



**Consolidated Financial Results for the First  
Quarter of the Fiscal Year Ending March 31, 2023**

(From April 1, 2022 to June 30, 2022)

Financial Results Briefing Materials

July 29, 2022

Digital Arts Inc.  
(Securities Code: 2326)

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**Material on Consolidated Financial Results for the First Quarter of  
the Fiscal Year Ending March 31, 2023**

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# **Consolidated Results Highlights**

## Contracts

**2,246** million yen  
(up +267 million yen or +13.5%  
year on year)

- Orders increased in the enterprise sector market, reflecting new deals that the Group won by adding new functions to mainstay products to meet demand for total security and by implementing a strategy to expand sales to specific targets and growth in new customers for DAC.
- In the public sector market, new projects related to the GIGA School Concept were running their course. Meanwhile, orders from public agencies and local governments were strong.

## Net sales

**2,386** million yen  
(up +466 million yen or +24.3%  
year on year)

- Net sales increased in the enterprise sector market due to increases in sales of license sales products and cloud service products reflecting increases in contracts for those products and growth in new customers for DAC.
- In the public sector market, orders received for i-FILTER projects (GIGA, public agencies, local governments) increased.

## Operating profit

**1,009** million yen  
(up +278 million yen or +38.0% year  
on year)

- In cost of goods, server expenses increased due to growth in cloud service users
- SG&A expenses were affected by an increase in advertising expenses, including press advertising, and an increase in hiring expenses after DAC increased consultants.

# Consolidated Results Summary

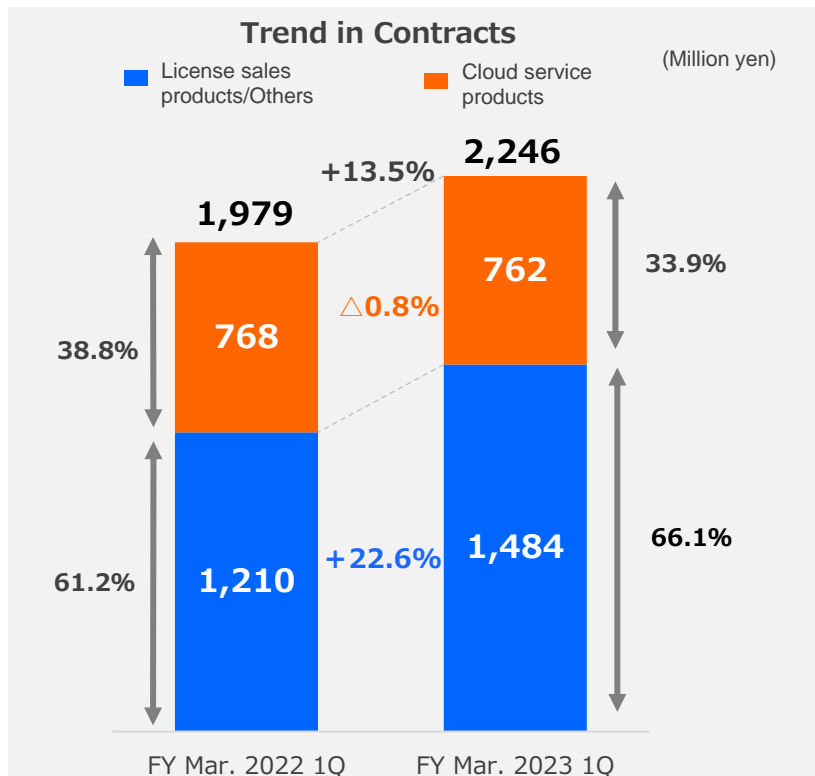


(Million yen)	FY March 2022 1Q	FY March 2023 1Q	Change YoY	FY March 2023 Full- Year Forecast
Contracts	1,979	2,246	+13.5%	-
Net sales	1,919	2,386	+24.3%	10,500
Cost of goods sold	613	766	+24.9%	3,350
Gross profit	1,305	1,619	+24.0%	7,150
Selling, general and administrative expenses	574	609	+6.2%	2,450
Operating profit	731	1,009	+38.0%	4,700
Operating margin	38.1%	42.3%	-	44.8%
Ordinary profit	732	1,019	+39.1%	4,700
Profit attributable to owners of Parent	506	702	+38.5%	3,250
EBITDA	966	1,268	+31.3%	-

※ \* Financial Forecast is the consolidated financial forecast announced on May 10, 2022.

※ \* EBITDA = Operating profit + Depreciation + Tax expenses included in operating expenses

Consolidated contracts totaled **2,246 million yen**, up **+13.5%** year on year.

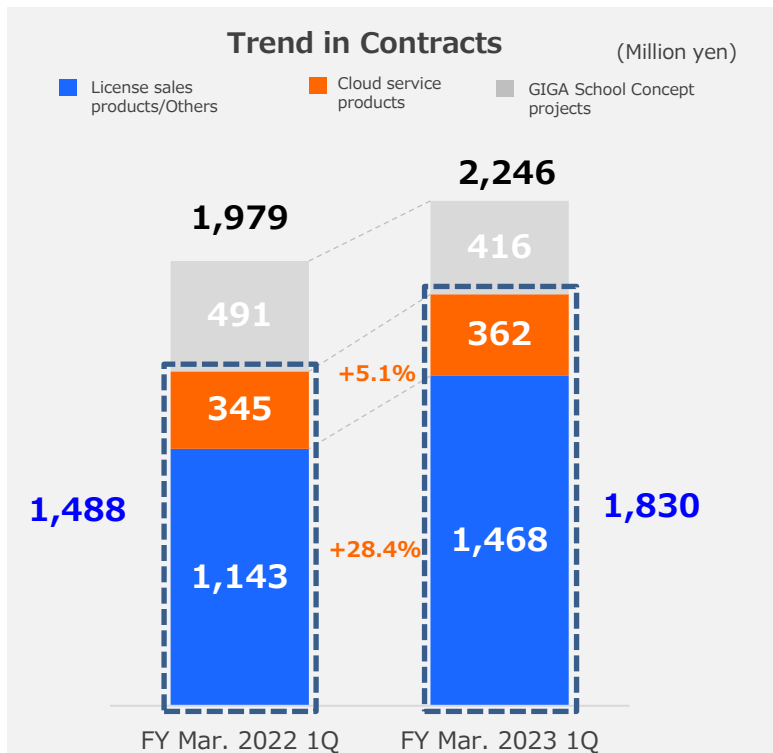


Contracts increased steadily in both the enterprise sector market and the public sector market.

Contracts for cloud service products declined 0.8% due to a fall in GIGA School Concept projects in the public sector market, which was partially offset by steady orders for new projects in the enterprise sector market.

Contracts for license sales products and other products rose 22.6%, reflecting strong orders for new projects in the enterprise sector market and strong orders for public agency and local government projects in the public sector market.

Contracts for cloud service products were strong in the enterprise sector, except for the impact of GIGA School Concept projects.

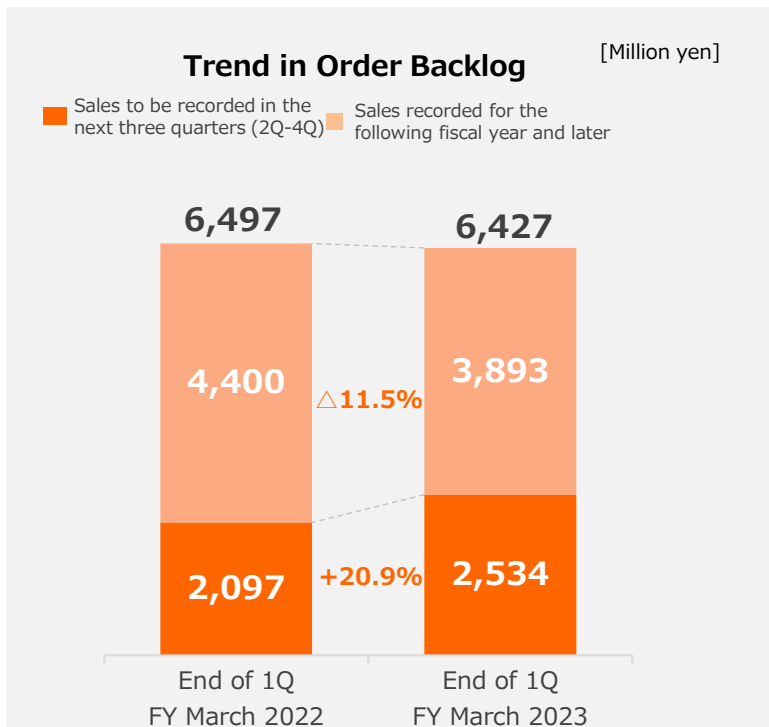


Contract amount for cloud service products rose by 5.1% (362 million yen in the year under review compared with 345 million yen in previous year), excluding the impact of GIGA School Concept projects (416 million yen in the year under review compared with 491 million yen in previous year).

Orders for cloud service products were strong, reflecting increasing demand for security in the cloud environment primarily in the enterprise sector market.

# Trend in Order Backlog

Sales of GIGA School Concept projects were posted, and orders for cloud service projects increased.

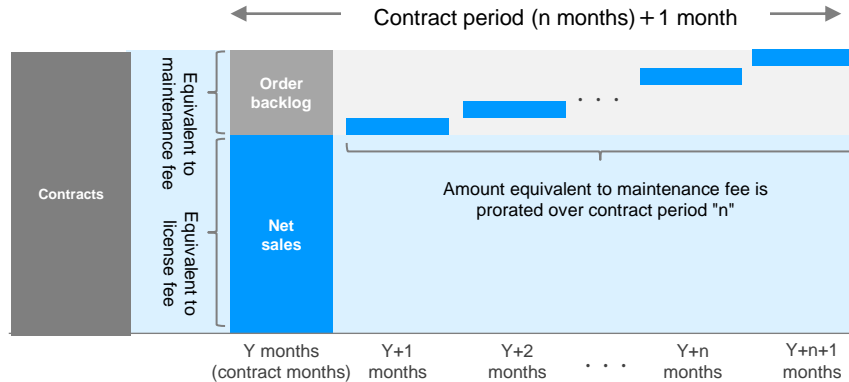


- **New contracts for GIGA School Concept projects, many of which are five-year contracts, have run their course as a result of the widespread use of learning terminals\*, and sales of GIGA projects will decline from the next fiscal year. The projects will be moving to a contract renewal phase gradually.**
- **Sales posted in the fiscal year under review increased due to a rise in orders for cloud service products, for which contracts are mostly one-year contracts.**
- **Characteristics of cloud service products** (please refer to supplementary information in pp. 9 and 10)
  - Contract amount is recorded as sales on a pro rata basis, split into equal monthly amounts, over the contract period. As a result, the longer the contract period, the larger the contract amount that is deferred (order backlog).
  - Since the contracts are renewable at fixed prices (whereas the renewal price for license sales products is half the contract price for the first year), this recurring revenue business model creates a stable profit base.

\*Progress against the goal of providing a terminal to each pupil in compulsory education (Ministry of Education, Culture, Sports, Science and Technology)  
[https://www.mext.go.jp/content/20220204-mxt\\_shuukyo01-000009827\\_001.pdf](https://www.mext.go.jp/content/20220204-mxt_shuukyo01-000009827_001.pdf)

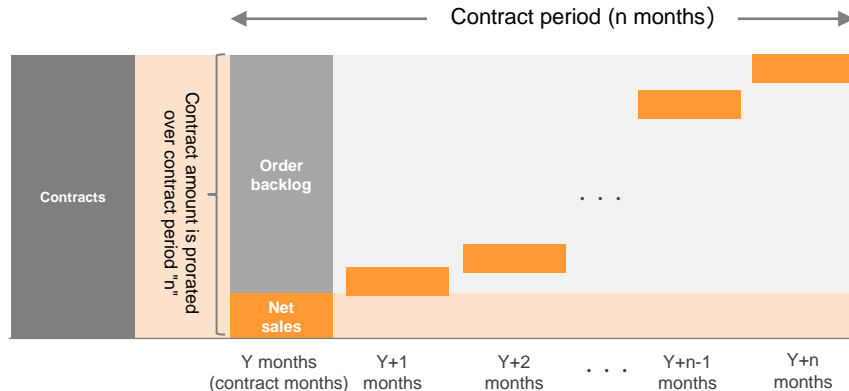


## License sales products



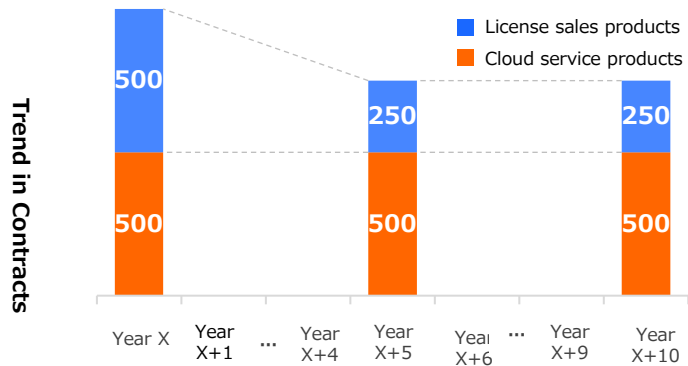
- License fees make up a large proportion of the contract amount. This portion is recorded in a lump sum as sales in the month when the contract is obtained.
- Amount equivalent to maintenance fee is recorded on a pro rata basis over the contract period.

## Cloud service products

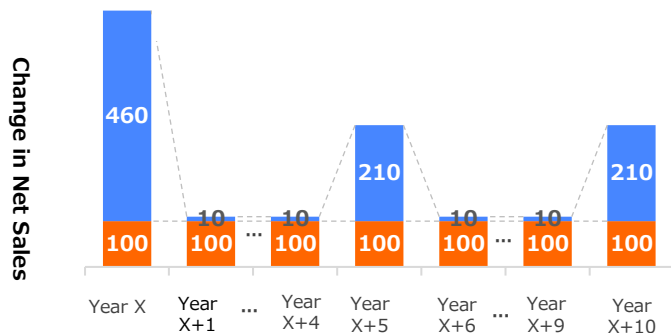


- Contract amount is recorded as sales on a pro rata basis over the contract period (split into equal monthly amounts).
- As the contract amount of cloud service products rises, the contract amount that is deferred (order backlog) increases.

Many projects in the public sector market are multi-year contracts, such as five-year contracts. License sales products and cloud service products both earn from contract renewals.



The diagrams on the left show the relationships between the contract amount and sales in license sales products and cloud service products on the assumption of a five-year contract with an amount of 500 million yen.

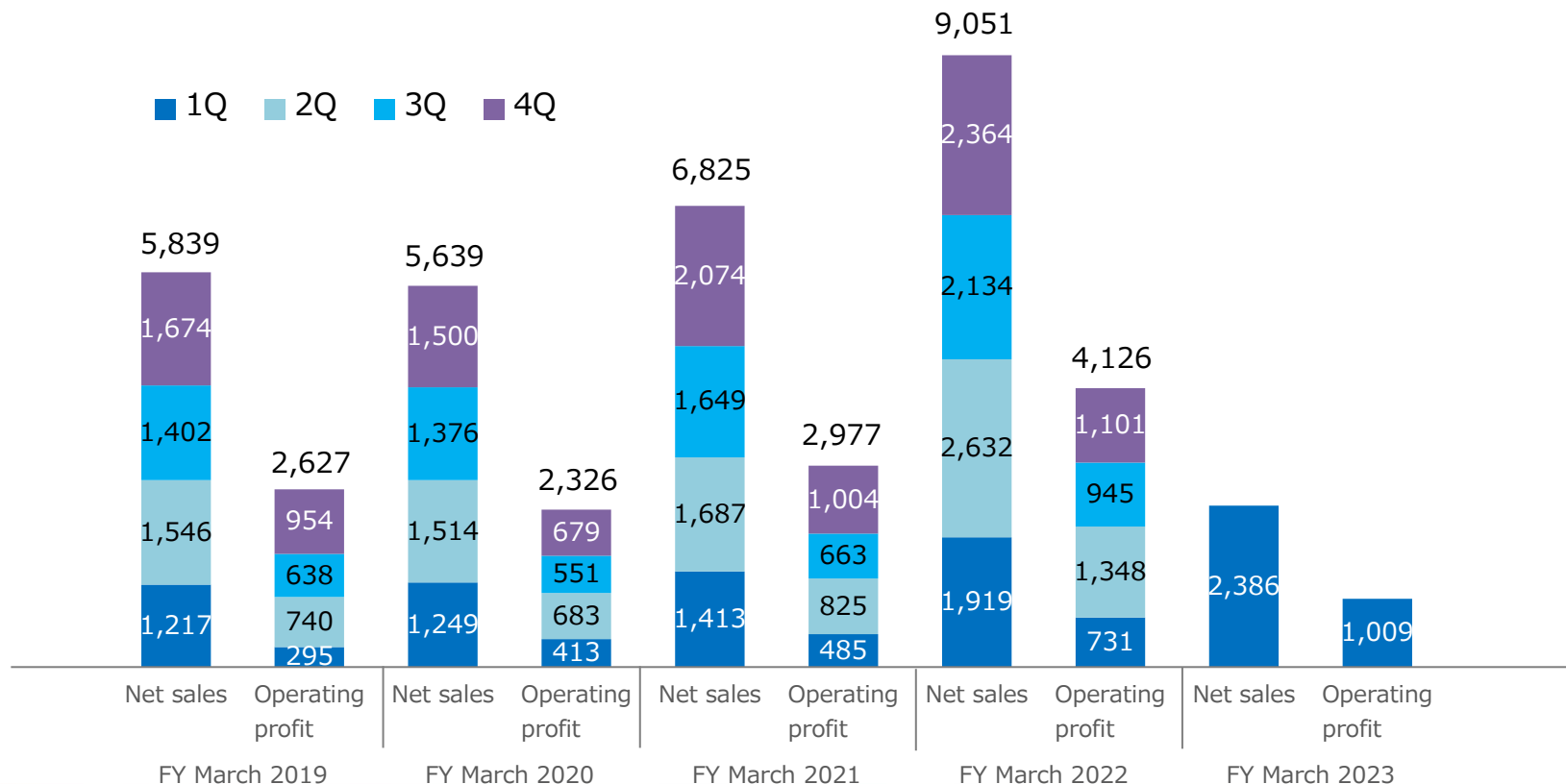


- In a multi-year contract for cloud service products, there is a large gap between the contract amount and sales. The order backlog is high.
- For license sales products, a high percentage of sales is recorded at the time of contract conclusion. The amount of contract renewal is half the amount of the initial contract. That means a small gap between the contract amount and sales and a very limited order backlog.

# Trend in Net sales, Operating profit

For the third quarter, net sales and operating profit hit **record highs**

(Million yen)



# Consolidated Cost of Goods Sold and Selling, General and Administrative Expenses

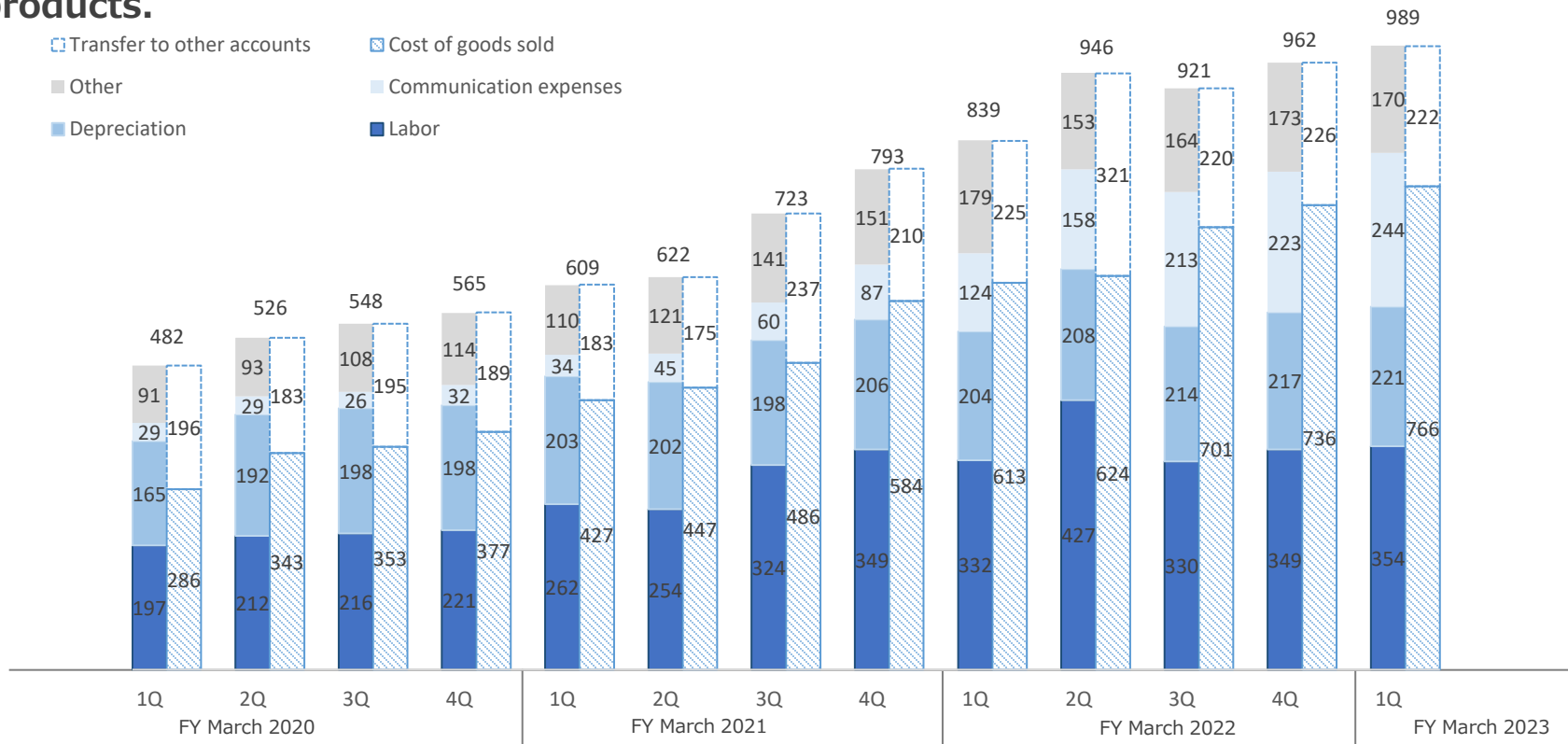


(Million yen)	FY March 2022 1Q	FY March 2023 1Q	Change YoY	Main Factors for Change
<b>Cost of goods sold</b>	<b>613</b>	<b>766</b>	<b>+152</b>	
Labor	332	354	+21	DAC increased consultants
Depreciation	204	221	+16	
Communication expenses	124	244	+121	Cloud server expenses will rise as a result of sales expansion of cloud products.
Other	179	169	△10	
Transfer to other accounts	△225	△222	+2	
<b>Selling, general and administrative expenses</b>	<b>574</b>	<b>609</b>	<b>+35</b>	
Personnel expenses	323	302	△20	
Advertising expenses	59	77	+17	Increase due to and press advertising.
Other	191	229	+38	Hiring expenses swelled after DAC increased consultants.

# Quarterly Trend in Consolidated Cost of Goods Sold

Cloud server expenses will rise as a result of sales expansion of cloud products.

(Million yen)

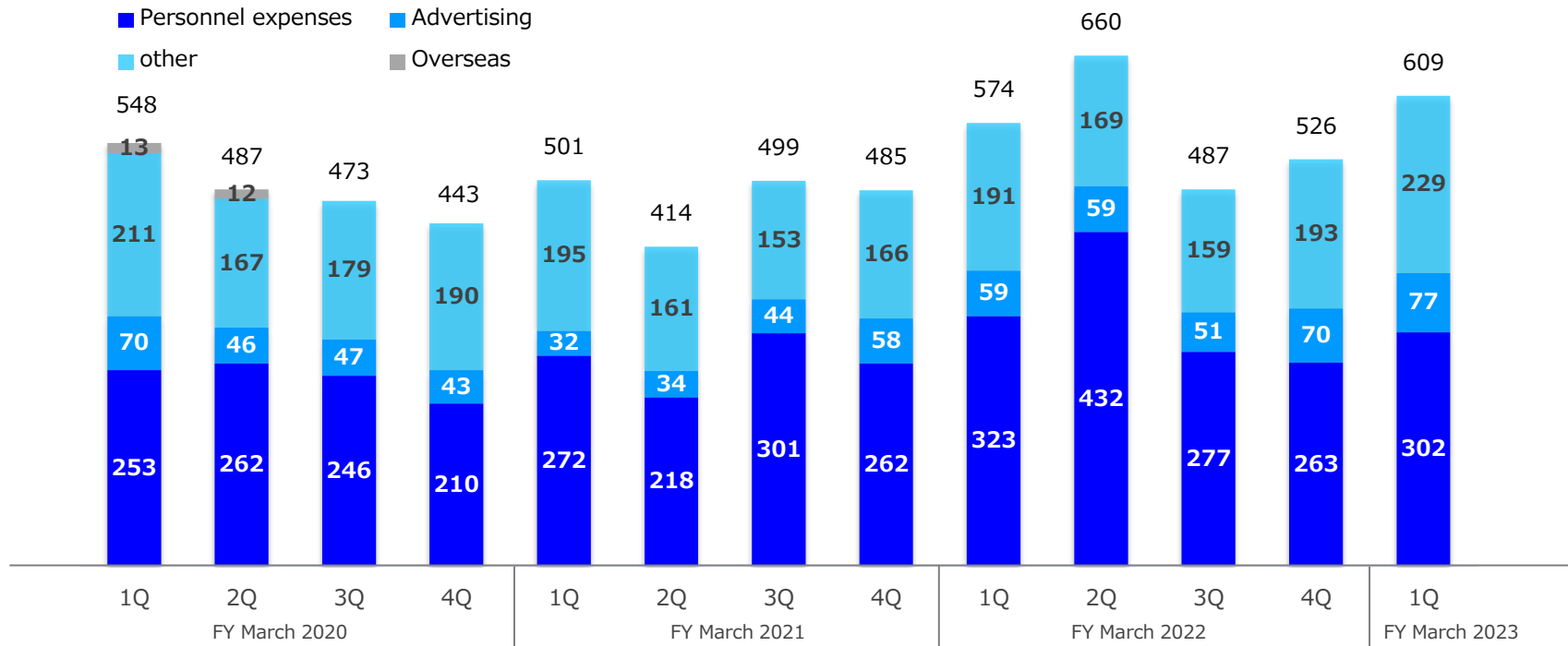


# Quarterly Trend in Consolidated Selling, General and Administrative Expenses



- Increase due to and press advertising.
- Hiring expenses swelled after DAC increased consultants.

(Million yen)



# Summary of Consolidated Balance Sheet



Capital efficiency was good, with year-on-year improvement in both ROE and ROA. Despite an increase in advances received, the equity ratio increased. Financial health has improved further.

(Million yen)	As of end of 1Q FY March 2022	As of end of FY March 2022	As of end of 1Q FY March 2023	Change from end of FY March 2022
<b>Current assets</b>	<b>14,344</b>	<b>17,105</b>	<b>16,990</b>	△0.7%
Cash and deposits	<b>13,133</b>	<b>15,773</b>	<b>15,575</b>	△1.3%
<b>Non-current assets</b>	<b>2,132</b>	<b>2,236</b>	<b>2,213</b>	△1.0%
<b>Total assets</b>	<b>16,476</b>	<b>19,341</b>	<b>19,204</b>	△0.7%
<b>Current liabilities</b>	<b>6,269</b>	<b>7,130</b>	<b>6,848</b>	△4.0%
Advanced received	<b>5,236</b>	<b>5,684</b>	<b>5,777</b>	+1.6%
<b>Non-current liabilities</b>	<b>50</b>	<b>50</b>	<b>50</b>	△0.1%
<b>Equity capital</b>	<b>10,137</b>	<b>12,129</b>	<b>12,273</b>	+1.2%
<b>Net assets</b>	<b>10,157</b>	<b>12,159</b>	<b>12,304</b>	+1.2%
<b>Equity ratio</b>	<b>61.5%</b>	<b>62.7%</b>	<b>63.9%</b>	-
<b>ROE</b>	<b>5.0%</b>	<b>26.2%</b>	<b>5.8%</b>	-
<b>ROA</b>	<b>3.2%</b>	<b>17.0%</b>	<b>3.6%</b>	-

**Material on Consolidated Financial Results for the First Quarter of the  
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# **Non-consolidated Results Highlights**



# Summary of Non-consolidated Results



(Million yen)	FY March 2022 1Q	FY March 2023 1Q	Change YoY	FY March 2023 Full- Year Forecast
Contracts	1,715	1,926	+12.3%	-
Net sales	1,655	2,065	+24.8%	9,000
Cost of sales	385	520	+35.1%	2,150
Gross profit	1,269	1,544	+21.7%	6,850
Selling, general and administrative expenses	539	556	+3.2%	2,250
Operating profit	730	988	+35.3%	4,600
Operating margin	44.1%	47.9%	-	51.1%
Ordinary profit	733	994	+35.6%	4,600
Profit	506	687	+35.6%	3,200

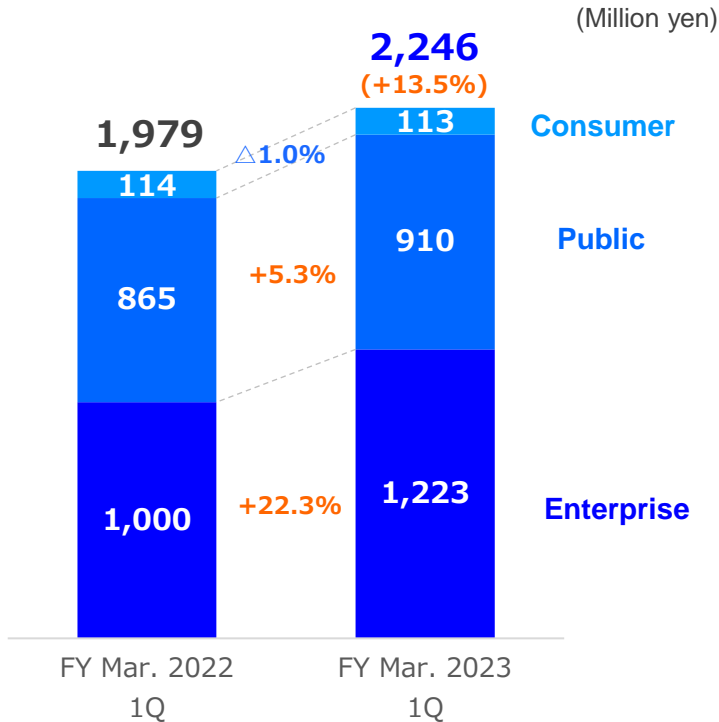
\* Financial Forecast is the non-consolidated financial forecast announced on May 10, 2022.

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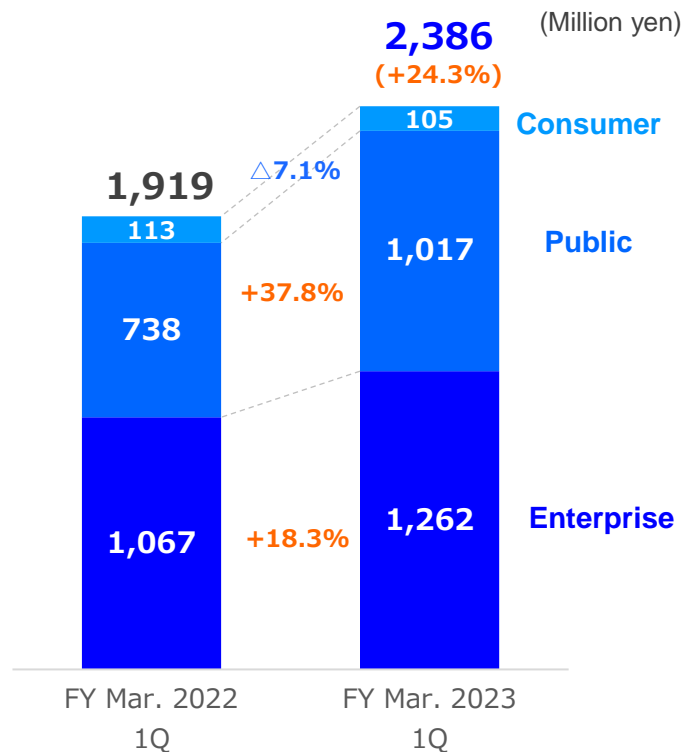
# **By Market**

## Trend in Consolidated Contract Amount by Market



- In the enterprise sector market, the contract amount was up 222 million yen or 22.3% due to increased orders received resulting from additional functions of the i-FILTER and m-FILTER series, new deals that the Group won by implementing a strategy to expand sales to specific targets and the growth of DAC.
- In the public sector market, the contract amount was up 45 million yen, or 5.3%, due to an increase in projects for public agencies and local governments.

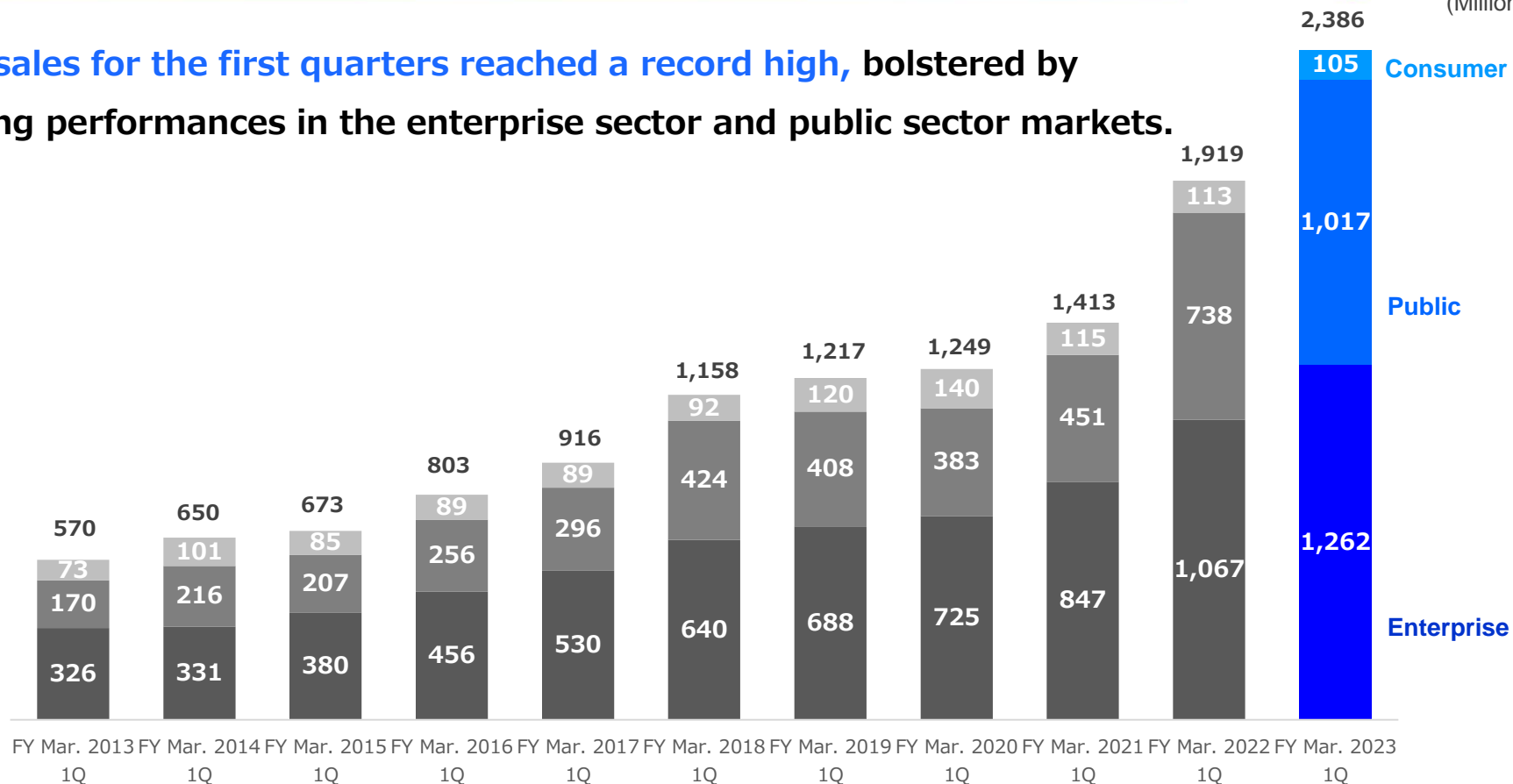
## Trend in Consolidated Net Sales by Market



- In the enterprise sector market, net sales rose 195 million yen or 18.3% due to increased orders received resulting from the additional functions of i-FILTER and m-FILTER series, new deals that the Group won by implementing a strategy to expand sales to specific targets and the growth of DAC.
- In the public sector market, net sales were up 279 million yen, or 37.8%, reflecting an increase in projects for public agencies and local governments, in addition to posted sales of GIGA School Concept projects that lasted before the previous fiscal year.

# Trend in Consolidated Net Sales by Market

Net sales for the first quarters reached a record high, bolstered by strong performances in the enterprise sector and public sector markets.

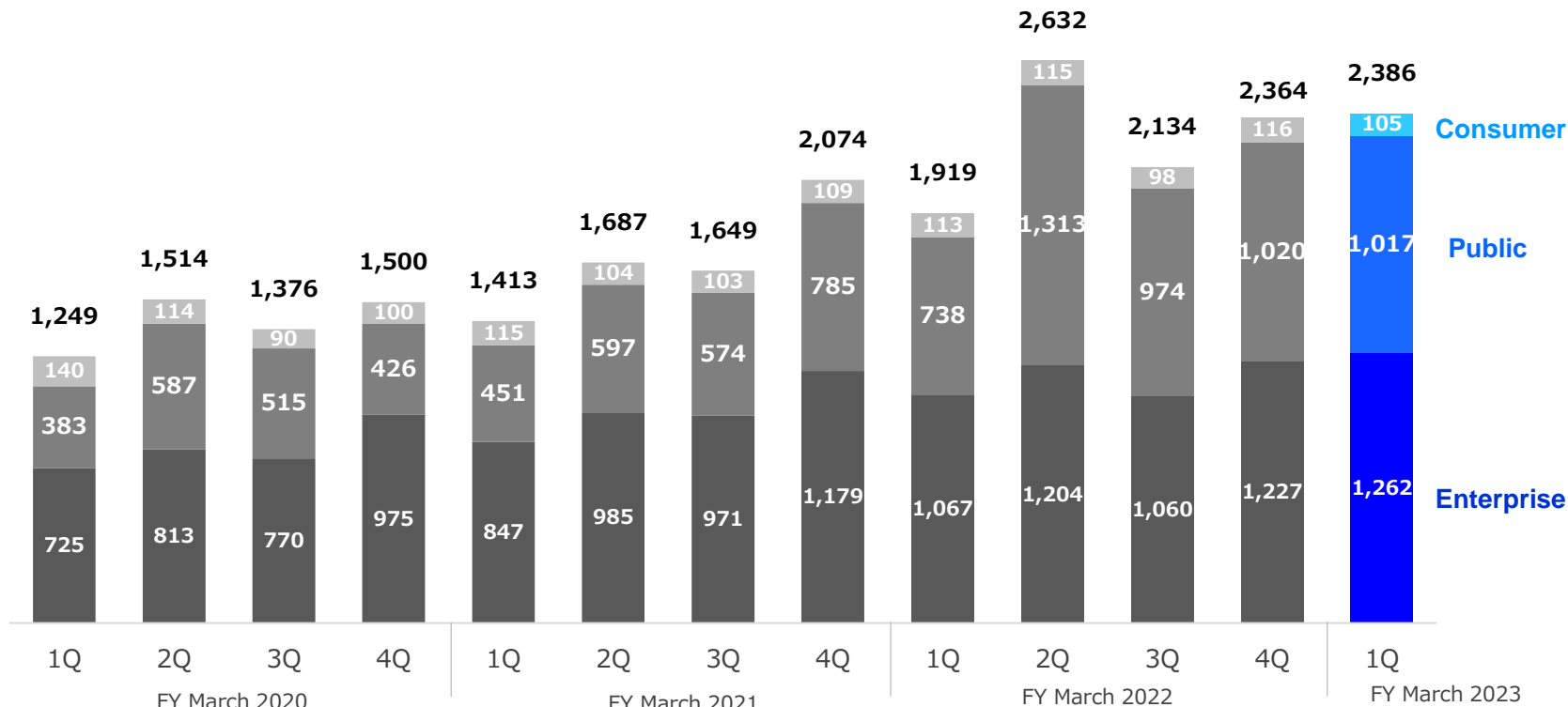


# Quarterly Trend in Consolidated Net Sales by Market



Net sales for the first quarters reached a record high, bolstered by strong performances in the enterprise sector and public sector markets.

(Million yen)



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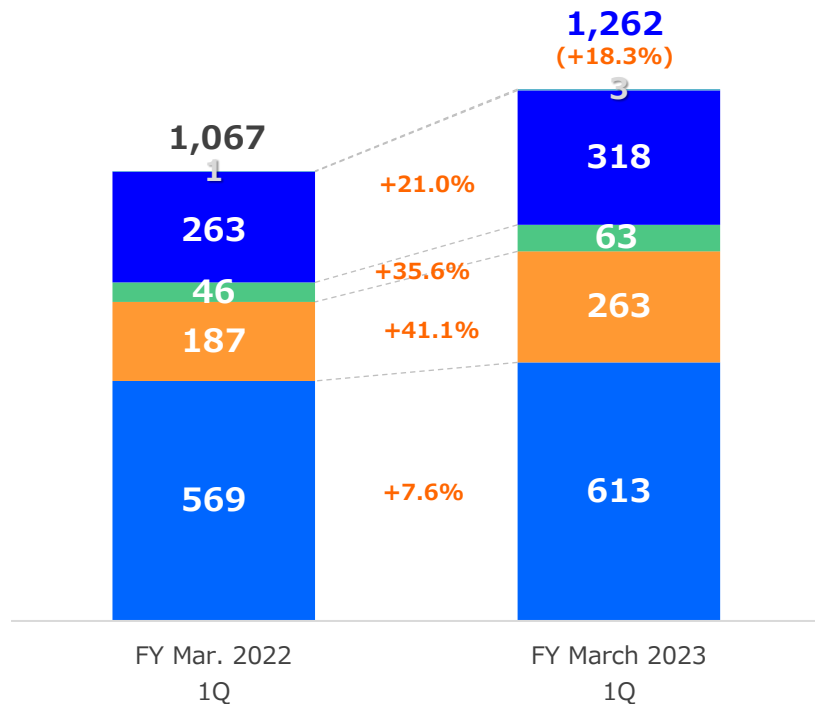
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# **Enterprise Sector**

## Trend in Net Sales in Enterprise Sector Market by Product

(Million yen)

■ i-FILTER series ■ m-FILTER series ■ FinalCode ■ DAC ■ other



Functions were added to products and cooperation with agencies were strengthened in response to more frequent, diverse cyber attacks.

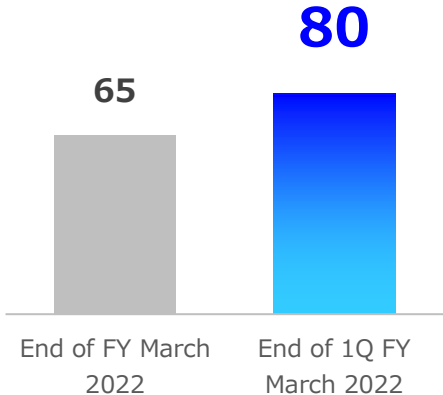
- Sales of the i-FILTER series remained strong, rising 43 million yen, 7.6%, in response to growing corporate demand for cybersecurity.
- Sales of the m-FILTER series were strong (up 76 million yen or 41.1%), owing to rising demand for mail security and PPAP problem-solving.
- DAC made good progress acquiring new clients and achieved substantial sales growth (up 55 million yen or 21.0%), reflecting growing DX needs and demand for security measures among enterprises.





## Number of consultants

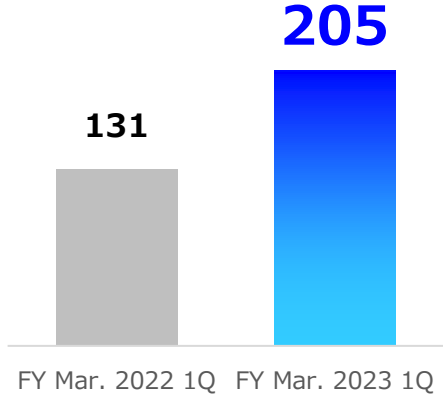
(Persons)



- DAC actively hired talent, focusing on those from leading consulting firms and leading systems integrators.

## Security consulting sales\*

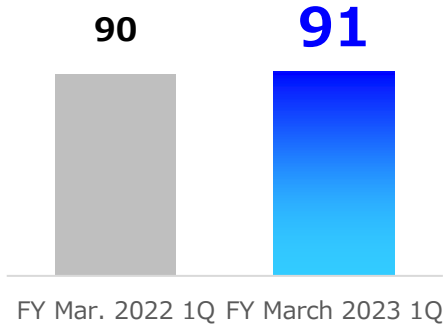
(Million yen)



- Offering comprehensive services including security checkups and analysis, proposals of measures and solutions for raising the security level and support for implementation

## IT strategy consulting sales\*

(Million yen)



- DAC proposed initiatives and solutions to promote DX at customers in consideration of security and provided comprehensive consulting services, including implementation support.

\*: DAC's non-consolidated net sales

## Material on Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2023

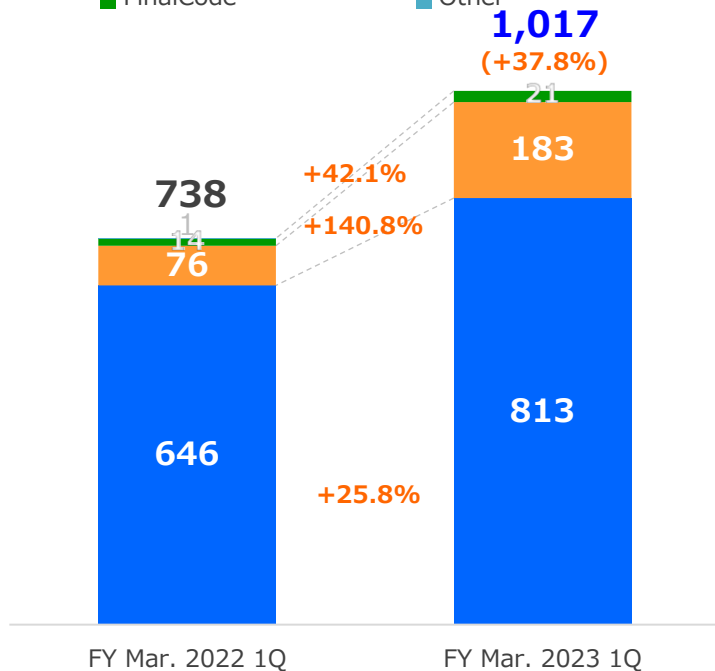
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# Public Sector

## Trend in Net Sales of Public Sector Market by Product

(Million yen)

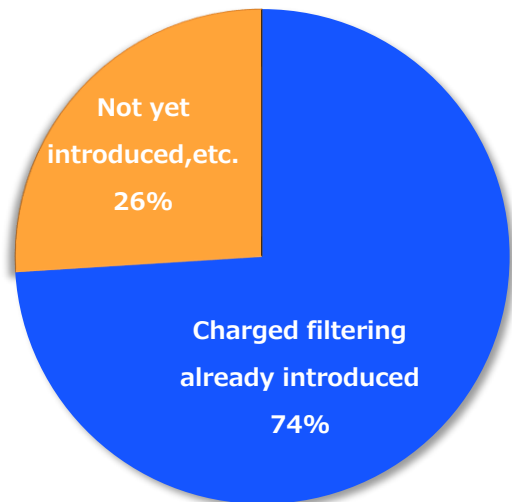
■ i-FILTER series  
■ FinalCode  
■ m-FILTER series  
■ Other



- In addition to posted sales of GIGA School Concept projects that lasted from the previous fiscal year, contracts gained from public agencies and local governments were higher than forecasted and sales of the i-FILTER series achieved a huge growth. (+166 million yen/+25.8%)
- Brisk orders were received from local governments and sales of the m-FILTER series leaped (up 107 million yen or 140.8%).

## GIGA School Status\*1

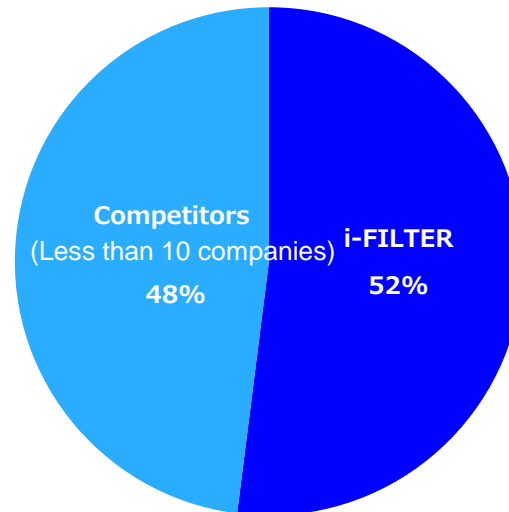
Introduction of charged filtering



- The proportion of Boards of Education which have adopted paid-for filtering increased from 73% at the end of the previous fiscal year to **74%**.

\*1 : According to our survey of 1,741boards of education (Jun 2022)

Share of charged filtering introduced



- i-FILTER's share grew from 51% at the end of the previous fiscal year to **52%**.
- Contracts increased from 6.9 billion yen at the end of the previous fiscal year to **7.3 billion yen**.

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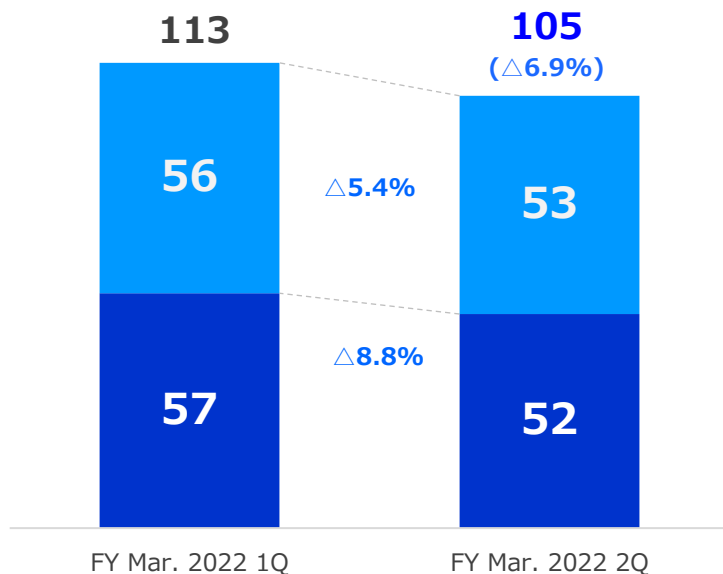
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# **Consumer Sector**

## Trend in Net Sales of Consumer Sector Market by Product

(Million yen)

- For mobile terminals, other
- For computers



- In products for computers, sales of multiple-year package products and i-FILTER® for Multi-Device, which can be available on multiple terminals, were sluggish.
- Sales of products for mobile terminals declined slightly due to a decrease in revenue from contract development for carriers, although the number of users increased.

**Material on Consolidated Financial Results for the First Quarter of the  
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# **Full-Year Financial Forecast for Fiscal Year Ending March 31, 2023**

(Million yen)	FY March 2022 Full-Year Results	FY March 2023 Full-Year Forecasts	Change	% Change
Net sales	9,051	10,500	+1,448	+16.0 %
Cost of goods sold	2,676	3,350	+673	+25.2 %
Gross profit	6,374	7,150	+775	+12.2 %
Gross profit margin	70.4%	68.1%	-	-
Selling, general and administrative expenses	2,248	2,450	+201	+9.0 %
Operating profit	4,126	4,700	+573	+13.9 %
Operating margin	45.6%	44.8%	-	-
Ordinary profit	4,135	4,700	+564	+13.7 %
Profit attributable to owners of parent	2,900	3,250	+349	+12.0 %

※ Financial Forecast is the consolidated financial forecast announced on May 10, 2022.

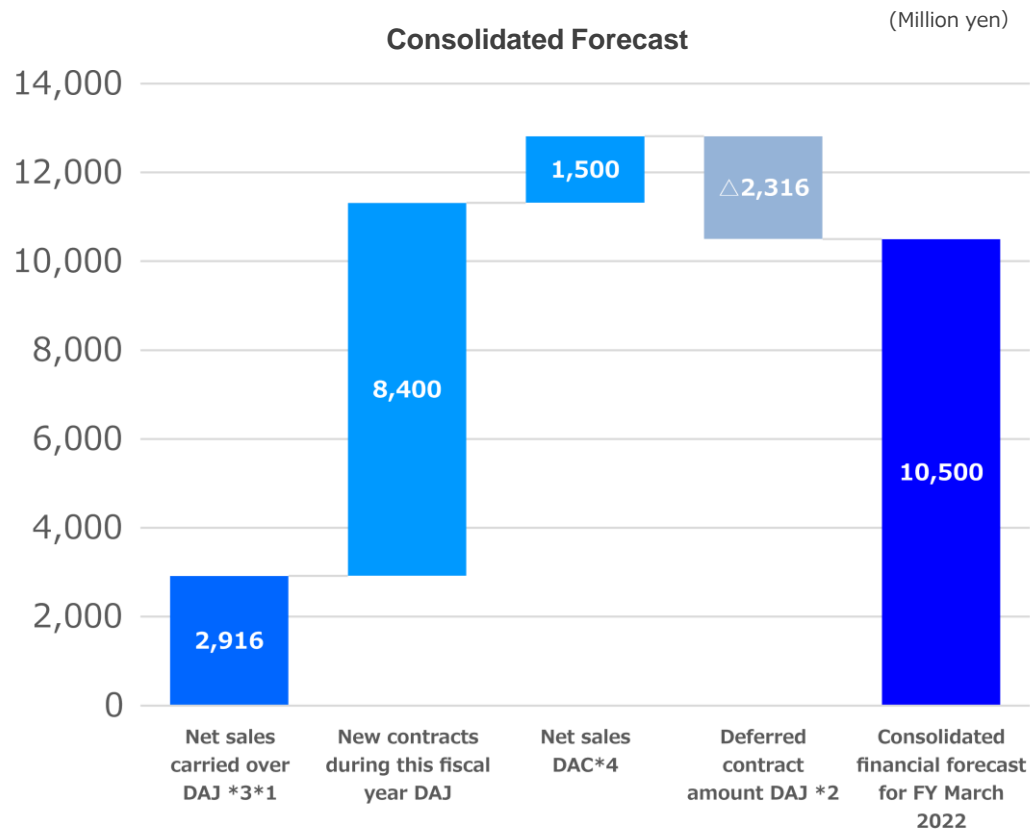


# Forecasts for Fiscal Year Ending March 31, 2023 (Non-consolidated)



(Million yen)	FY March 2022 Full-Year Results	FY March 2023 Full-Year Forecasts	Change	% Change
Net sales	8,003	9,000	+996	+12.4 %
Cost of goods sold	1,821	2,150	+328	+18.0 %
Gross profit	6,182	6,850	+667	+10.8 %
Gross profit margin	77.2%	76.1%	-	-
Selling, general and administrative expenses	2,141	2,250	+108	+5.1 %
Operating profit	4,040	4,600	+559	+13.8 %
Operating margin	50.5%	51.1%	-	-
Ordinary profit	4,052	4,600	+547	+13.5 %
Profit	2,832	3,200	+367	+13.0 %

\* Financial Forecast is the non-consolidated financial forecast announced on May 10, 2022.



- Net sales that will be carried over to and posted for the fiscal year in question will increase given an increase in the number of contracts acquired in previous fiscal years in connection with the GIGA School Concept in the public sector market.
- New contracts of DAJ are expected to amount to 8,400 million yen after measures to expand sales of new functions and strategic sales measures for the enterprise sector market and the winning of projects to improve the resilience of municipal information systems in the public sector market.
- As in the previous fiscal year, DAC will increase the number of consultants and is expected to continue growing through the acquisition of new clients.

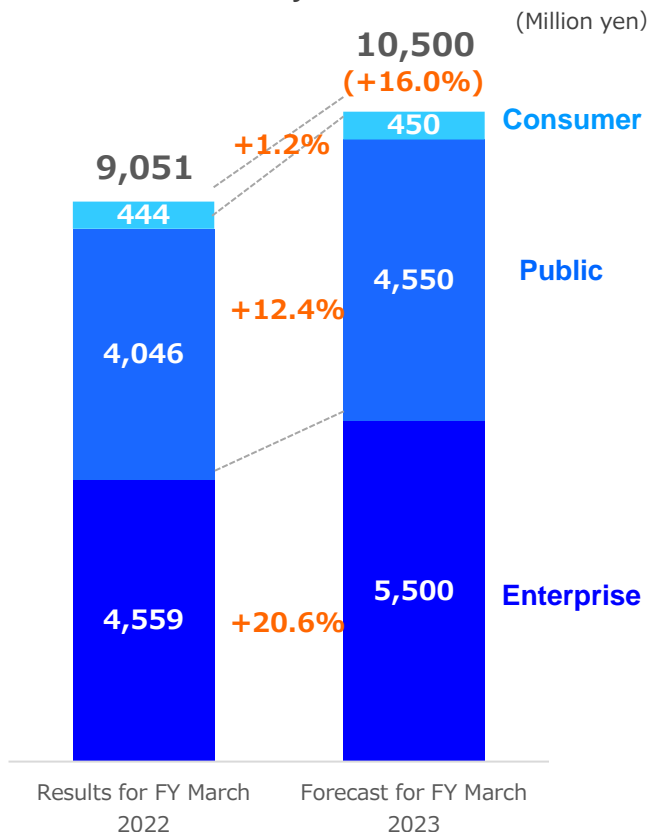
\*1: Sales recorded from the order backlog of contracts acquired in previous fiscal years

\*2: Sales deferred to subsequent fiscal years (order backlog)

\*3: DAJ = Digital Arts Inc.

\*4: DAC = Digital Arts Consulting Inc.

## Forecast by Market



- In response to corporate needs for total security solutions, we will enhance the product lineup and improve links with other companies' products in order to attract new clients.
- We will increase the number of DAC staff to achieve growth by acquiring new customers.
- Net sales that will be carried over to and posted for the fiscal year in question will increase given an increase in the number of contracts acquired in previous fiscal years in connection with the GIGA School Concept in the public sector market.
- Sales growth will be attained by winning projects for the further improvement of the resilience of municipal information systems and by expanding our market share in connection with the GIGA School Concept.

# Consolidated Cost of Goods Sold and Selling, General and Administrative Expenses

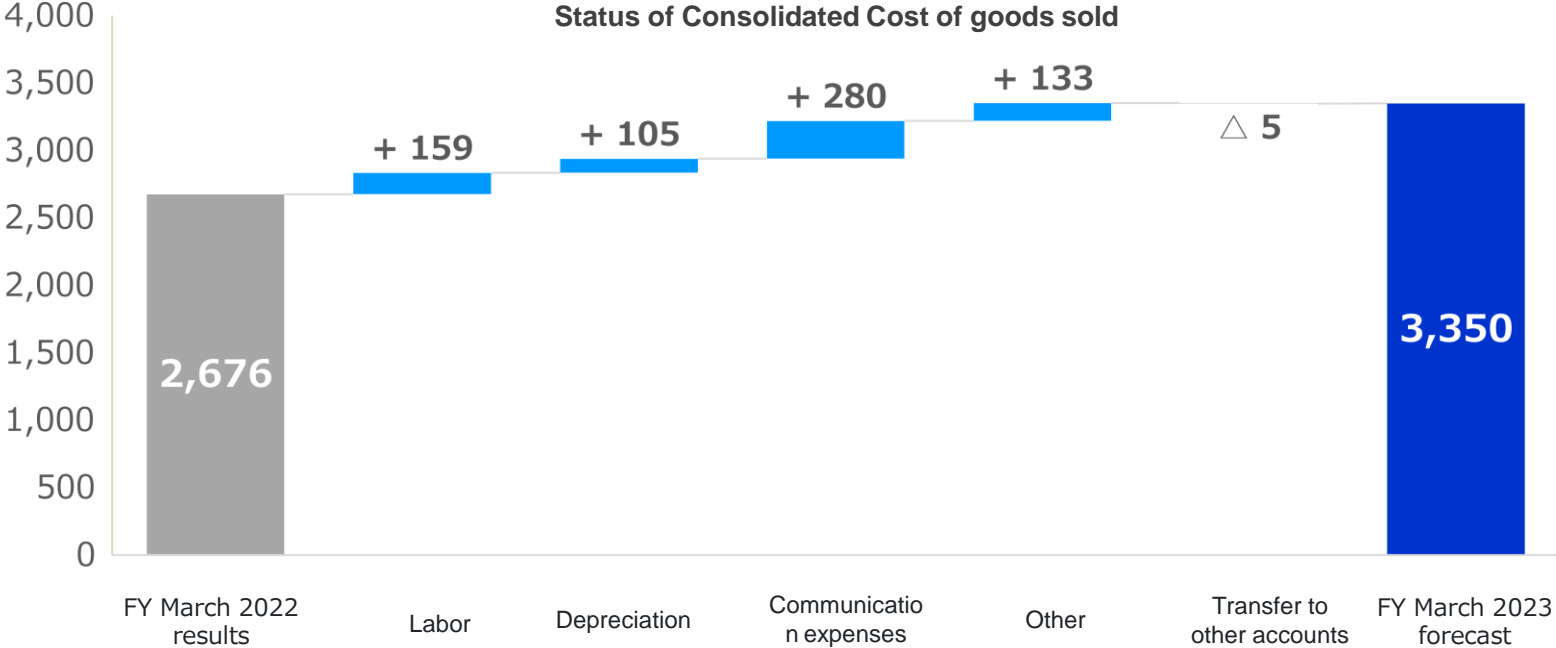


(Million yen)	Results for FY March 2022	Forecast for FY March 2023	Change YoY	Main Factors for Change
<b>Cost of goods sold</b>	<b>2,676</b>	<b>3,350</b>	<b>+25.2%</b>	
Labor	<b>1,440</b>	<b>1,600</b>	<b>+11.1%</b>	DAC will increase the number of consultants.
Depreciation	<b>844</b>	<b>950</b>	<b>+12.4%</b>	Increase in depreciation of software for cloud products.
Communication expenses	<b>719</b>	<b>1,000</b>	<b>+39.1%</b>	Cloud server expenses will rise as a result of sales expansion of cloud products.
Other	<b>666</b>	<b>800</b>	<b>+20.1%</b>	Increase in outsourcing of development
Transfer to other accounts	<b>△994</b>	<b>△1,000</b>	<b>-0.5%</b>	
<b>Selling, general and administrative expenses</b>	<b>2,248</b>	<b>2,450</b>	<b>+9.0%</b>	
Personnel expenses	<b>1,296</b>	<b>1,270</b>	<b>-2.0%</b>	
Advertising expenses	<b>239</b>	<b>290</b>	<b>+20.9%</b>	Advertising in newspapers and other media will increase.
Other	<b>712</b>	<b>890</b>	<b>+25.0%</b>	Hiring expenses will increase for increasing consulting personnel at DAC.

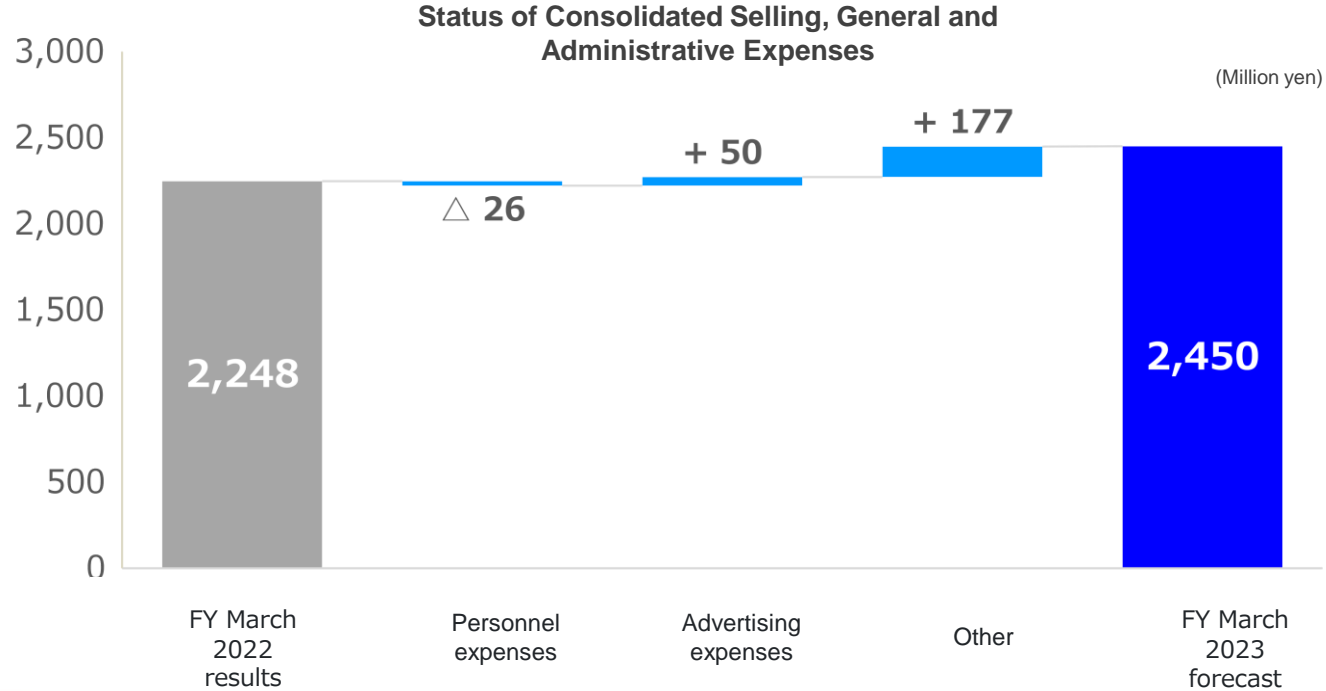
Labor costs are expected to rise because DAC will increase the number of consultants.

Communication expenses are expected to increase as a result of sales expansion of cloud products.

(Million yen)



Recruiting expenses (in the "other" category) will increase for increasing consulting personnel at DAC.



**Material on Consolidated Financial Results for the First Quarter of the  
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# **FY03/23 Initiatives**

## (1) Mounting needs for comprehensive security

Diversification of cloud services and the spread of remote working and home learning meant an increase in ICT assets that need to be protected and expansion of the domain of security threats.

## (2) Measures against malware infections

Malware threats are intensifying due to diversification and sophistication of cyberattacks from rampant ransomware, Emotet and other malware.

## (3) Strengthening security measures for public institutions

- Local governments seek security cloud and greater security resilience.
- Medical institutions have growing needs for cyber security measures.

## (4) Enhancing security measures for GIGA School devices

Not only is there demand from those who have yet to introduce filtering but also demand for switching from free filtering and DNS filtering to high performance filtering software for protecting schoolchildren.

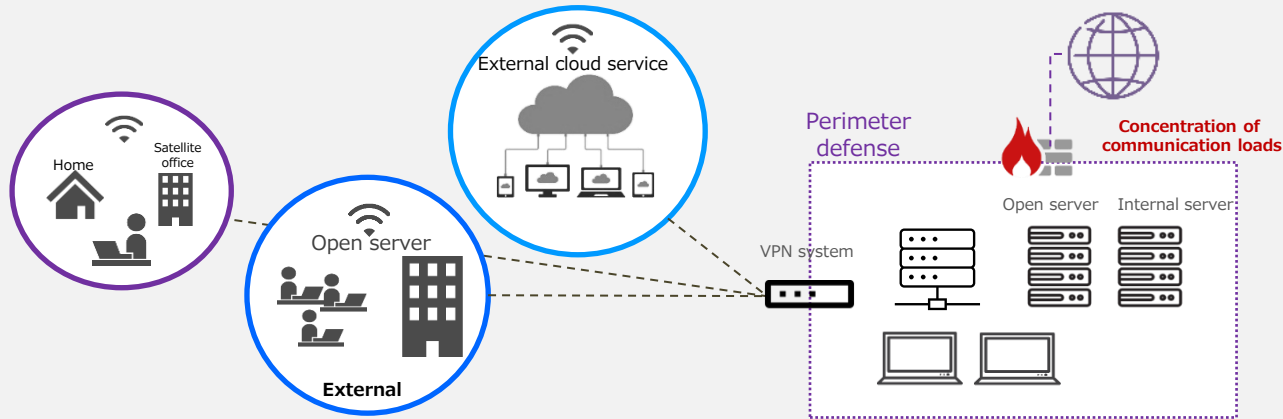


# (1) Mounting Needs for Comprehensive Security

Diversification of cloud services and the spread of remote working and home learning meant an increase in ICT assets that need to be protected and expansion of the domain of security threats.

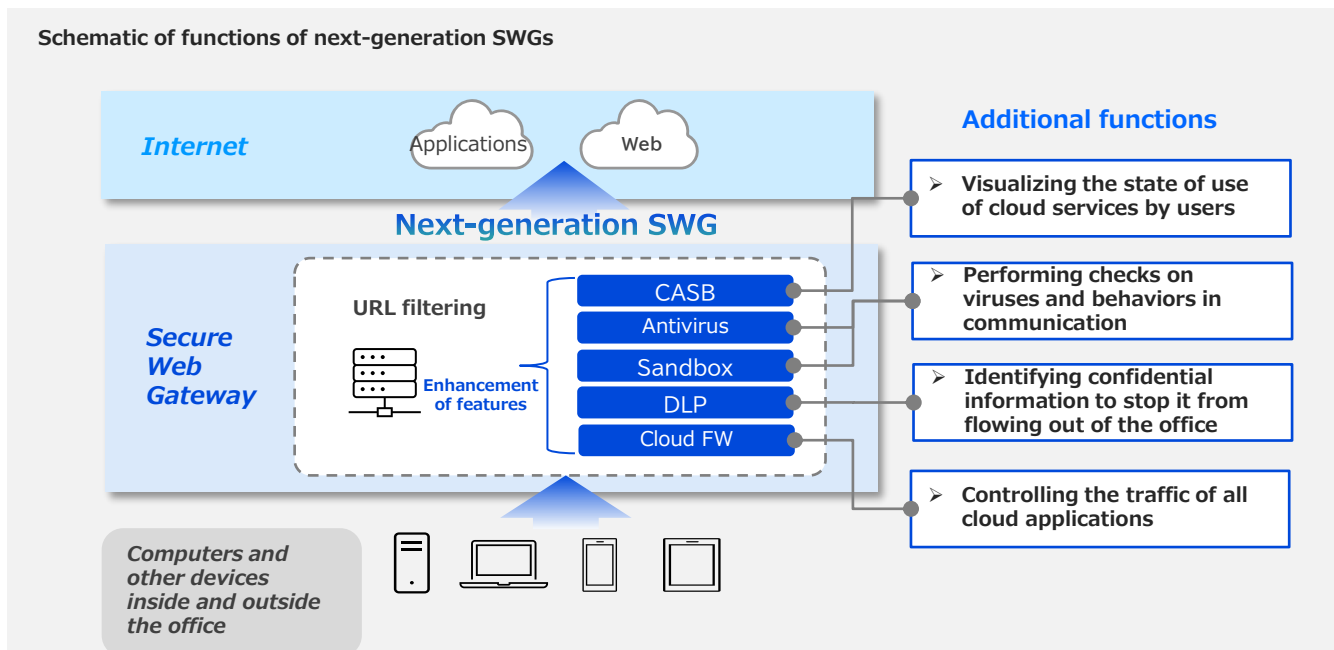


Security solutions providing broader security measures than ever before are now required.



# (1) Mounting Needs for Comprehensive Security

To meet the needs for comprehensive security, roll out Digital Arts' original next-generation secure web gateways (SWG) featuring enhanced functions of the existing URL filtering software (i-FILTER) and a wide range of additional security solutions. **(Note) Anti-Virus & Sandbox (including on-premise solutions) have been launched.**



## (2) Measures against Malware Infections

Financial loss from ransomware and confidential information theft by targeted attacks rank high among the 10 major security threats with the diversification and sophistication of cyberattacks.

Rank		Ten major security threats 2022 for organizations
1st (1st)	➡	<b>Financial loss by ransomware</b>
2nd (2nd)	➡	<b>Confidential information theft by targeted attacks</b>
3rd (4th)	⬆	Attacks exploiting supply chain weaknesses
4th (3rd)	⬇	Attacks targeting teleworking and other new normal workstyles
5th (6th)	⬆	Information leakage through internal fraudulent acts
6th (10th)	⬆	Increase in abuse after the publication of measures against vulnerabilities
7th (NEW)	⬆	Attacks before release of patches (zero-day attacks)
8th(5th)	⬇	Financial loss by business e-mail compromise
9th (7th)	⬇	Suspension of business due to unexpected IT infrastructure failure
10th (9th)	⬇	Careless information leakage

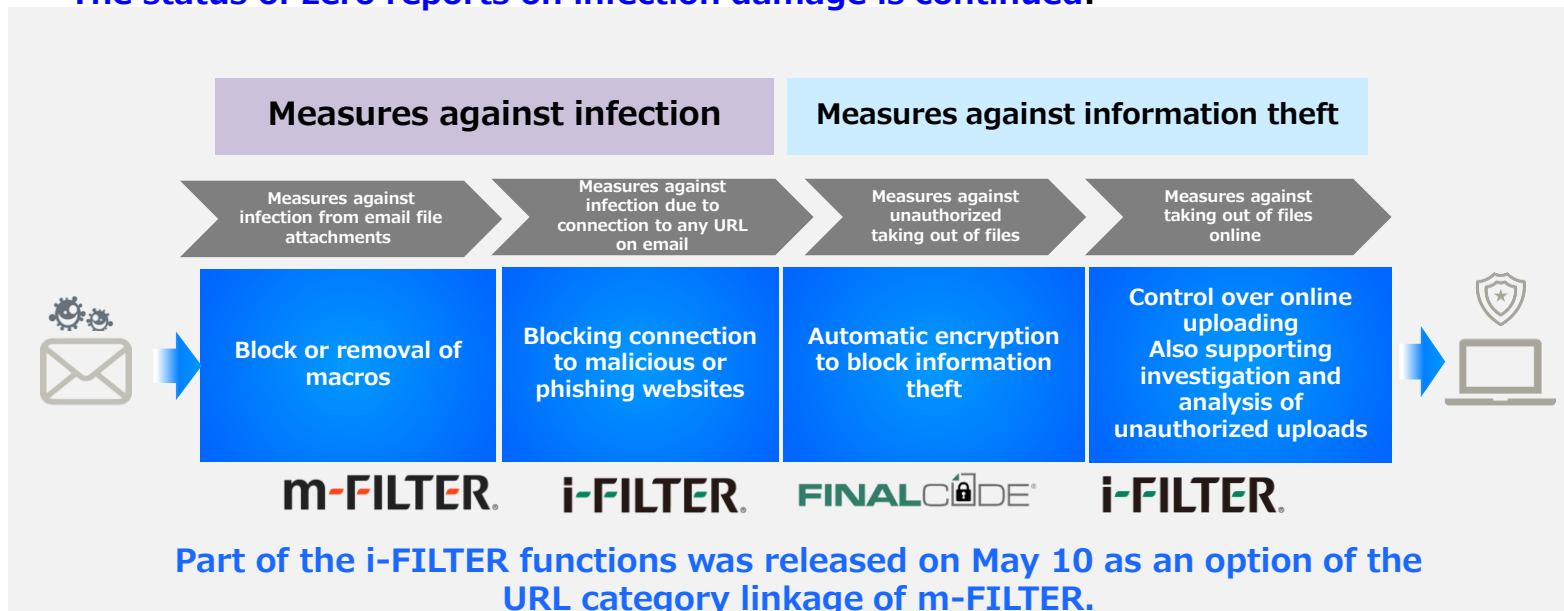
\* Source: Information-technology Promotion Agency, Japan (IPA): 10 Major Security Threats 2022  
<https://www.ipa.go.jp/security/vuln/10threats2022.html>

## (2) Measures against Malware Infections

m-FILTER and i-FILTER provide protection against infection through e-mail for Digital Arts products.

FinalCode and i-FILTER prevent information theft even in the case of intrusion by any means other than e-mail.

The status of zero reports on infection damage is continued.\*1



Part of the i-FILTER functions was released on May 10 as an option of the URL category linkage of m-FILTER.

\*1: The number of reports on damage due to malware infection from users of i-FILTER Ver. 10, m-FILTER Ver. 5, i-FILTER@Cloud and m-FILTER@Cloud as of Jun 2022 (Source: Digital Arts)

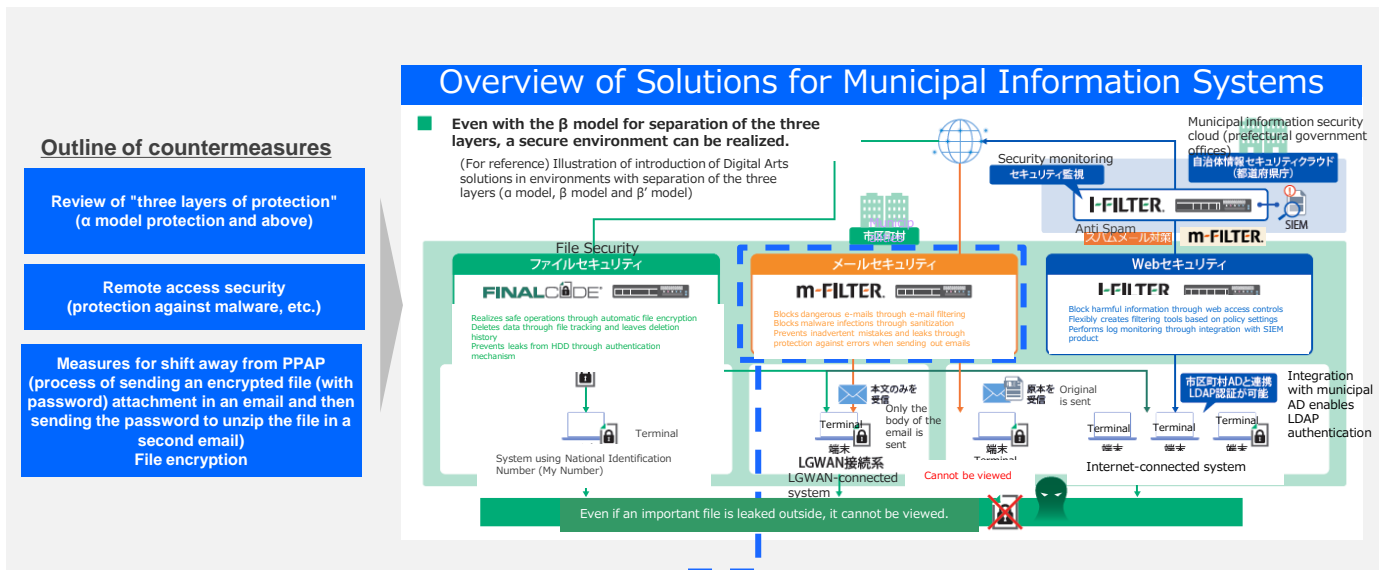
Security cloud projects for prefectural governments generally proceed as scheduled. Procurement for improving the resilience for municipal governments is making progress following completion of procurement for prefectural governments and it is expected to end in FY2023.

## Schedule for public-sector projects

Target		FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	
Government	Central ministries and agencies					Introduction of ISMAP	Budgeting, bidding, and procurement for each project					
Security cloud (SC) * Government cloud also needs to be considered.	Prefectures	Revision of procurement guidelines	Budget: 7,180 million yen				Revision of procurement guidelines	Transfer budget: 2,930 million yen				
								Budgeting	Bidding/procure			
Enhancement of resilience of municipalities * Government cloud also needs to be considered.	Prefectures Municipalities		Budget: 16,440 million yen					Budgeting for each municipality				
							Budgeting	Bidding/procure				

Prepared using information from the Ministry of Internal Affairs and Communications (MIC) as a reference. [https://www.soumu.go.jp/main\\_content/000729600.pdf](https://www.soumu.go.jp/main_content/000729600.pdf)

All solutions shown in the outline of countermeasures for municipal information systems are possible using combinations of Digital Arts products. We won i-FILTER and m-FILTER projects for public institutions.

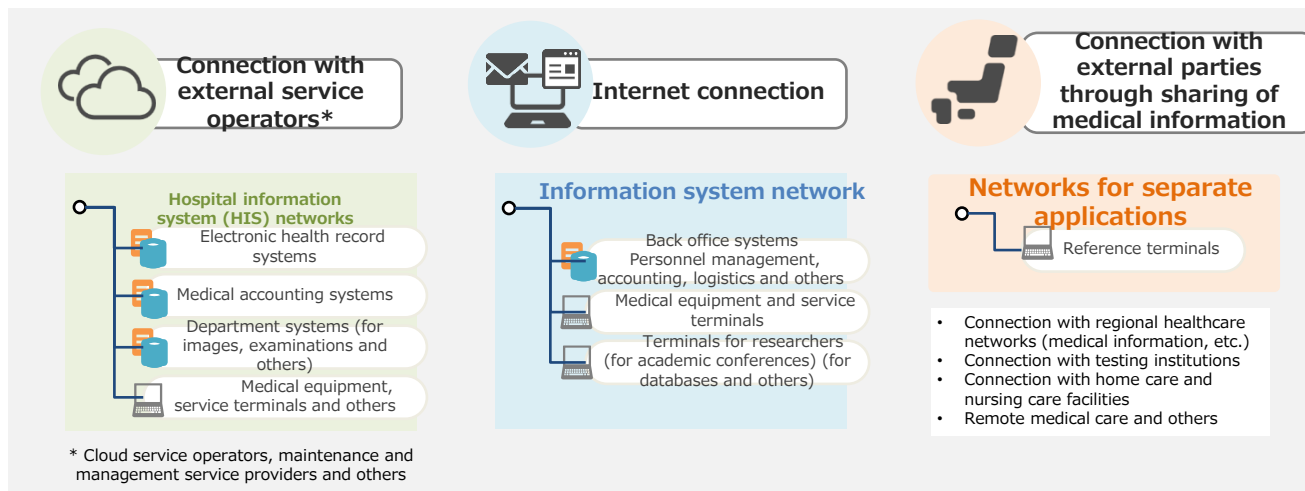


Anti-Virus & Sandbox functions are provided as options from May 10.

A number of cases of damage from cyber attacks sustained by medical institutions have occurred in recent years. In light of that, the security guidelines for the medical industry will be strengthened.

It is possible to provide large medical institutions with proposals similar to network separation for enhancing resilience of municipal information systems. There is great potential for the adoption of Digital Arts products.

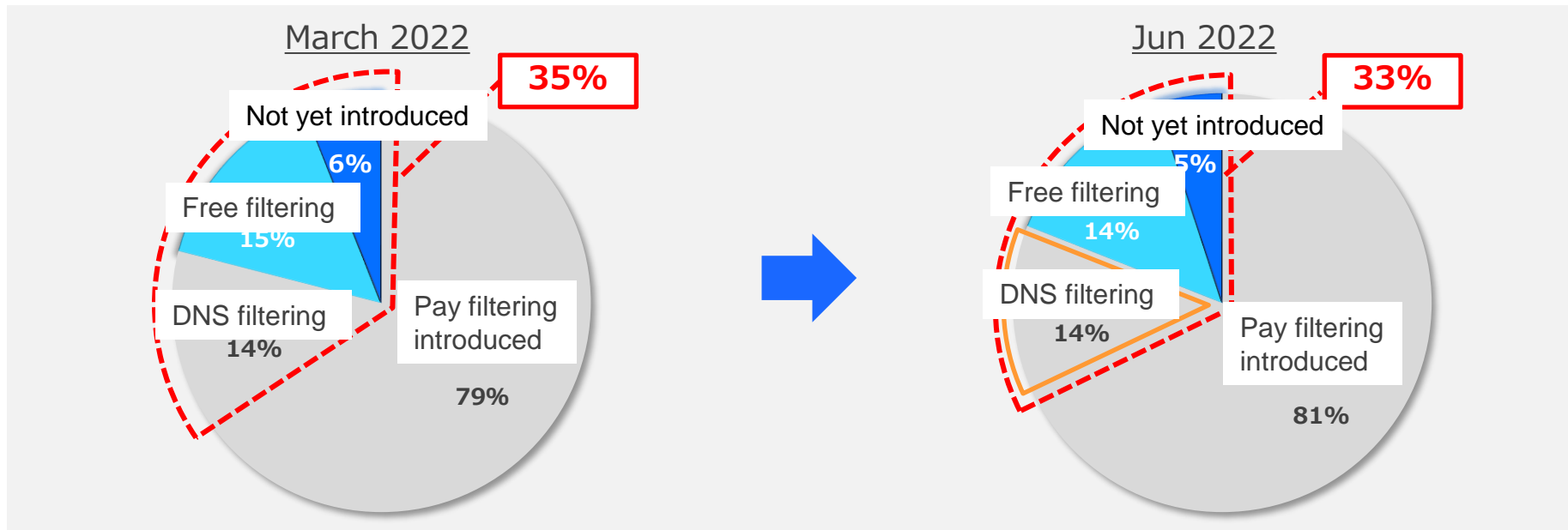
#### Structure of network separation at major medical institutions



\* Source: Ministry of Health, Labour and Welfare: *Information Security Training Material (for medical professionals)*  
<https://www.mhlw.go.jp/content/10808000/000761105.pdf>

Some boards of education that introduced free DNS filtering solutions are shifting to i-FILTER and other paid filtering solutions for purposes of strengthening security and reducing clerical workloads.

### Introduction of filtering by Boards of Education\*1



\*1: Based on interviews with 651 school boards responsible for more than 3,000 pupils and students (According to our research)



We have started to provide Anti-Virus & Sandbox for i-FILTER and m-FILTER to meet demand for total security solutions.

DigitalArts.

未知のマルウェア 被害急増中!  
フィッシングサイト

## 大至急対策を

安全なWebサイトのみアクセス

### i-FILTER. + Anti-Virus & Sandbox

0. FILTER

- ✓ i-FILTERの「ホワイト運用」で危険なサイトへのアクセスをブロック
- ✓ 「Anti-Virus & Sandbox」で巧妙化する攻撃をリアルタイムに検知
- ✓ 情報システム部門の運用負荷軽減と運用コスト削減を実現

その他製品ラインナップにおいても「Anti-Virus & Sandbox」は大変ご好評をいただいております!!

i-FILTER@Cloud m-FILTER m-FILTER@Cloud

新オプション「Anti-Virus & Sandbox」導入キャンペーン実施中!!  
「ホワイト運用」と「Anti-Virus & Sandbox」により安全性・利便性を向上した進化を実現!

先着100万ライセンスに特別価格でご提供

デジタルアーツ株式会社

The Nikkei newspaper :  
Released on June 30, 2022

DigitalArts.

コンピュータの情報を悪用・窃取する恐怖のマルウェア

## Emotet 感染 大至急対策を

依然として、主な感染経路はメールのパスワード付きZIPファイル

### m-FILTER

パスワード付きZIPファイルのセキュリティチェックがリアルタイムで可能  
m-FILTERが強固なEmotet対策を実現します。

ご利用者数1,000万人突破!

リリースから約4年半でご利用の  
お客様のマルウェア感染の被害報告件数、**0件**

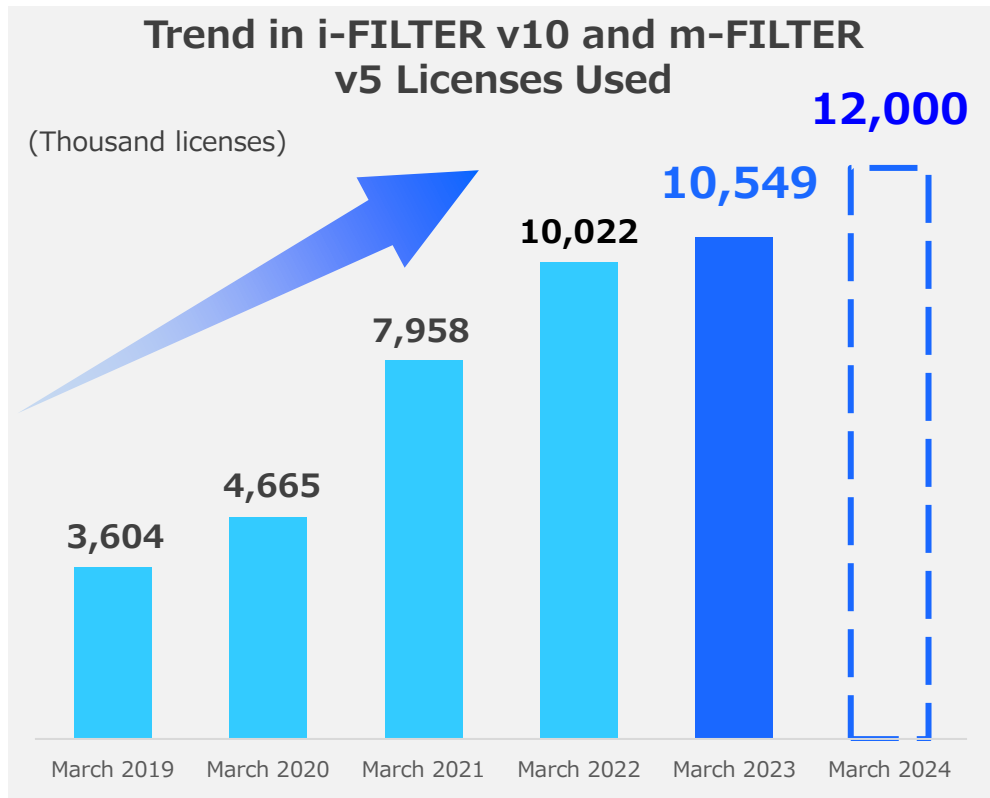
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デジタルアーツ株式会社

The Nikkei newspaper :  
Released on May 24, 2022

We have raised brand recognition and won deals using the media, particularly The Nikkei newspaper, and online seminars.



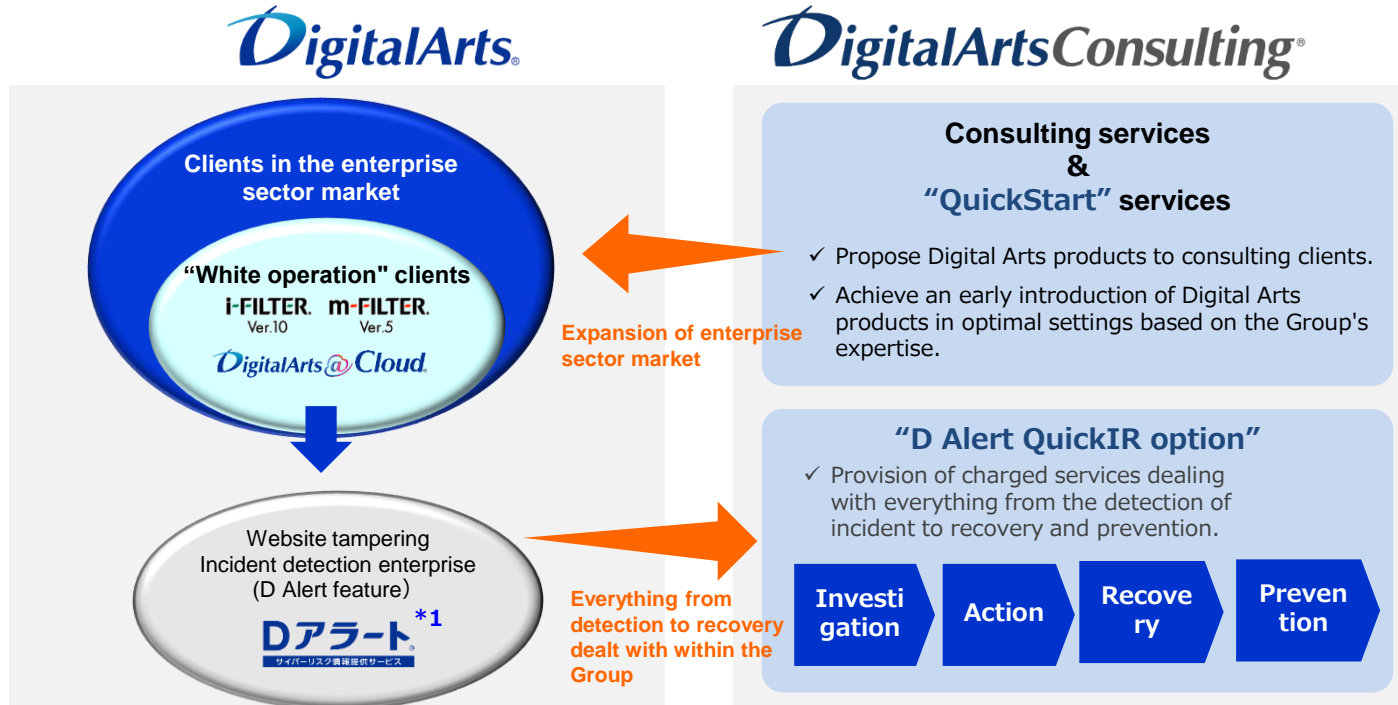
## Realizing safe office IT environments protected through "White Operation"



The number of licenses are increasing steadily following the launch of Anti-Virus & Sandbox.

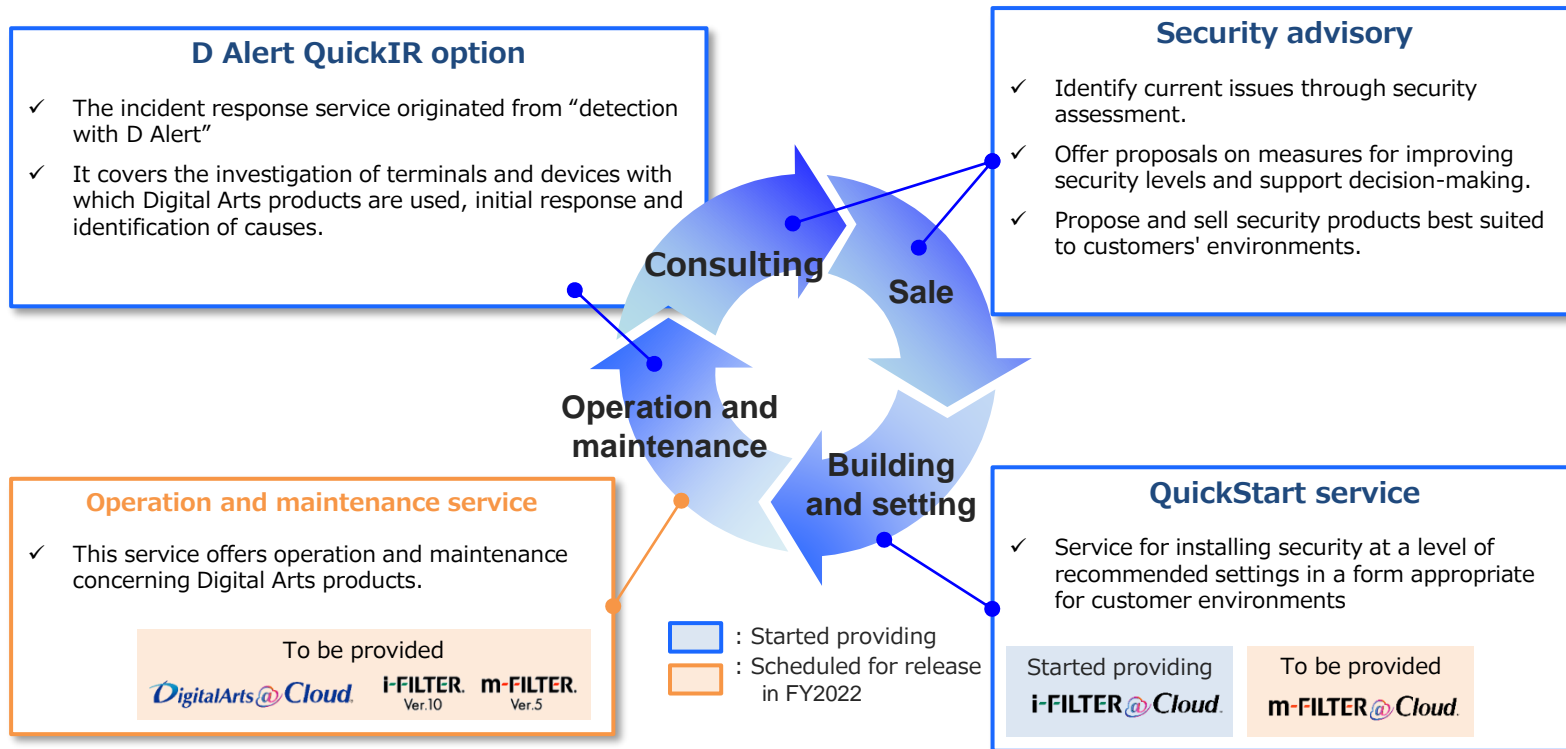
We will broaden the product lineup and step up collaboration with other companies to further encourage the take up of White Operation.

We release a one-stop service encompassing sales, construction and operation of Digital Arts products. The use of D-Alert paves the way for services from the detection of incidents to recovery.



\*1: D-Alert has issued **1,131 reports** for the current fiscal year. It notifies customers on a real-time basis to urge them to take security measures.

Expand the scope of value provided and the level of profit through DAC service, ensure continuous contact with E/U as the Group, and use it for product sales growth.



**Material on Consolidated Financial Results for the First Quarter of the  
Fiscal Year Ending March 31, 2022**

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# **Return to Shareholders for Fiscal Year Ending March 31, 2023**

We are planning to pay dividends as follows to return a portion of our earnings to our shareholders.

Target payout ratio for fiscal year ending March 31, 2023: **32.4%**

Annual dividends of surplus forecasted for fiscal year ending March 31, 2023: **75.00 yen** per share

We expect to increase the annual dividend by **5.00 yen** per share.

	Dividend (in yen) per share			Consolidated payout ratio
	2Q-end	Year-end	Annual	
<b>FY March 2022</b>	30.00	40.00	70.00	33.9%
<b>FY March 2023 (forecast)</b>	<b>35.00</b>	<b>40.00</b>	<b>75.00</b>	<b>32.4%</b>

Among the descriptions of plans, strategies and financial forecasts in this presentation material, those that are not historical facts are forward-looking statements.

They reflect judgments made by the management of Digital Arts Inc. on the basis of information currently available to it. They may be subject to considerable change depending on changes in the environment and other factors, and the Company does not in any way guarantee the achievement of the projections.

Digital Arts Inc. will disclose any significant changes that occur in the future as appropriate.

With some exceptions, the basic figures in this presentation are rounded down to the nearest million yen.

- デジタルアーツ、DIGITAL ARTS、i-FILTER、i-FILTER@Cloud Anti-Virus & Sandbox、D-SPA、White Web、m-FILTER、m-FILTER MailFilter、m-FILTER Archive、m-FILTER Anti-Spam、m-FILTER Anti-Virus & Sandbox、m-FILTER@Cloud Anti-Virus & Sandbox、FinalCode、i-フィルター、DigitalArts@Cloud、Desk@Cloud、Desk,Dアラート、and other logos and icons related to Digital Arts Inc. and its products are trademarks or registered trademarks of Digital Arts Inc.
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-For internet convenience, safety and security -