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Digital Garage, Inc.

NEWS RELEASE

Digital Garage Announces Formation of New Context, The Largest World-Wide Lean Software Development Consultancy, Through Key Acquisitions in North America, Asia, and Europe

San Francisco, CA, (March 7, 2012) - Digital Garage, Inc. (OSE JASDAQ: 4819, Head Office: Shibuya-ku, Tokyo, Japan), a global incubation company assisting the growth of startups throughout the world, forms New Context, Inc., the largest worldwide lean software consultancy in Rails and Agile development, through key acquisitions in North America, Asia, and Europe.

Joi Ito, co-founder of Digital Garage and Director of the MIT Media Lab, is a board member, and Eric Ries, author of *The Lean Startup*, will act as general partner to New Context, helping shape its strategy and offering.

"I'm excited to work with New Context on lean software development and design offered as an on-demand service to businesses, startups, and governments," commented Eric Ries.

"I'm really excited about the vision Ian has for New Context," said Biz Stone, cofounder of Twitter, Inc. and The Obvious Corporation, "I think it has the potential to transform how software is made, and really help their clients to take Agile and Lean to a new level."

About New Context

With offices in North America, Asia, and Europe, providing on-demand, fast-to-market web and mobile software solutions for startups, corporations, and governments, New Context becomes the largest lean focused software design and development company in the world and the second largest Ruby on Rails development agency. More information is available at <http://www.newcontext.com>.

Ian McFarland, Chief Technology Officer of Digital Garage, will become President and Chief Strategy Officer of New Context. "Providing software development as a service allows for the highest quality of work, delivered in the shortest time to market," commented Ian McFarland.

About Digital Garage

Digital Garage is a publicly traded technology company founded by Joi Ito and Kaoru Hayashi. Headquartered in San Francisco, California, USA, New Context will be the core of Digital Garage's global incubation structure, which will provide assistance to startups ranging from investment to development support and business cultivation.