-out payments for major fast-food stores and biometric settlement
- JV with Toshiba Tec Corporation, the top share company in Japan providing multi-payment solution. Introduced at major drugstores and supermarkets, etc. and grew to 13,000 units

Large Scale



Tablet POS



Multi-Payment Terminal mPOS

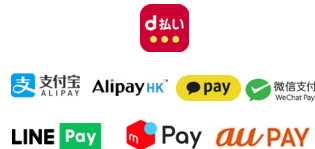
OEM

- Providing multi-payment solutions (overseas QR code payments such as Alipay, WeChat Pay and domestic QR code payments including carrier-related payments and so on) for mobile POS such as Recruit Holdings Co., Ltd.

Medium Scale



QR Code Scanning Panel Cloud Pay



- Cloud Pay (Develop consortium-type multi-QR solutions that integrate various MPM-type payments into one QR code) is focusing on small stores.
- Following "d barai" and LINE Pay, starts linkage with au Pay, WeChat Pay, too
- Hundreds of thousands store installed, growing to become a main player in the QR payment network
- Significant growth in transaction volume of domestic companies

Small Scale

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



II Marketing Technology Segment

	Revenue	Profit before tax
FY20.3 3Q (October to December)	3,705 M JPY	512 M JPY
FY21.3 3Q (October to December)	2,958 M JPY	202 M JPY

▶ Marketing Technology Company

Supports client's business through performance-based ads, Online to Offline strategy and web marketing



▶ DG Communications Co., Ltd.

Provides solutions that make people's lives more comfortable, mainly through the real estate advertising business



▶ BI.Garage, Inc.

Develops and provides ad products incorporating data science, media consortium business, and cutting-edge ad technology



▶ CyberBuzz, Inc. (20.4% stake/equity method)

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



▶ DG MARKETING DESIGN, Inc. (20% stake/equity method)

Established on June 25th, 2018 and its predecessor is Business Design Company



NOTE: Revenue here shows revenue from external customers. Profit before tax is before elimination of intersegment transaction.



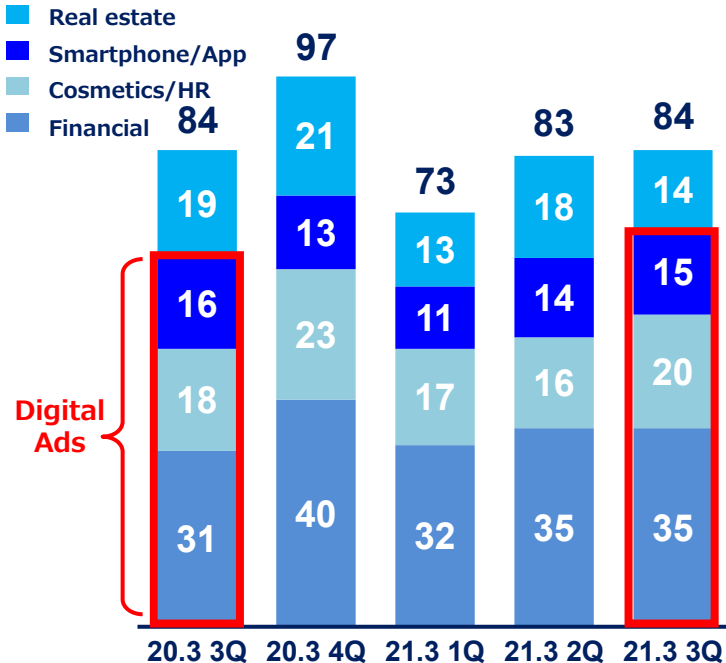
Mainstay digital ads showed a strong performance; mainly in by credit card and other financial-related advertising and telecommunications advertising etc.

~ Expenses for business structure optimization and investment in new strategic businesses preceded, but profit before tax recovered after bottoming out in 2Q ~

Advertisement volume

- Decrease in volume of real estate sales advertising due to the impact of the COVID-19, but volume of mainstay digital ads remained steady, mainly in credit card and telecommunications advertising

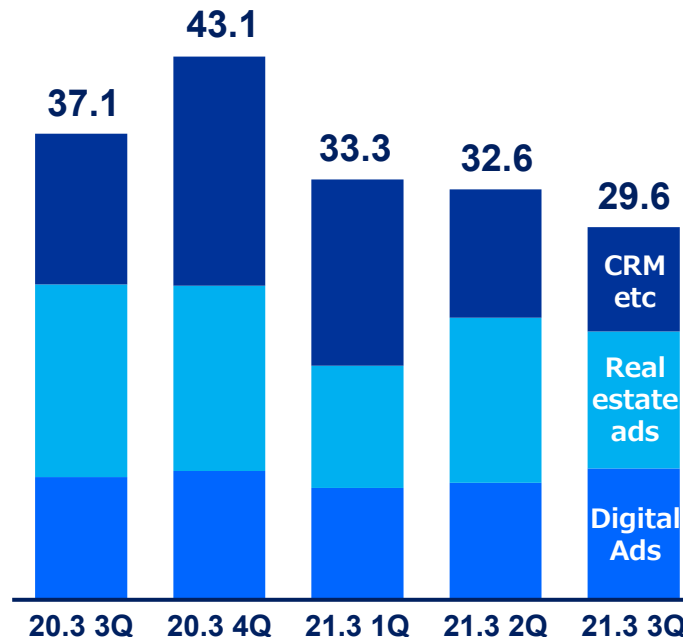
(JPY in 100 Millions)



Revenue

- Digital Ads remained firm, mainly in the financial field, up 12% YoY
- On the other hand, revenue of real estate sales advertising declined 29% YoY

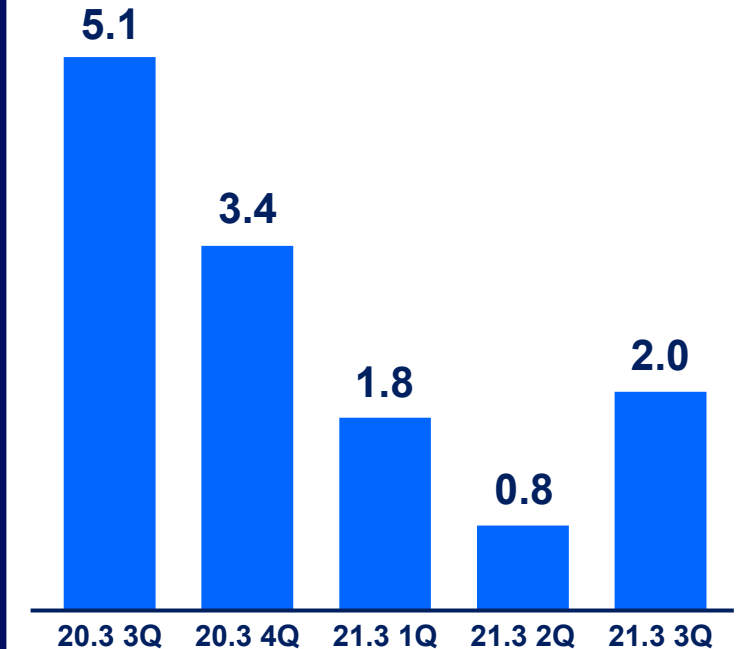
(JPY in 100 Millions)



Profit before tax

- Expenses recorded due to business structure optimization measures such as consolidating bases, and optimizing costs in the real estate field; recovering from the impact of the COVID-19 after bottoming out in 2Q

(JPY in 100 Millions)





GAFAs Contents Business/Capital and Business Alliance with Global Tech Team (1plusX)

< Europe >



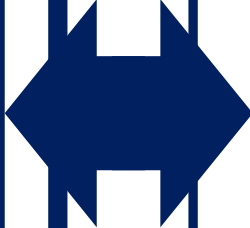
1 PLUS X

Next-generation advertising technology venture with state-of-the-art engineers, including those from the Swiss headquarters and Google LLC

Adopted in AdAlliance in Germany etc. and other countries in Europe



- Alliance of five advertising agencies bundling up to 500 media in Germany
- Web/TV/Print/PODCAST, etc.
- Reaches 99% of the media contact population
- Sales across all services and devices



< Japan >

 Digital Garage



BI.GARAGE

Technology license

Strategic investment(BI. Garage, DGDV*)

Strategic alliance in Japan and Asia

- ✓ From the perspective of protecting cultures in various areas, the axis of GAFAs opposition has emerged
- ✓ Killer technology that clears both the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA)
- ✓ As a partner in Japan and Asia, the first 28 major domestic media companies will use

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

<Case of Germany>



TV **64** Million people/month
 PRINT **34** Million people/month
 ATV **18** Million people/month

Total Reach

99%

In agof's ranking **#1**

PODCAST **12** Million people/month
 INPAGE **45** Million people/month
 INSTREAM **801** Million people/month
 OUTSTREAM **391** Million people/month



Promoting DX for the real estate industry : Entry into the real estate legal tech area

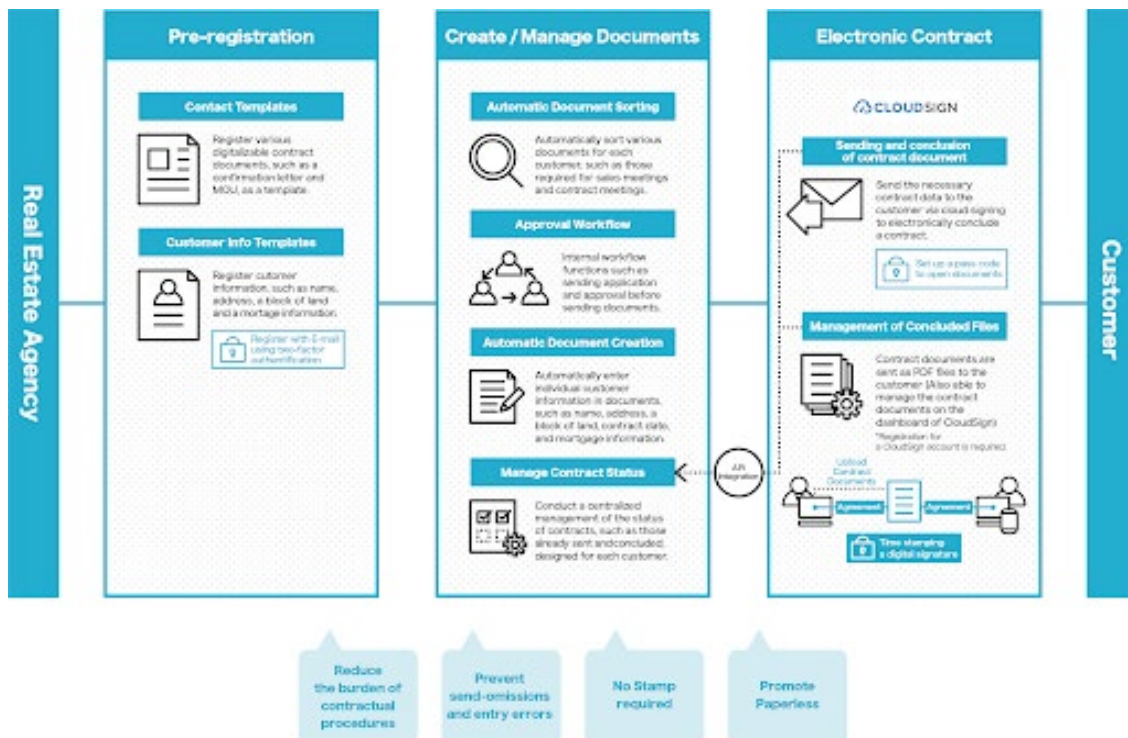


不動産電子契約システム

Musubell

- Automated screening and generation of necessary documents in the real estate sales agreement and execution of digital contract conclusion
- Online centralized management of contract status
- Eliminate the need for signatures, stamps, and mailings by digitizing

■ Conceptual Image of “Musubell”



Business progress after launch in July 2020

Automation of documents, stamps, mailings, document management, and business in real estate sales contracts

Due to the influence of COVID-19 and the trend toward DX, the needs in the real estate industry have increased rapidly, and multiple companies are considering introducing it

Following the introduction of Nomura Real Estate Development Co., Ltd., other multiple major developers have decided to introduce it (Scheduled to be released later)

Digital contract solutions connected to API with multiple legal tech companies following Bengo4.com Co., Ltd.



III Incubation Technology Segment

	Revenue	Profit before tax
FY20.3 3Q (October to December)	1,405 M JPY	1,114 M JPY
FY21.3 3Q (October to December)	2,225 M JPY	1,861M JPY

▶ DG Ventures Inc.

Invests in and incubates cutting-edge internet startups

Number of invested companies : 213

Fair Value End of Dec. 2020 : 36.2 B JPY



▶ Open Network Lab, Inc.

Seed Accelerator Program in progress in the 22nd term

Number of support companies (Accumulation) : Over 150

Funding Ratio : 58.2%



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

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

DG Lab Fund I : 6.8 B JPY

DG Lab Fund II : 12.5 B JPY



▶ Digital Garage US, Inc.

The US-based global strategy headquarters



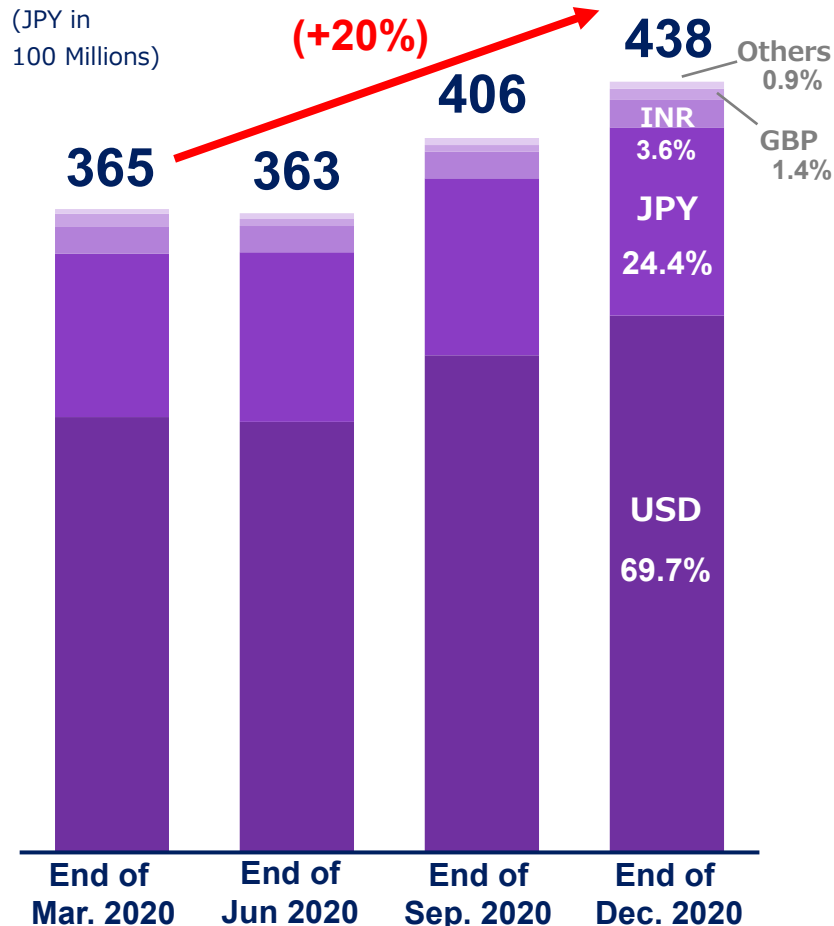
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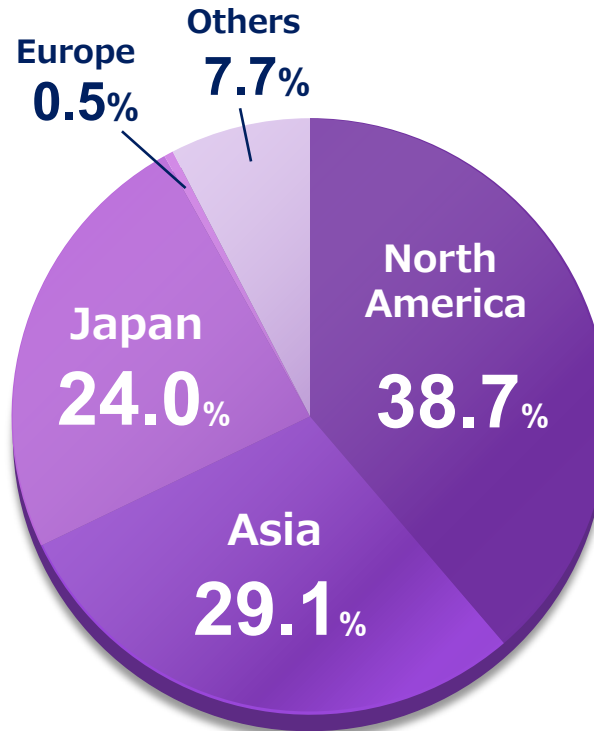
Carefully selected and invested in promising projects in North America, Asia, and Japan. Fair value increased steadily 20% YoY to 43.8 B JPY from the end of the previous fiscal year.

~ Started "Hamagin DG Innovation Fund" with The Bank of Yokohama, Ltd. specialized in Kanagawa area ~

Operational Investment Securities (ratio by currencies)



Portfolio by Regions



※The investees of DG Ventures, DK Gate, D2 Garage, econtext ASIA EC Fund

FY 21.3 IPOs in Japan

✓ Listed on February 5, 2021

QD Laser



Develop and provide new semiconductor laser solutions in the telecommunications, industrial, medical, and consumer sectors as a pioneer in the commercialization of quantum dot laser technology

Listed on December 15, 2020

STMN



Offers perks and benefits through its cloud platform TUNAG to help companies increase employee satisfaction.

Listed on June 30, 2020

Goodpatch



A design company specializing in UI/UX design. Provides "Prott", a product typing tool, and "ReDesigner", a career support service specifically designed for designers.



Growth in promising investments for DX in the era of COVID-19 in Japan, Asia, and North America

Japan	Asia	North America
<p>Implemented investments in IPO reserve groups of leading domestic companies</p>	<p>Investing in prominent companies such as Vietnam, India and Indonesia</p>	<p>Invest in Unicorns and potential-Unicorns, mainly in DX/FinTech</p>
<p>Idein [Japan]</p>  <p>Idein Inc.</p> <p>Realize faster in-depth learning inference on inexpensive general-purpose devices, develop edge AI platforms using such technologies, and provide services to developers and business companies that develop, introduce, and utilize AI/IoT systems</p>	<p>Sen Do Technology [Vietnam]</p>  <p>Sendo</p> <p>Operates Sendo, a marketplace for C2C and B2C in Vietnam, and provides electronic wallet services</p>	<p>MX Technologies [US]</p>  <p>MX</p> <p>Offers a PFM (personal financial management) tool for financial institutions in the US.</p>
<p>iYell [Japan]</p>  <p>iYell</p> <p>As a housing loan tech venture company, we provide "No-Dundry," a smartphone application specializing in housing loans, aiming to create a society in which optimal housing loans can be selected seamlessly</p>	<p>Droom [India]</p>  <p>droom India's Most Trusted Motorplace</p> <p>Operates Droom, India's largest automotive buying and selling online marketplace</p>	<p>ThredUp [US]</p>  <p>THREDUP Secondhand Clothes. Firsthand Fun.</p> <p>The world's largest fashion resale platform, inspiring a new generation to think secondhand first. Specializing in women's and children's clothing</p>
<p>Psychic VR Lab [Japan]</p>  <p>Psychic VR Lab</p> <p>Provides STYLY, a VR creative platform that provides artists with a place to express space. Through that space, it is possible to share experiences that could not be achieved in reality into the Internet world</p>	<p>NoBroker Technologies Solutions [India]</p>  <p>NOBROKER.COM</p> <p>Operates India's peer-to-peer property marketplace. Using this service, people can rent/buy houses online without brokers</p>	<p>indie Semiconductor [US]</p>  <p>indie SEMICONDUCTOR</p> <p>Provides automotive semiconductors and software platforms. High-quality wireless charging, Apple CarPlay, illumination control, ADAS ultrasound, and LiDAR with semi-solutions for the automotive industry</p>

※The investees of DG Ventures, DK Gate, D2 Garage, econtext ASIA EC Fund



IV Long-term Incubation Segment

	Revenue	Profit before tax
FY 20.3 3Q (October to December)	1,744 M JPY	890 M JPY
FY21.3 3Q (October to December)	1,646 M JPY	843 M JPY

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

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



▶ **Crypto Garage, Inc.**

Promoting development of advanced financial services utilizing blockchain technology and cryptography technology with Tokyo Tanshi Co., Ltd.



▶ **Brainscan Technologies, Inc.**

MRI business for drivers



▶ **ACADEMIE DU VIN**

Operation of wine schools and development of community and e-commerce businesses utilizing digital technologies

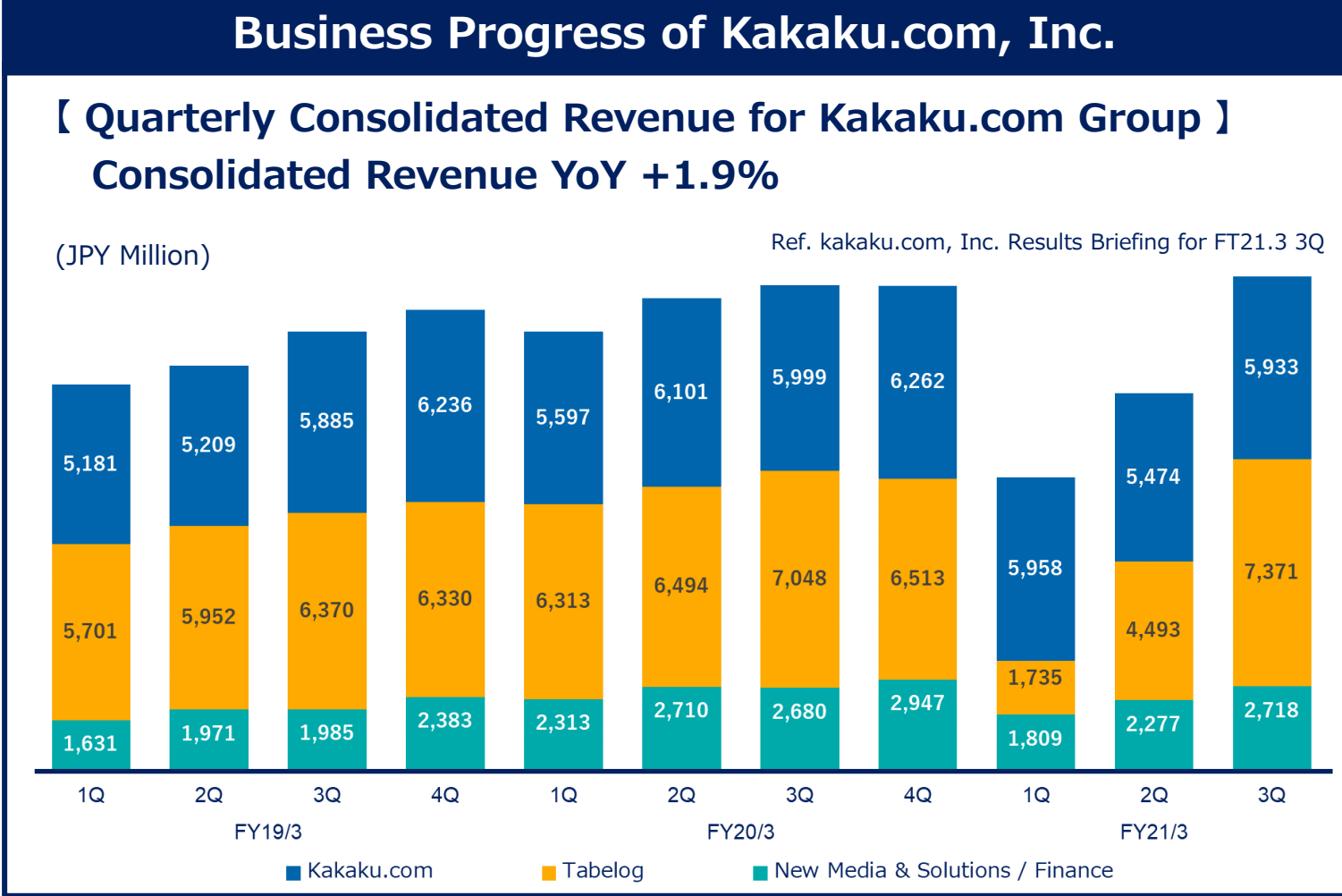
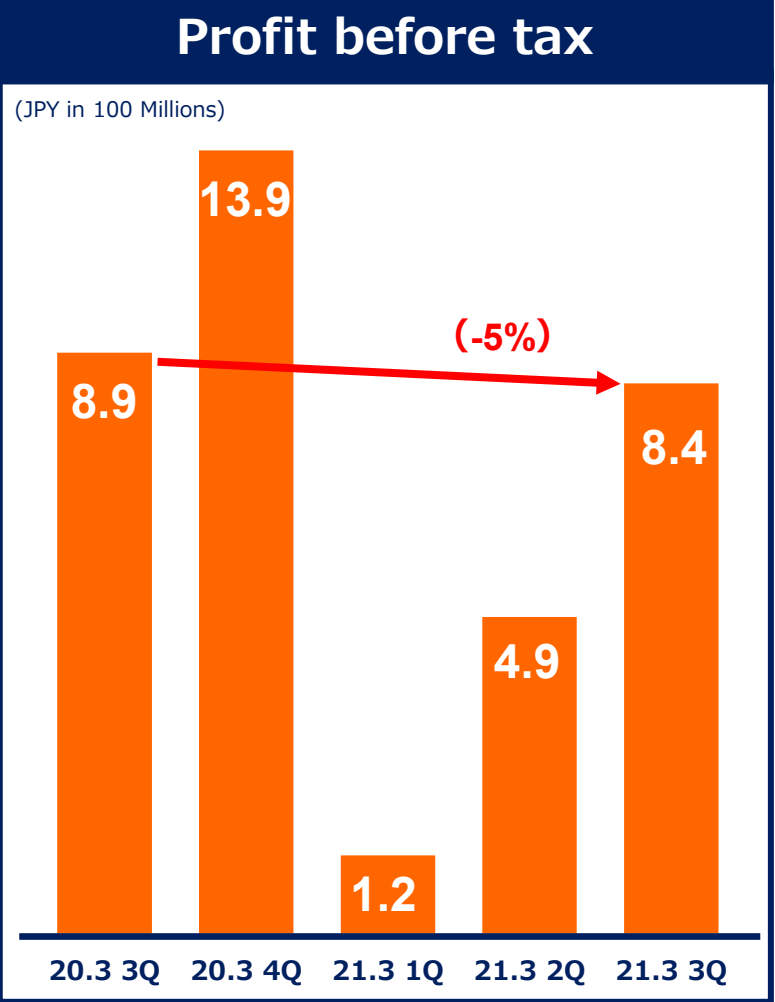


NOTE: Revenue here shows revenue from external customers. Profit before tax is before elimination of intersegment transaction.



Profit before tax recovered to year-on-year level due to recovery in Kakaku.com business, despite upfront startup costs in strategic businesses

~ kakaku.com, Inc.; the profit level recovered to the same period of the previous year due to the recovery of “Tabelog”, and the traffic of Kakaku.com was strong due to the demand by a going out self-restraint ~





CRYPTO GARAGE

Crypto Garage

Prepared for full-scale operation of the FY21.3 4Q to build next-generation global financial infrastructures

- Both Bitcoin price and transaction volume record high
- Promoting further customer acquisition in addition to the seven prime domestic and overseas clients

Full-fledged use by high-quality crypto asset operators in Japan and overseas will start, and full-fledged business started in FY21.3 4Q

(Business outline is scheduled to be released at the start of business)

Crypto Garage's Business model

- DVP payment services for inter-corporate transactions
- Demand for exchange coverage is expected to increase in line with the expansion of the scale of distribution



BRAINSCAN TECHNOLOGIES

Brainscan Technologies, Inc.

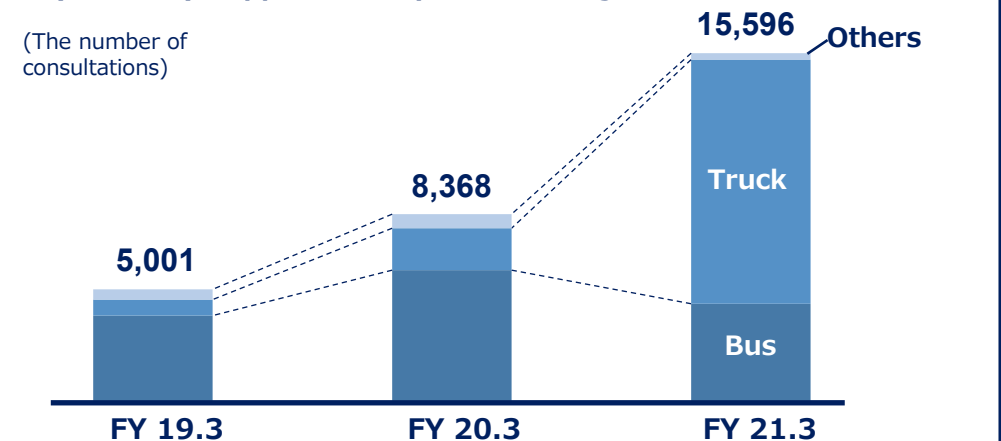
Under consideration service development by the inflection of the big data and AI of the brain

- The number of brain MRI medical examination consultations were over 8,000 (+184% YoY) in 3Q (Oct.-Dec.) , showing strong growth, growing to profitability for the full year
- Promotion of new businesses based on analysis of brain MRI medical examination data

Aiming to Service Development and monetization by Platform of Health Care Data

The number of brain MRI medical examination consultations

- The number of consultations in this term increased significantly due to consultations via the Japan Health Insurance Association
- FY 21.3 (Forecast) : Approximately 230% YoY growth



※FY 21.3 is the actual value of 1Q-3Q

Appendix





Due to the diversification of payment methods, there will be a divergence from the actual situation in the conventional disclosure classification, change the classification from the viewpoint of management approach from current term

Previous Classification	New Classification	Definition
Credit card payment	Spread Type	Payment such as credit card payment, which are fees that are based on <u>the payment amount</u>
Data processing	Fee Type	Payment in which fees are paid according to <u>the number of payment processes</u> , mainly Data processing etc.
Convenience store payment	Shop Payment Type	Payment settlement by convenience store terminal
Monthly basic fee /OEM	Stock Type	Fixed income generated by fixed monthly amount such as monthly basic fee and OEM offer fee for payment system
Others	EC/DX business	Revenues from refund remittance service and group companies that develop payment peripheral businesses etc.

FY21.3 3Q Consolidated P/L Summary (IFRS)



JPY in Millions	FY20.3				FY21.3			YonY		FY 20.3	FY 21.3	YonY (1Q-3Q)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	%	Amount	1Q-3Q	1Q-3Q	%	Amount
Revenue	8,217	11,379	9,078	8,262	6,944	12,320	9,447	+4.1%	+369	28,674	28,711	+0.1%	+37
Revenue in recurring business	6,138	6,718	6,576	7,256	6,148	6,301	6,138	-6.7%	-438	19,431	18,587	-4.3%	-844
Revenue in operational investment securities	459	3,332	968	-739	302	4,968	2,226	1.3 x	+1,257	4,759	7,496	+57.5%	+2,737
Other income	817	422	301	877	193	207	214	-28.9%	-87	1,540	614	-60.1%	-926
Finance income	1	16	28	48	1	0	17	-38.9%	-11	45	18	-59.2%	-27
Share of profit of investments accounted for using equity method	803	891	1,205	821	300	843	853	-29.2%	-352	2,900	1,996	-31.2%	-904
Expenses	5,999	6,271	6,016	8,643	6,539	6,689	6,123	+1.8%	+107	18,286	19,351	+5.8%	+1,065
Cost of sales	2,740	2,976	2,853	3,467	2,764	2,829	2,459	-13.8%	-394	8,569	8,052	-6.0%	-517
Selling, general and administrative expenses	2,951	3,138	3,121	4,813	3,453	3,588	3,400	+9.0%	+279	9,210	10,441	+13.4%	+1,232
Other expenses	78	86	74	254	69	109	69	-5.8%	-4	238	247	+4.0%	+10
Finance costs	230	71	-32	109	252	163	195	-	+226	270	610	1.3 x	+340
Profit before tax	2,218	5,108	3,062	-381	405	5,632	3,324	+8.6%	+262	10,388	9,361	-9.9%	-1,027
Profit attributable to owners of parent	1,624	3,647	2,253	-105	224	3,779	2,290	+1.6%	+36	7,525	6,293	-16.4%	-1,232

NOTE: The above Revenue, Expenses, and Profit before tax refers to the continuing operations excluding discontinued operations

FY21.3 3Q Consolidated Segment P/L Summary (IFRS)



JPY in Millions	FY20.3				FY21.3			YonY		FY 20.3	FY 21.3	YonY (1Q-3Q)	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	%	Amount	1Q-3Q	1Q-3Q	%	Amount
Revenue	8,217	11,379	9,078	8,262	6,944	12,320	9,447	+4.1%	+369	28,674	28,711	+0.1%	+37
Financial Technology	2,083	2,204	2,184	2,138	2,340	2,409	2,525	+15.6%	+340	6,471	7,273	+12.4%	+802
Marketing Technology	3,376	3,984	3,705	4,311	3,335	3,257	2,958	-20.2%	-747	11,065	9,549	-13.7%	-1,515
Incubation Technology	507	3,462	1,405	-506	389	5,269	2,225	+58.3%	+819	5,374	7,883	+46.7%	+2,509
Long-term Incubation	2,232	1,696	1,744	2,257	801	1,305	1,646	-5.6%	-98	5,672	3,751	-33.9%	-1,920
Others/Adjustments and Eliminations	19	33	39	63	79	81	94	1.4 x	+54	92	254	1.8倍	+162
Profit before tax	2,218	5,108	3,062	-381	405	5,632	3,324	+8.6%	+262	10,388	9,361	-9.9%	-1,027
Financial Technology	1,061	1,112	1,129	746	1,018	1,083	1,141	+1.0%	+12	3,303	3,242	-1.8%	-61
Marketing Technology	327	676	512	336	178	78	202	-60.5%	-310	1,516	458	-69.8%	-1,058
Incubation Technology	146	3,138	1,114	-835	72	4,916	1,861	+67.1%	+747	4,398	6,849	+55.7%	+2,451
Long-term Incubation	1,493	932	890	1,385	120	485	843	-5.3%	-47	3,316	1,448	-56.3%	-1,868
Others/Adjustments and Eliminations	-810	-751	-584	-2,013	-983	-931	-724	-	-139	-2,145	-2,637	-	-492

NOTE: The above Revenue, Expenses, and Profit before tax refers to the continuing operations excluding discontinued operations



Financial Results: Consolidated PL (IFRS)



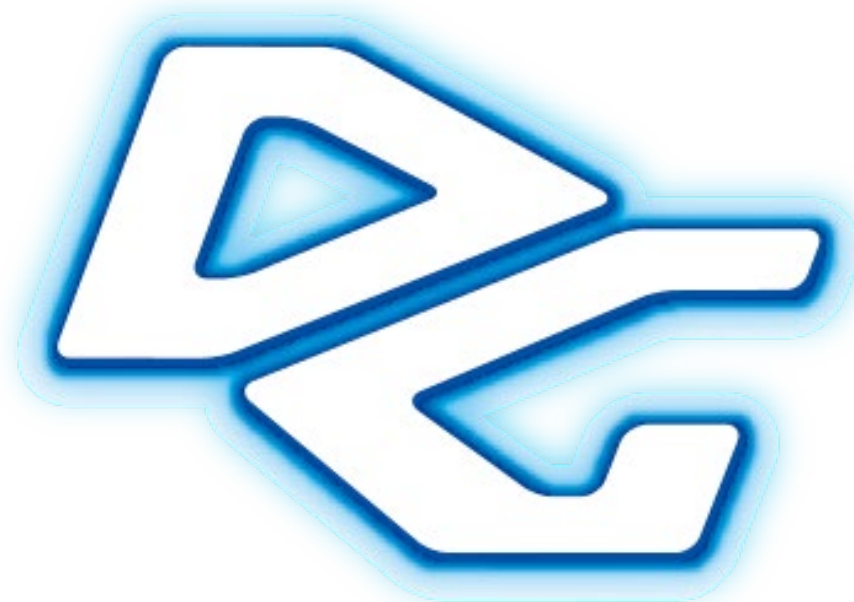
JPY in Millions	FY18.3 Result	FY19.3 Result	FY20.3 Result
■ Continuing operations			
Revenue	25,503	35,687	36,936
Revenue in recurring business	18,141	22,713	26,687
Revenue in operational investment securities	1,007	6,090	4,020
Other income	2,111	1,933	2,416
Finance income	764	117	93
Share of profit of investments accounted for using equity method	3,481	4,835	3,720
Expenses	17,127	22,264	26,929
Cost of sales	7,187	10,401	12,036
Selling, general and administrative expenses	9,095	11,296	14,022
Other expenses	542	332	492
Finance costs	303	235	379
Profit before tax	8,376	13,424	10,008
Income tax expense	1,857	4,088	2,677
Profit from continuing operations	6,518	9,336	7,331
■ Discontinued operations			
Revenue	3,260	1,261	-
Expenses	3,403	1,655	-
Profit (loss) before tax	-143	-394	-
Income tax expense	38	-225	-
Loss (gain) on sales on discontinued operations	-	898	-
Income tax expense from sale of discontinued operations	-	275	-
Profit (loss) from discontinued operations	-181	454	-
Profit	6,337	9,790	7,331
Owners of parent	6,412	9,771	7,420
Non-controlling interests	-75	19	-89

◆ Financial Results: Consolidated PL by Segments (IFRS)



JPY in Millions	FY18.3 Result	FY19.3 Result	FY20.3 Result
Revenue	25,503	35,687	36,936
Financial Technology	5,929	7,447	8,609
Marketing Technology	9,939	12,922	15,375
Incubation Technology	2,553	8,022	4,868
Long-term Incubation	6,301	7,133	7,929
Others/Adjustments and Eliminations	781	164	155
Profit before tax	8,376	13,424	10,008
Financial Technology	2,809	3,349	4,049
Marketing Technology	1,856	1,215	1,853
Incubation Technology	1,321	6,889	3,563
Long-term Incubation	3,621	4,378	4,701
Others/Adjustments and Eliminations	-1,231	-2,408	-4,158

NOTE: Segment revenue and profit before tax are before elimination of intersegment transaction and corporate revenue and expenses.



Digital Garage

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