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FOR IMMEDIATE RELEASE

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Notice of Difference between Forecasts and Results for the first half of the fiscal year ending March 31, 2022, and Full-Year Financial Forecasts Revision

Details are as follows:

Digital Arts Inc. (the “Company”) announces that there is a difference between the financial forecasts for the first half of the fiscal year ending March 31, 2022, announced on May 7, 2021, and the actual results announced today. We also announce that we have revised our full-year financial forecasts, announced on the same day.

1. Difference between forecasts and results

Differences between consolidated financial forecasts and actual results for the first half of the fiscal year ending March 31, 2022 (cumulative)

(April 1, 2021 through September 30, 2021)

	Net sales	Operating profit	Ordinary profit	Quarterly net profit attributable to owners of parent	Quarterly net profit per share
	million yen	million yen	million yen	million yen	yen
Previous forecasts (A)	3,900	1,470	1,470	1,020	72.71
Actual results (B)	4,552	2,079	2,080	1,433	102.16
Change (B – A)	652	609	610	413	—
Rate of change (%)	16.7	41.5	41.5	40.5	—
(Reference) Result for the first half of the fiscal year ended September 30, 2020	3,101	1,310	1,316	908	64.84

Differences between non-consolidated financial forecasts and actual results for the first half of the fiscal year ending March 31, 2022 (cumulative)

(April 1,2021 through September 30,2021)

	Net sales	Ordinary profit	Quarterly net profit	Quarterly net profit per share
	million yen	million yen	million yen	yen
Previous forecasts (A)	3,350	1,470	1,020	72.71
Actual results (B)	4,044	2,061	1,424	101.52
Change (B-A)	694	591	404	—
Rate of change (%)	20.7	40.3	39.7	—
(Reference) Result for the first half of the fiscal year ended September 30,2020	2,797	1,332	924	65.95

2. Revision of financial forecasts for fiscal year ending March 31, 2022

Revision of consolidated financial forecasts for fiscal year ending March 31, 2022

(April 1,2021 through March 31,2022)

	Net sales	Ordinary profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
	million yen	million yen	million yen	million yen	yen
Previous forecasts (A)	8,700	3,700	3,700	2,550	181.77
Revised forecasts (B)	9,000	4,000	4,000	2,770	197.40
Change (B-A)	300	300	300	220	—
Rate of change (%)	3.4	8.1	8.1	8.6	—
(Reference) Results for the fiscal year ending March 31, 2021	6,825	2,977	2,991	2,059	146.90

Revision of non-consolidated financial forecasts for fiscal year ending March 31, 2022

(April 1,2021 through March 31,2022)

	Net sales	Ordinary profit	Net profit	Profit per share
	million yen	million yen	million yen	yen
Previous forecasts (A)	7,450	3,600	2,450	174.64
Revised forecasts (B)	7,850	3,900	2,690	191.70
Change (B-A)	400	300	240	—
Rate of change (%)	5.4	8.3	9.8	—
(Reference) Results for the fiscal year ending March 31, 2021	6,074	2,964	2,044	145.81

3. Reasons for the differences

Regarding the business results (consolidated and non-consolidated) for the first half of the current fiscal year, in the enterprise sector market, orders primarily for products related to cloud services increased with the increase in teleworking. In the public sector market, too, orders for public agency

and local government projects increased. In addition, some orders for public agency projects in the public sector market expected to be received in the third quarter of the fiscal year under review were moved forward to the second quarter. As a result, net sales exceeded the forecasts previously announced. Consequently, operating profit, ordinary profit, and profit attributable to owners of parent also exceeded the forecasts announced last time.

4. Reason for the revision

Regarding consolidation and non-consolidated full-year financial forecasts, the forecasts previously announced have been revised on the assumption that orders for public agency and local government projects in the public sector market will remain strong in and after the third quarter as planned.

(Note) The above forecasts are based on information available to the Company as of the date of this announcement and certain assumptions that are judged to be reasonable. Actual results may differ materially due to a variety of factors.

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