

August 7, 2025

Consolidated Financial Results for the Six Months Ended June 30, 2025 (Under Japanese GAAP)

Company name: DIGITAL HOLDINGS, INC.
 Listing: Tokyo Stock Exchange
 Securities code: 2389
 URL: <https://digital-holdings.co.jp/>
 Representative: Daisuke Kanazawa, President and Representative Director
 Inquiries: Shinji Takahashi, Executive Officer in charge of Group Finance Area
 Telephone: +81-3-5745-3611
 Scheduled date to file semi-annual securities report: August 7, 2025
 Scheduled date to commence dividend payments: September 4, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Securities Analysts and Institutional Investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	6,536	(12.5)	534	58.7	3,260	109.1	1,946	31.9
June 30, 2024	7,473	10.4	336	-	1,559	-	1,476	-

Note: Comprehensive income For the six months ended June 30, 2025: ¥(1,356) million [-%]
 For the six months ended June 30, 2024: ¥3,838 million [-%]

	Basic earnings per share		Diluted earnings per share		EBIT *1		EBITDA *2	
Three months ended	Yen		Yen		Millions of yen	%	Millions of yen	%
June 30, 2025	111.51		109.82		3,345	113.1	3,494	99.2
June 30, 2024	84.55		-		1,570	-	1,754	-

Note: *1 EBIT = Profit before income taxes + Interest expense - Interest income

*2 EBITDA = EBIT + other financial gains and losses + depreciation and amortization + stock-based compensation expense + impairment loss

(2) Consolidated financial position

	Total assets		Net assets		Equity-to-asset ratio	
As of	Millions of yen		Millions of yen		%	
June 30, 2025	45,223		30,230		62.8	
December 31, 2024	48,217		33,066		63.6	

Reference: Equity

As of June 30, 2025: ¥28,402 million
 As of December 31, 2024: ¥30,686 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	65.00	65.00
Fiscal year ending December 31, 2025	-	23.00			
Fiscal year ending December 31, 2025 (Forecast)				23.00	46.00

Note: Revisions to the forecast of cash dividends most recently announced: None

The fiscal year ended December 31, 2024: Breakdown of Year-end Dividends: Ordinary Dividend 45.00 yen, Commemorative Dividend 20.00 yen

• From the fiscal year ended December 31, 2023, we have targeted a dividend payout ratio of 20% or a dividend on equity (DOE) ratio of 3% on net income attributable to owners of parent before amortization of goodwill, whichever is greater

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending December 31, 2025	14,000	(13.3)	700	(28.9)	3,400	96.1	2,200	64.0

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of June 30, 2025	17,459,907 shares
As of December 31, 2024	17,459,907 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2025	- shares
As of December 31, 2024	- shares

- (iii) Average number of shares outstanding during the period(cumulative from the beginning of the fiscal year)

Six months ended June 30, 2025	17,459,907 shares
Six months ended June 30, 2024	17,459,907 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors.

(Method of accessing supplementary material on financial results and contents of the financial results briefing)

The Company plans to hold a briefing for securities analysts and institutional investors on Thursday, August 7, 2025.

The financial results briefing materials to be used on the day of the meeting will be posted on the Company's website.

Semi-annual consolidated balance sheet

(Millions of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	21,741	26,083
Accounts receivable - trade, and contract assets	7,878	6,968
Operational investment securities	3,570	3,124
Inventories	12	1
Accounts receivable - other	3,056	1,656
Other	1,149	388
Allowance for doubtful accounts	(392)	(441)
Total current assets	37,016	37,780
Non-current assets		
Property, plant and equipment	166	144
Intangible assets		
Goodwill	364	301
Other	310	279
Total intangible assets	675	581
Investments and other assets		
Stocks of affiliates	706	737
Investment securities	8,543	5,285
Leasehold and guarantee deposits	299	299
Deferred tax assets	807	393
Other	0	0
Total investments and other assets	10,358	6,716
Total non-current assets	11,201	7,442
Total assets	48,217	45,223

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	7,822	7,764
Short-term borrowings	84	84
Income taxes payable	280	212
Contract liabilities	164	154
Provision for bonuses	249	385
Other	1,721	1,644
Total current liabilities	10,322	10,244
Non-current liabilities		
Long-term borrowings	4,000	4,000
Deferred tax liabilities	651	571
Asset retirement obligations	176	177
Total non-current liabilities	4,828	4,748
Total liabilities	15,150	14,993
Net assets		
Shareholders' equity		
Share capital	8,212	8,212
Capital surplus	3,843	3,843
Retained earnings	14,075	14,887
Total shareholders' equity	26,130	26,942
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,855	119
Foreign currency translation adjustment	2,699	1,340
Total accumulated other comprehensive income	4,555	1,460
Share acquisition rights	1	1
Non-controlling interests	2,379	1,826
Total net assets	33,066	30,230
Total liabilities and net assets	48,217	45,223

Semi-annual consolidated statement of income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Revenue	7,473	6,536
Cost of sales	2,288	1,717
Gross profit	5,185	4,819
Selling, general and administrative expenses	4,848	4,285
Operating profit	336	534
Non-operating income		
Foreign exchange gains	-	5
Share of profit of entities accounted for using equity method	470	30
Gain on investments in investment partnerships	746	2,693
Other	15	12
Total non-operating income	1,232	2,743
Non-operating expenses		
Interest expenses	5	12
Foreign exchange losses	3	-
Other	0	4
Total non-operating expenses	9	17
Ordinary profit	1,559	3,260
Extraordinary income		
Gain on sale of investment securities	22	0
Gain on sale of businesses	2	77
Other	1	0
Total extraordinary income	26	78
Extraordinary losses		
Loss on retirement of non-current assets	4	-
Loss on liquidation of subsidiaries	16	-
Total extraordinary losses	21	-
Profit before income taxes	1,564	3,338
Income taxes	(377)	1,201
Profit	1,942	2,136
Profit attributable to non-controlling interests	466	189
Profit attributable to owners of parent	1,476	1,946

Semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Profit	1,942	2,136
Other comprehensive income		
Valuation difference on available-for-sale securities	892	(2,133)
Foreign currency translation adjustment	1,003	(1,358)
Total other comprehensive income	1,896	(3,492)
Comprehensive income	3,838	(1,356)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,806	(1,148)
Comprehensive income attributable to non-controlling interests	31	(207)

Semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended June 30, 2024	Six months ended June 30, 2025
Cash flows from operating activities		
Profit before income taxes	1,564	3,338
Depreciation	112	79
Amortization of goodwill	63	63
Increase (decrease) in allowance for doubtful accounts	265	48
Increase (decrease) in provision for bonuses	(103)	135
Interest and dividend income	(0)	(5)
Interest expenses	5	12
Loss (gain) on investments in investment partnerships	(746)	(2,693)
Loss (gain) on sale of investment securities	(22)	0
Loss (gain) on liquidation of subsidiaries	16	-
Share of loss (profit) of entities accounted for using equity method	(470)	(30)
Loss (gain) on sale of businesses	(2)	(77)
Loss on retirement of non-current assets	4	-
Decrease (increase) in accounts receivable - trade, and contract assets	1,008	910
Decrease (increase) in operational investment securities	334	(76)
Increase (decrease) in trade payables	(1,322)	(57)
Decrease (increase) in accounts receivable - other	809	1,400
Increase (decrease) in accounts payable - other	(119)	46
Increase (decrease) in accrued expenses	(10)	(93)
Increase (decrease) in accrued consumption taxes	361	(12)
Other, net	(80)	17
Subtotal	1,668	3,004
Interest and dividends received	0	5
Interest paid	(5)	(12)
Income taxes paid	(223)	(247)
Income taxes refund	1,695	32
Net cash provided by (used in) operating activities	3,135	2,782
Cash flows from investing activities		
Purchase of property, plant and equipment	-	(3)
Purchase of intangible assets	(102)	(30)
Proceeds from sale of intangible assets	0	-
Purchase of investment securities	(262)	-
Proceeds from sale of investment securities	25	0
Refund of investment securities	1,488	3,202
Proceeds from sale of businesses	2	77
Other, net	0	0
Net cash provided by (used in) investing activities	1,152	3,248
Cash flows from financing activities		
Repayments of long-term borrowings	(1,000)	-
Repayments to non-controlling shareholders	(1,423)	(345)
Dividends paid	(1,308)	(1,135)
Net cash provided by (used in) financing activities	(3,731)	(1,480)
Effect of exchange rate change on cash and cash equivalents	316	(208)
Net increase (decrease) in cash and cash equivalents	872	4,341
Cash and cash equivalents at beginning of period	18,860	21,741
Cash and cash equivalents at end of period	19,733	26,083

(Notes on segment information, etc.)

I. Previous interim consolidated accounting period (January 1, 2024 to June 30, 2024)

1. Information on revenues and amounts of profits or losses for each reported segment

(in millions of yen)

	Reportable segments				Adjustment amount (Note) 1	Interim Consolidated Statements of Income (Note)2
	Marketing Business	Financial Services Business	Investment Business	Total		
Revenue						
Revenues from external customers	6,081	253	1,138	7,473	-	7,473
Transactions with other segments	30	(0)	(0)	30	(30)	-
Total	6,112	253	1,138	7,504	(30)	7,473
Segment profit (loss)	1,199	(359)	618	1,459	(1,122)	336

Note: 1. Adjustment for segment profit (loss) of (1,122) million yen includes the elimination of inter-segment transactions and HD management costs of (1,125) million yen that have not been allocated to each reporting segment.

2. Segment profit (loss) is adjusted for operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.

II. Interim Consolidated Accounting Period (January 1, 2025 to June 30, 2025)

1. Information on revenues and amounts of profits or losses for each reported segment

(in millions of yen)

	Reportable segments				Adjustment amount (Note) 1	Interim Consolidated Statements of Income (Note)2
	Marketing Business	Financial Services Business	Investment Business	Total		
Revenue						
Revenues from external customers	5,924	143	468	6,536	-	6,536
Transactions with other segments	7	-	-	7	(7)	-
Total	5,931	143	468	6,544	(7)	6,536
Segment profit (loss)	1,419	(89)	243	1,574	(1,040)	534

Note: 1. Adjustment for segment profit (loss) of (1,040) million yen includes the elimination of inter-segment transactions and the unallocated Group-wide management cost of (1,022) million yen.

2. Segment profit (loss) is adjusted for operating income in the interim consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

(Significant impairment loss on fixed assets)

Not applicable.

(Significant fluctuations in the amount of goodwill)

Not applicable.

(Significant Negative Goodwill Accrual)

Not applicable.

(Reference) Revenue, operating profit, EBIT, EBITDA and sales by reportable segment for the current interim consolidated fiscal period

	Revenue		Operating profit		EBIT(Note)1		EBITDA(Note)2		Sales (Note)3	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Marketing Business	5,931	(3.0)	1,419	18.3	1,506	27.0	1,647	27.1	29,144	0.6
Financial Services Business	143	(43.4)	(89)	-	(88)	-	(88)	-	143	(43.4)
Investment Business	468	(58.8)	243	(60.6)	2,969	59.8	2,975	59.5	468	(58.8)
Adjustment Amount	(7)	-	(1,040)	-	(1,041)	-	(1,040)	-	(5)	-
Total	6,536	(12.5)	534	58.7	3,345	113.1	3,494	99.2	29,752	(2.0)

Note: 1. EBIT = Income before income taxes + Interest expense - Interest income

2. EBITDA = EBIT + other financial gains and losses + depreciation and amortization + stock-based compensation expense + impairment loss

3. Sales refers to sales amount based on old accounting standard before the application of the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March,31,2020).