Digital Garage Group

May 14, 2026
Digital Garage, Inc.

NEWS RELEASE

Digital Garage Reaches Basic Agreement on Strategic Partnership with Ion Pacific

Accelerating transition of capital reallocation, advancing the mid-term management plan target of approximately 30 billion JPY in off-balance-sheet optimization ahead of schedule

Reducing management volatility caused by valuation fluctuations while maturing Japan's secondary market and building next-generation investment and analytics infrastructure

— Digital Garage, Inc. (TSE Prime: 4819; Head Office: Shibuya-ku, Tokyo; Representative Director, President and Group CEO: Kaoru Hayashi; hereinafter "Digital Garage") announces that it has entered into a Non-Binding Memorandum of Understanding (hereinafter the "MOU") with Ion Pacific Holdings Limited (hereinafter "Ion Pacific"), a global asset management firm and one of the world's leading venture-focused secondary fund managers. The partnership is aimed at advancing secondary market activity primarily in the Japanese market, expanding liquidity provision capabilities, and building next-generation investment infrastructure.

This initiative is designed to accelerate Digital Garage's ongoing transition toward a capital reallocation model, while fast-tracking the approximately 30 billion JPY off-balance sheet optimization target set forth in the Company's mid-term management plan.
The scope of the MOU encompasses the major investment assets held by DG Ventures, Inc. ("DGV"), which constitute the majority of investments on the Company's balance sheet. If realized, this is expected to reduce P&L and management volatility associated with the direct holding of investment assets, facilitating a transition to a more stable and predictable management foundation that is less susceptible to individual transactions or valuation fluctuations.

Furthermore, through this initiative, Digital Garage will work to build a structure that enables a more focused allocation of management resources to the Group's core business domain — payment services,

Contact: Public Relations Dept., Digital Garage, Inc. Email: dg4819.pr@garage.co.jp

data utilization, and next-generation financial infrastructure — while also strengthening liquidity provision infrastructure for private assets in the Japanese market.

1. Background of the MOU

Digital Garage has long been committed to the societal implementation of next-generation technologies through startup investment and business development. However, directly holding investment assets has meant that P&L fluctuations from market conditions and fair value changes have been an ongoing management challenge.

To address this, the Digital Garage Group is undertaking a shift from a direct holding model to a capital rotation model focused on asset efficiency that leverages fund structures. This MOU represents a key step in making that transition concrete.

Moreover, this initiative goes beyond optimizing the investment business division's balance sheet — it carries broader significance in sharpening management focus on core businesses and advancing the redesign of the Group's overall business portfolio. Digital Garage positions this as one of the key measures for achieving sustainable enhancement of corporate value.



(L-R): Jonathan Chia (Partner, Ion Pacific) and Junichi Nakajima (Senior Executive Officer, Digital Garage)

2 (1) Strategic Collaboration in Secondary Market Development

Digital Garage and Ion Pacific will jointly identify and evaluate opportunities to develop and mature the secondary market in Japan. Through this collaboration, the companies aim to provide flexible and sustainable liquidity across a diverse range of asset classes, including unlisted shares.

By combining Digital Garage's expertise in venture investment and business development in the Japanese market with Ion Pacific's global track record, network, and execution capabilities in the secondary market, the partnership aims to build a new market foundation.

2 (2) Joint Fund Establishment and Portfolio Transition

Digital Garage and Ion Pacific will discuss the formation and management of multiple fund vehicles aimed at activating the secondary market and enhancing liquidity provision. Concurrently, the two companies are exploring the strategic transfer of major investment assets held by DGV — which constitute the majority of investments on the Company's balance sheet — into these fund vehicles.

If realized, Digital Garage expects to reduce balance sheet exposure and valuation fluctuation risk from the long-term holding of investment assets, transitioning to a more stable and predictable management foundation. This represents concrete progress on the Company's off-balance sheet optimization policy and is a key initiative toward achieving the approximately ¥30 billion off-balance sheet target in the mid-term management plan ahead of schedule.
Additionally, this is expected to reduce the complexity around investment asset reporting and management volatility from valuation fluctuations, enabling the Company to concentrate management resources on core business domains including payment services, data, and next-generation financial infrastructure.

While due diligence on target assets and projected amounts has progressed substantially, the scope of assets, contract terms, execution timeline, accounting treatment, and other details will be determined through further discussions between the two companies and disclosed once finalized.

2 (3) Development of Next-Generation AI-Powered Investment Infrastructure

As part of this partnership, the companies will collaborate on the development of innovative AI-powered analysis, diligence, and monitoring capabilities for the venture capital ecosystem. This initiative aims to enhance investment decision-making, improve market transparency, and establish a world-class investment infrastructure.

Beyond improving operational efficiency in investment activities, this initiative is also expected to lay the groundwork for new data-driven infrastructure in the finance and investment space.

3. Strategic Significance

The initiatives under this MOU represent Digital Garage's transition from a holding model to a capital reallocation model in its investment business. Over the medium to long term, this is expected to facilitate

a shift to a management structure less susceptible to fluctuations in investment assets, improve capital efficiency, and enable concentration of management resources on the Group's core business domains.

In particular, as the scope of the MOU encompasses the majority of investments held on the Company's balance sheet, this is expected to significantly reduce P&L volatility and reporting complexity, serving as an opportunity to mitigate management volatility. This goes beyond a mere transfer of investment assets — it represents foundational preparation for Digital Garage to pursue corporate value enhancement under a clearer growth strategy, and is positioned as one of the key measures supporting the Company's "second founding."

Furthermore, this initiative is expected to contribute to the liquidity of private assets in Japan, improved market transparency, and the promotion of capital reallocation to startups, making it a meaningful endeavor for Japan's startup ecosystem as a whole.

4. Future Outlook

This a basic agreement, and the execution of this transaction has not been finalized at this time. The scope of target assets, scheme, contract terms, execution timeline, accounting treatment, and other details will be determined through further discussions between the two companies and disclosed promptly as necessary once finalized.

The impact of this transaction on Digital Garage's consolidated financial results is undetermined at this time. Any matters requiring disclosure will be announced promptly.

About Ion Pacific

Founded in 2015, Ion Pacific is a pioneer in providing creative capital solutions to the global venture capital ecosystem. The firm manages several funds, including three dedicated structured secondary funds, and operates offices in Los Angeles, New York, Doha, Zurich, and Hong Kong. With a proven track record of delivering innovative liquidity solutions across the technology and venture ecosystem, Ion Pacific is one of the premier global providers of creative capital.

About Digital Garage

Digital Garage, Inc. (TSE Prime: 4819) is a Tokyo-based technology and investment company with extensive expertise in startup investment and fund management, committed to driving the societal implementation of next-generation technologies. For more on Digital Garage, visit garage.co.jp/en