

From April 1, 2025 to December 31, 2025

Consolidated Financial Results

for the First Nine Months of the Fiscal Year Ending March 31, 2026

January 30, 2026

Digital Arts Inc.

Securities Code: 2326

NEW

SSE

Supporting the achievement of simple and strong network security



IDaaS

Equipped with multi-factor authentication to help ensure the secure management of IDs for cloud services



Start In®

File

File encryption and remote deletion solutions



FINALCODE®

FINALCODE@Cloud.

Web

Helping users securely connect to websites without security concerns



i-FILTER.
i-FILTER@Cloud.

Endpoint Web Security Secure proxy appliance For households: Comprehensive security
i-FILTER. D-SPA. i-フィルタ10.
ブラウザ & クラウド

Mail

Helping users securely send and receive email without security concerns



m-FILTER.
m-FILTER@Cloud.

Measures to provide pop-ups for email misdelivery
m-FILTER.
MailAdviser

Data protection and file transfer services



f-FILTER.

ISMAP® registration

of cloud products in all areas provided for enterprises

The Information system Security Management and Assessment Program (ISMAP) is a program under which cloud services fulfilling the government's security requirements are assessed and registered with the government. The goal of ISMAP is to ensure that cloud services with sufficient information security measures can be procured when government agencies are introducing these services.

*Note: Z-FILTER's ISMAP registration application is being prepared.

Z-FILTER®

ゼットフィルター

Reference Price (monthly):

SWG 1,500 yen

SWG ID 1,750 yen

SSE 2,000 yen

StartIn®

Reference Price (monthly): 300 yen
(for a minimum of 10 licenses)

*1: Fees are charged only for users in organizations who perform encryption and editing.

i-FILTER@Cloud®

Reference Price (monthly): 500 yen

m-FILTER@Cloud®

Reference Price (monthly): 500 yen

Measures to provide pop-ups for email misdelivery
Outlook/Becky!/Thunderbird version

m-FILTER®

MailAdviser

Reference Price (monthly): 300 yen

i-FILTER®

Reference Price (monthly): 250 yen
(for purchases of 500 licenses)

m-FILTER®

Reference Price (monthly): 250 yen
(for purchases of 500 licenses)

Measures to provide pop-ups for email misdelivery
For Microsoft 365 software

m-FILTER®

MailAdviser

Reference Price (monthly): 300 yen

i-FILTER@Cloud®

GIGAスクール版

Reference Price (monthly): 150 yen

f-FILTER®

Reference Price (monthly): 300 yen
(for purchases of 10 licenses)

FINALCODE®

Reference Price (monthly): 1,000 yen
(for purchases of 10 licenses)

FINALCODE@Cloud®

Reference Price (monthly): 1,000 yen¹
(for purchases of 10 licenses)

Option

Available options when purchased
together with i-FILTER or m-FILTER

Anti-Virus & Sandbox

Reference Price (monthly): 200 yen

f-FILTER®

Reference Price (monthly): 100 yen

Contracts

The total amount of orders received by the Company from its customers during the current accounting period (essentially equivalent to orders received).

As an indicator, it shows the company's current performance in a more timely manner than net sales.

Net sales

The total of the amount of contracts acquired before the previous period that will be recognized as net sales in the current accounting period (net sales carried over) and the amount of contracts acquired during the current accounting period minus the amount of contracts that will be deferred and recognized as net sales in the next period and thereafter (deferred net sales).

Contracts

10,875 million yen

YoY +4,016 million yen / +58.6%

Contracts continued to grow significantly due to strong orders for Phase 2 of the GIGA School Concept, the attainment of a market share of 95%, and progress in the acquisition of orders for i-FILTER for the enterprise sector market.

Net sales

7,835 million yen

YoY +560 million yen / +7.7%

Net sales increased less sharply than contracts due to the impact of revenue recognition in accounting standards, given that the proportion of contracts that are for cloud service products rose to nearly two thirds. Even so, this increase was larger than in the first half.

Operating profit

3,342 million yen

YoY +197 million yen / +6.3%

The trend in operating profit turned upward due to the increase in net sales being greater than planned and total expenses being kept within planned limits. Operating margin continued to increase. It increased from 40.5% in 2Q to 42.7% in 3Q.

Contracts

4,246 million yen

YoY +1,904 million yen / +81.3%

Contracts **grew significantly**, reflecting strong orders for Phase 2 of the GIGA School Concept (**attaining a market share of 95%**) and the strong new acquisition of i-FILTER projects in the enterprise sector market.

Net sales

2,842 million yen

YoY +405 million yen / +16.7%

The substantial increase in contracts led to **a larger increase in net sales**.

The net sales growth **rate increased from single to double digits**. The **momentum behind the increase in net sales was strong**.

Operating profit

1,320 million yen

YoY +228million yen / +20.9%

The growth in operating profit accelerated as the increase in net sales also gained speed and a cost structure appropriate for the plan was created.

The quarterly operating margin **continued to increase**. It increased from 45.1% in 2Q to 46.5% in 3Q.

Achievements vs. Financial Forecast for the Fiscal Year Ending March 31, 2026 (Consolidated)



For the first nine months, the achievement rates for the individual performance indicators were **roughly as planned**.*

*Note: The achievement rates for individual financial indicators for the first nine months are shown above. They are roughly as planned. With our business model, net sales tend to be concentrated in 4Q, as customer spending is concentrated near the end of their fiscal year. In addition, orders for Phase 2 of the GIGA School Concept are concentrated in the second half, particularly in 4Q in the fiscal year ending March 31, 2026. The proportion of sales that are for cloud service products also increased. Consequently, in this financial forecast, net sales are more heavily concentrated in 4Q than in usual years.

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Consolidated Financial Results for the First Nine Months
of the Fiscal Year Ending March 31, 2026

01. Consolidated Results Highlights

Consolidated Statement of Income

Contracts **grew significantly** due to extremely strong orders for the Phase 2 of the GIGA School Concept.

(Millions of Yen)

	FY Mar. 2025 First 9 mos.	FY Mar. 2026 First 9 mos.	Change YoY	FY Mar. 2026 Full-Year Forecast*1
Contracts	6,858	10,875	+58.6%	19,000
Net Sales	7,274	7,835	+7.7%	11,800
Cost of Sales	2,228	2,438	+9.4%	3,296
Gross profit	5,045	5,397	+7.0%	8,503
Selling, general and administrative expenses	1,900	2,054	+8.1%	2,895
Contract operating profit *2	2,729	6,382	+133.9%	-
Contract operating profit margin (%) *3	39.8%	58.7%	-	-
Operating profit	3,145	3,342	+6.3%	5,607
Operating margin (%)	43.2%	42.7%	-	47.5%
Ordinary profit	3,150	3,376	+7.2%	5,627
Profit attributable to owners of parent	2,174	2,328	+7.0%	3,880
EBITDA*4	3,901	4,106	+5.3%	-

*4: EBITDA = Operating profit + Depreciation + Tax expenses included in operating expenses

*1: Financial Forecast is the consolidated financial forecast announced on October 30, 2025.

*2: Contract operating profit = Contracts – Cost of sales – Selling, general and administrative expenses

*3: Calculated as contract operating profit margin = (Contracts – Cost of Sales – Selling, general and administrative expenses) / Contracts × 100.

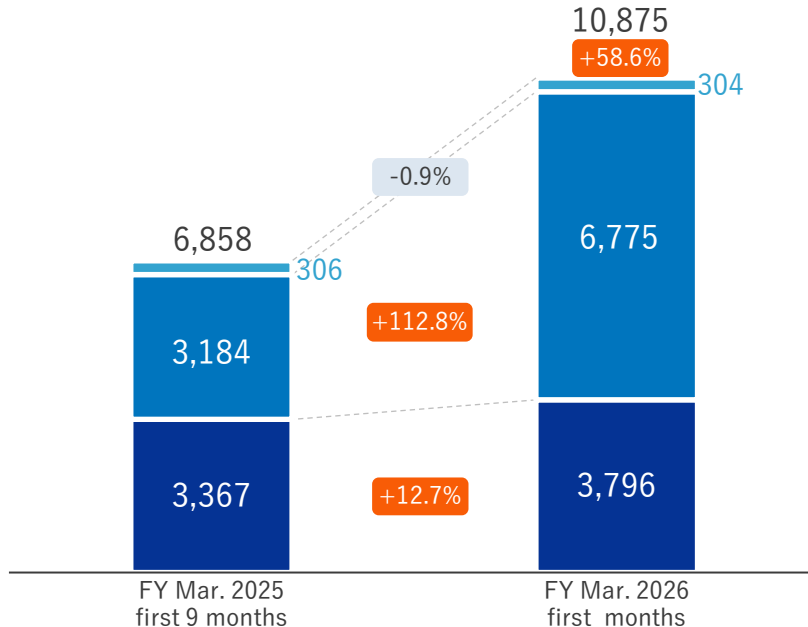
Consolidated Contracts and Net sales by Market

Enterprise sector market: Until the first half, growth was slow. After the start of the second half, signs of growth appeared and, consequently, **double-digit growth was achieved**.

Public sector market: **Contracts continued to rise sharply**, driven by the acquisition of projects for the Phase 2 of the GIGA School Concept.

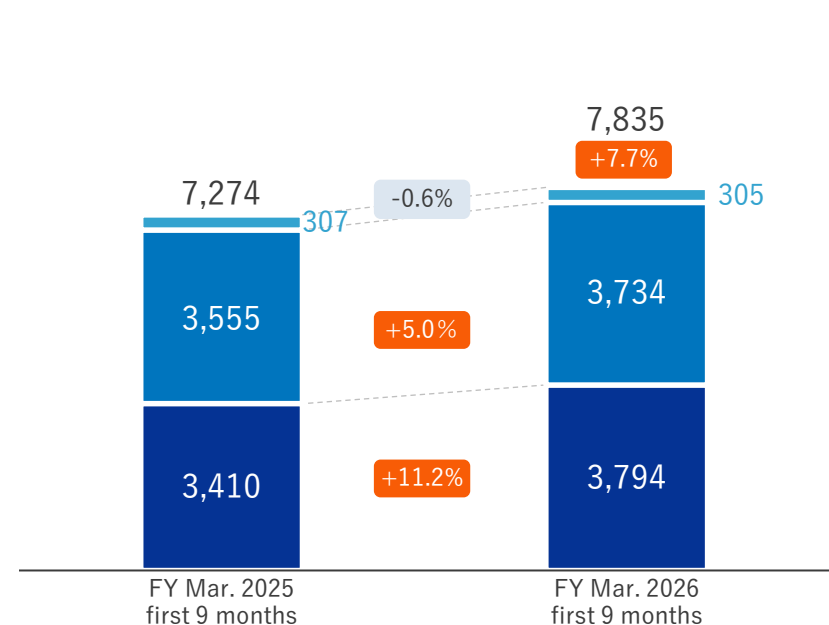
Trend in Consolidated Contracts by Market (Millions of Yen)

■ Enterprise ■ Public ■ Consumer



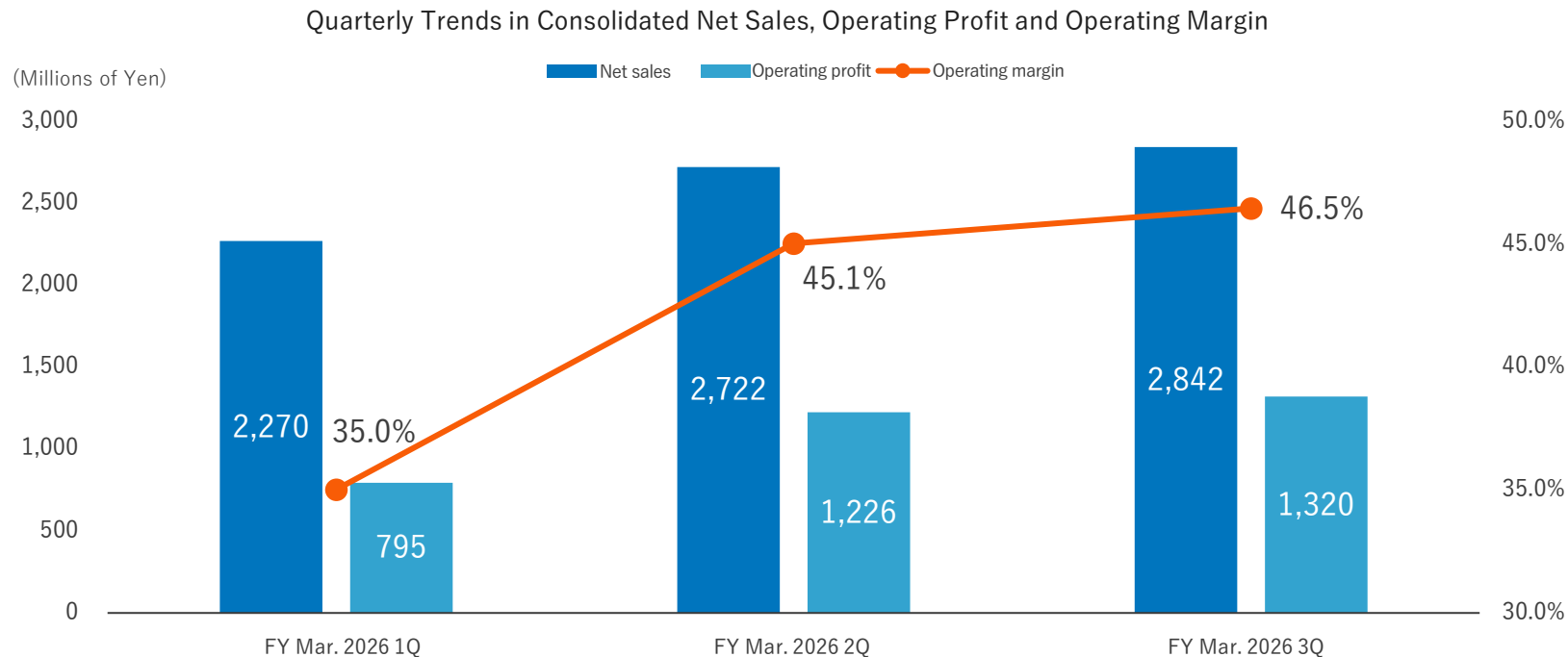
Trend in Consolidated Net Sales by Market (Millions of Yen)

■ Enterprise ■ Public ■ Consumer



Quarterly Trends in Consolidated Net Sales, Operating Profit and Operating Margin

Net sales, operating profit and operating margin in 3Q of the fiscal year ending March 31, 2026 **indicated a steady increase.**

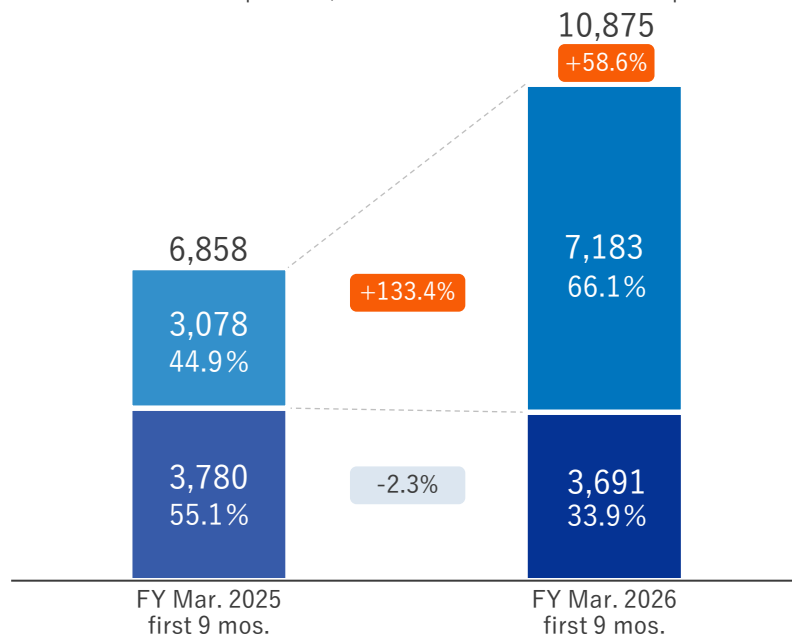


Provision Type Ratio in Consolidated Contracts and Consolidated Net Sales

In both contracts and in net sales, the cloud service product ratio increased.

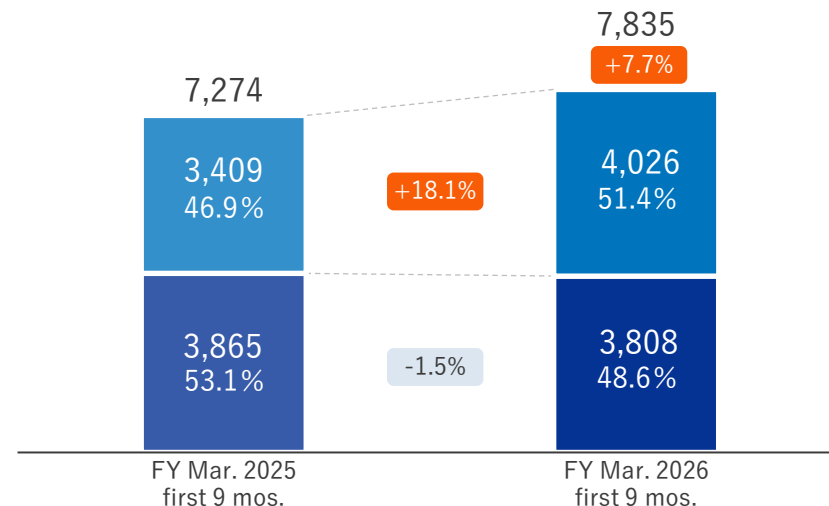
Trend in Consolidated Contracts (Millions of Yen)

■ License sales products/ Others ■ Cloud service products

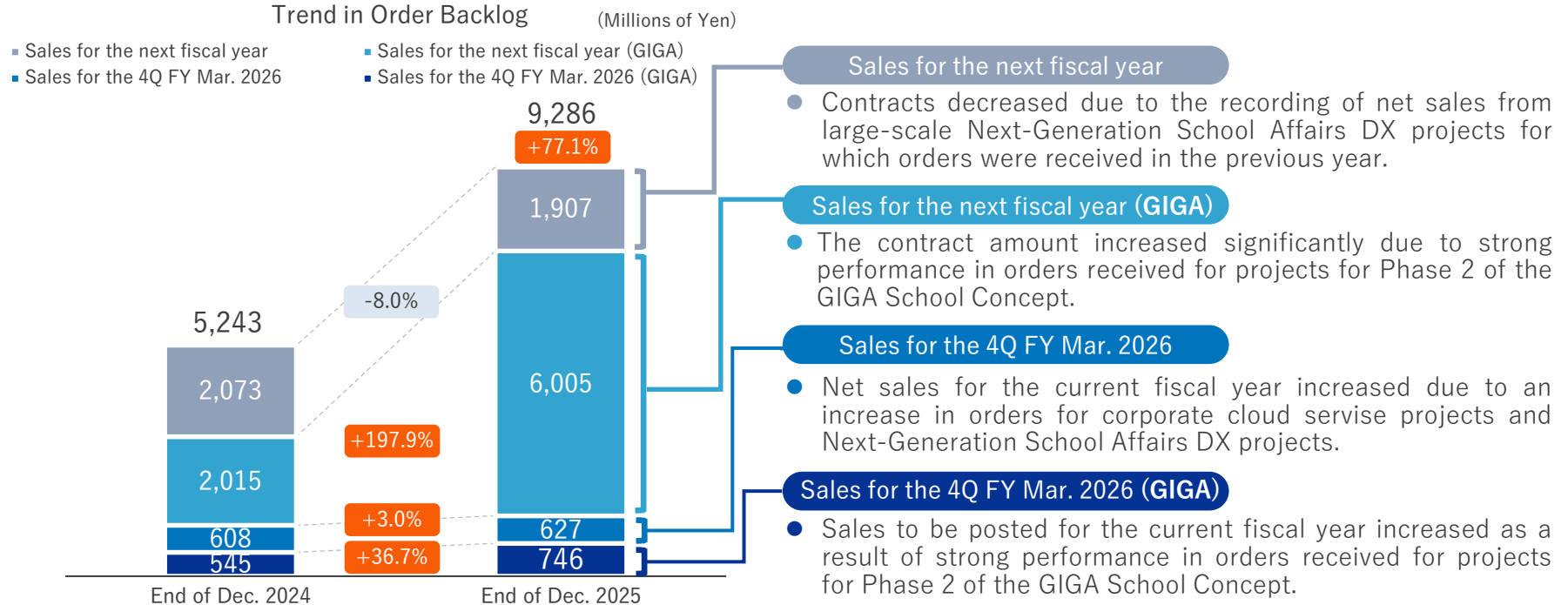


Trend in Consolidated Net Sales (Millions of Yen)

■ License sales products/ Others ■ Cloud service products



Contract balance grew significantly due to extremely strong orders for Phase 2 of the GIGA School Concept and Next-Generation School Affairs DX projects.



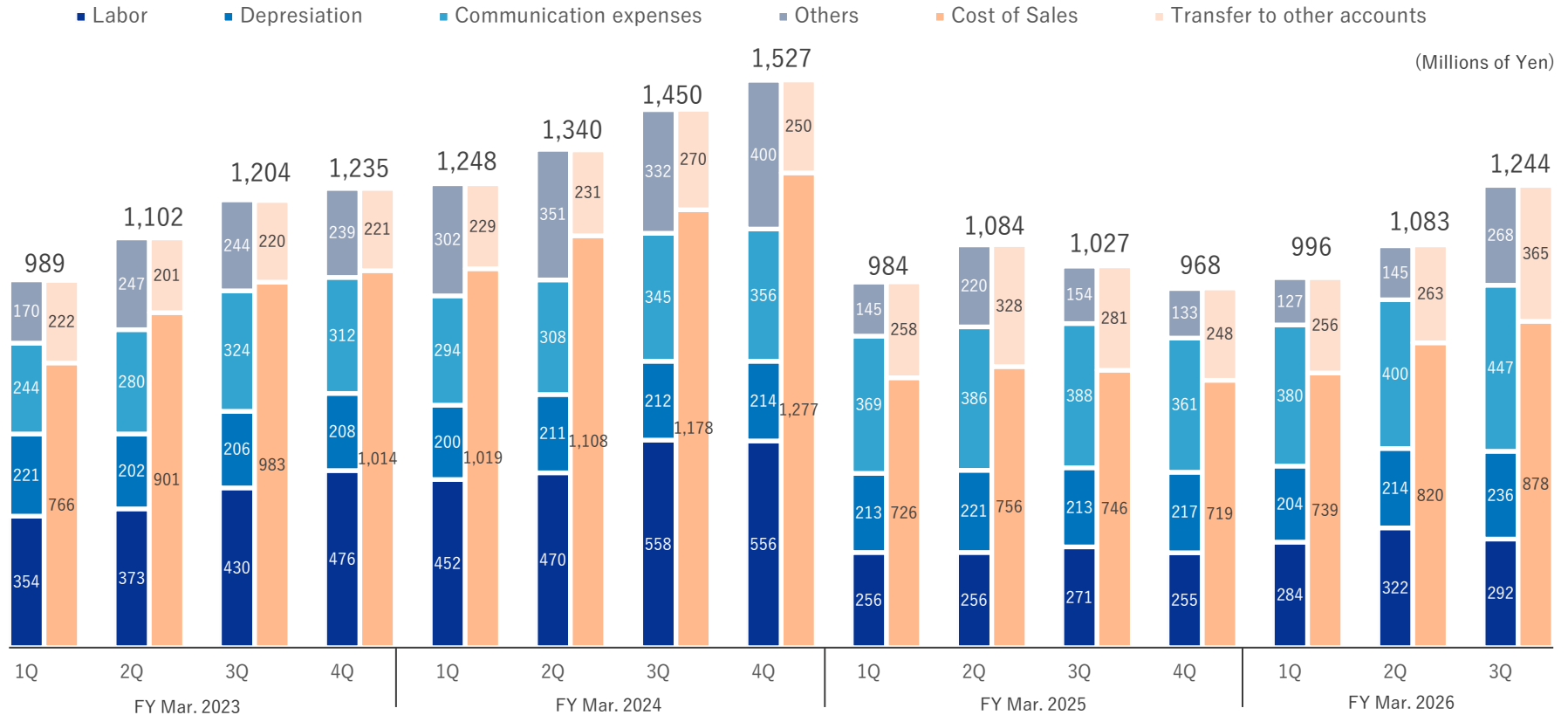
Consolidated Cost of Sales and Selling, General and Administrative Expenses

While the cost of sales and selling, general and administrative expenses increased year on year due to increased investment in human resources, **a cost structure appropriate for the plan was created** by deploying AI to advance and streamline operations.

(Millions of Yen)

	FY Mar. 2026 First 9 mos.	FY Mar. 2026 First 9 mos.	Change YoY	Main Factors for Change
Cost of sales	2,228	2,438	+209	
Labor	785	898	+113	Increased due to strengthening of development personnel and staff numbers
Depreciation	647	655	+7	
Communication expenses	1,144	1,228	+84	Increased due to an increase in the number of cloud product users Note: Including the effect of foreign exchange rates (-12M)
Others	520	542	+22	
Transfer to other accounts	-868	-886	-18	
Selling, general and administrative expenses	1,900	2,054	+154	Achieved an appropriate cost structure relative to plan by encouraging the use of AI in operations (e.g. system development, support, sales and marketing)
Personnel expenses	924	1,140	+215	Increased due to strengthening of sales and management departments, and staff numbers
Advertising expenses	259	174	-85	Spot promotion measures implemented in the previous fiscal year were not conducted in the current fiscal year, and expenses for offering trial versions of cloud service products were kept within planned limits.
Others	716	740	+24	

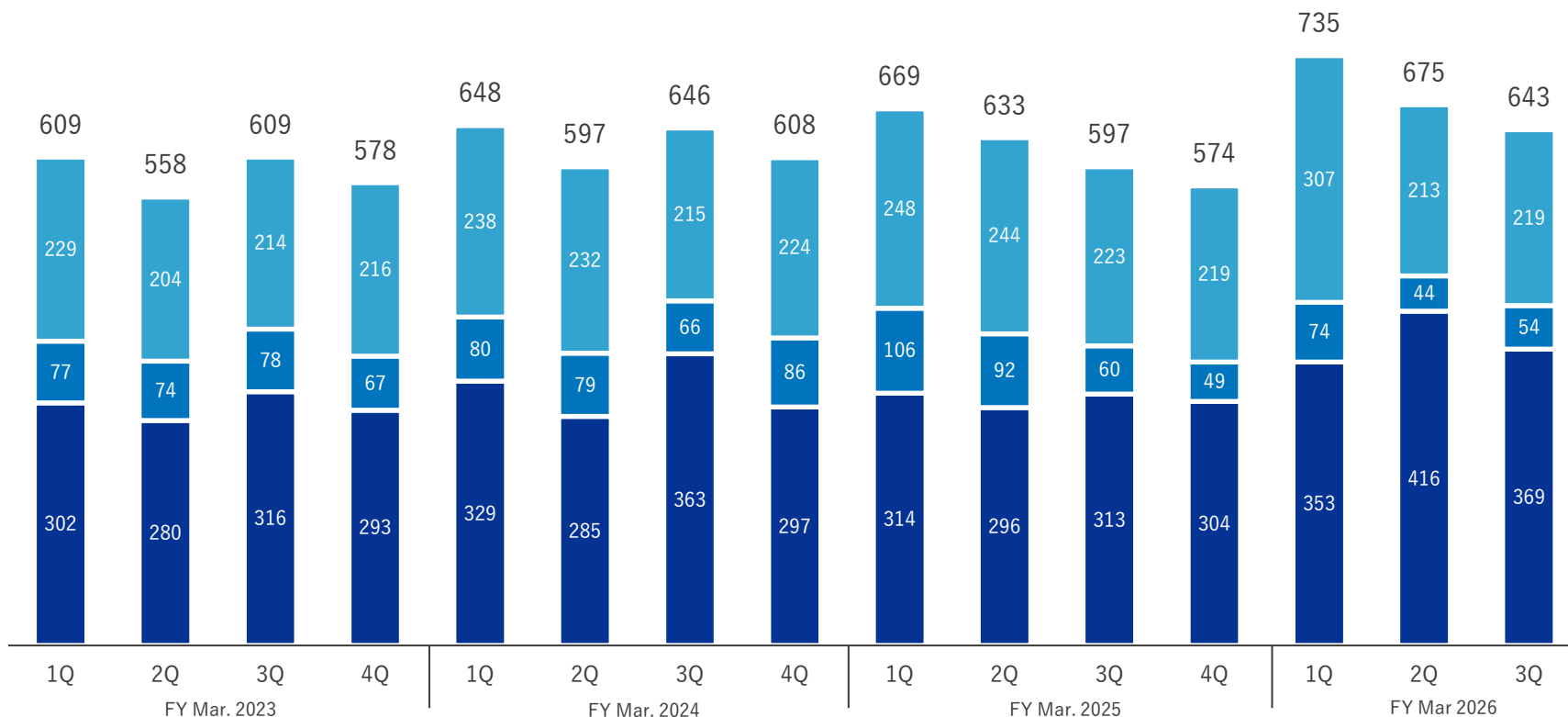
Quarterly Trend in Consolidated Cost of Sales



Quarterly Trend in Consolidated Selling, General and Administrative Expenses

■ Personnel expenses ■ Advertising expenses ■ Others

(Millions of Yen)



Advances received increased due to the significant growth in contracts.

(Millions of Yen)

	As of end of 3Q FY Mar. 2025	As of end of FY Mar. 2025	As of end of 3Q FY Mar. 2026	Change from end of FY Mar. 2025	Main Factors for Changes
Current assets	18,542	20,112	21,172	+5.3%	Increase in cash and deposit (+1,356M), decrease in suspense payments that resulted from treasury share buybacks, etc.
(Cash and deposit)	17,230	17,952	19,308	+7.6%	Increased due to growth in orders
Non-current assets	2,537	2,515	2,704	+7.5%	Software (+285M)
Total assets	21,079	22,627	23,876	+5.5%	
Current liabilities	4,424	5,209	6,359	+22.1%	Advances received (+1,198M)
(Advanced received)	3,844	4,082	5,281	+29.4%	Increased following a sharp increase in contracts for cloud service products
Non-current liabilities	51	52	51	-0.4%	
Equity capital	16,573	17,336	17,435	+0.6%	Treasury share buy-back (-1,012M), Dividends paid (-1,220M), Profit (+2,328M), and others
Net assets	16,603	17,365	17,464	+0.6%	
Equity ratio	78.6%	76.6%	73.0%	-	
ROE	13.4%	19.1%	13.4%	-	
ROA	10.0%	14.1%	10.0%	-	

Consolidated Financial Results for the First Nine Months
of the Fiscal Year Ending March 31, 2026

02. Non-consolidated Results Highlights

Summary of Non-consolidated Results

Contracts **grew significantly** due to extremely strong orders for the Phase 2 of the GIGA School Concept.

(Millions of Yen)

	FY Mar. 2025 First 9 mos.	FY Mar. 2026 First 9 mos.	Change YoY	FY Mar. 2026 Full-Year Forecast*1
Contracts	6,851	10,869	+58.7%	18,995
Net Sales	7,267	7,829	+7.7%	11,795
Cost of Sales	2,226	2,436	+9.4%	3,295
Gross profit	5,040	5,393	+7.0%	8,499
Selling, general and administrative expenses	1,892	2,044	+8.1%	2,883
Contract operating profit *2	2,732	6,389	+133.8%	-
Contract operating profit margin (%) *3	39.9%	58.8%	-	-
Operating profit	3,148	3,348	+6.4%	5,615
Operating margin (%)	43.3%	42.8%	-	47.6%
Ordinary profit	3,155	3,384	+7.3%	5,635
Profit	2,179	2,336	+7.2%	3,888

*1: Financial Forecast is the consolidated financial forecast announced on October 30, 2025.

*2: Please refer to page 10 for the calculation formula.

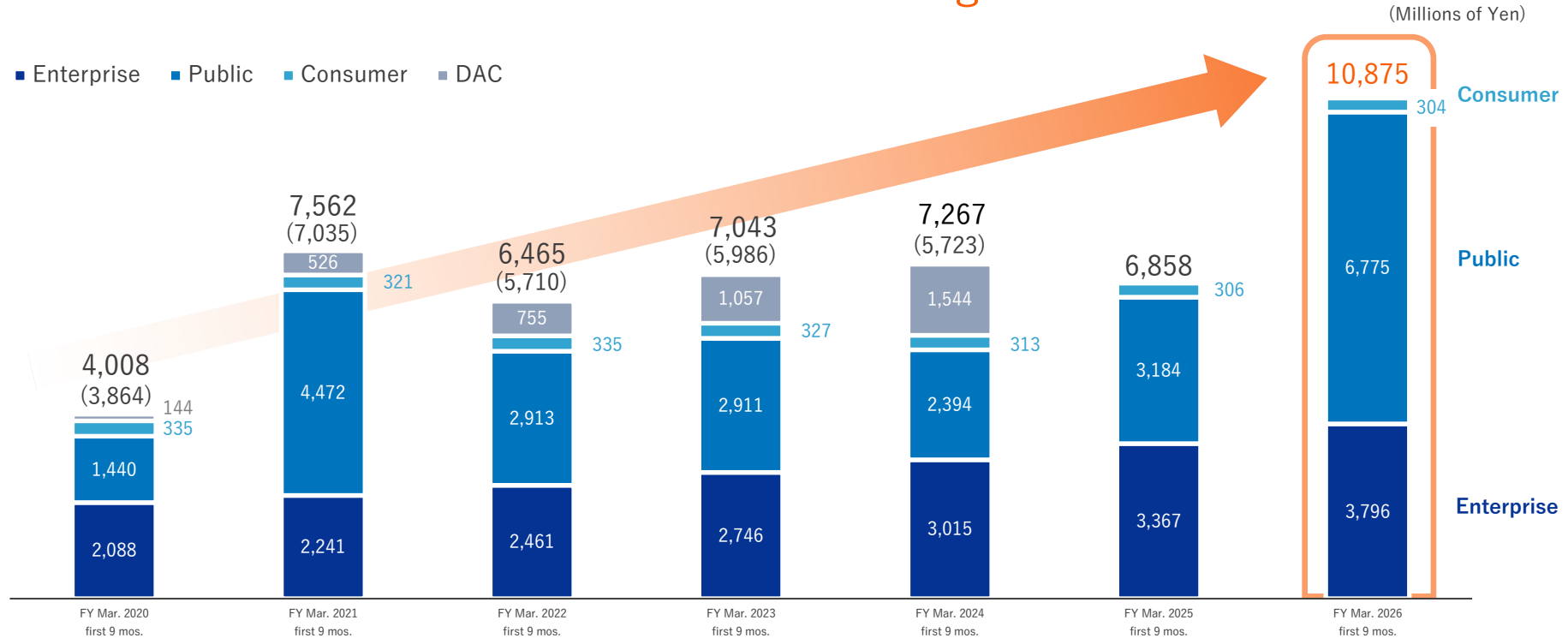
*3: Calculated as contract operating profit margin = (Contract amount – Cost of sales – Selling and administrative expenses) / Contract amount × 100.

Consolidated Financial Results for the First Nine Months
of the Fiscal Year Ending March 31, 2026

03. Status of Each Market and Product

Trend in Consolidated Contracts by Market

Contracts for the first nine months **reached a record high.**



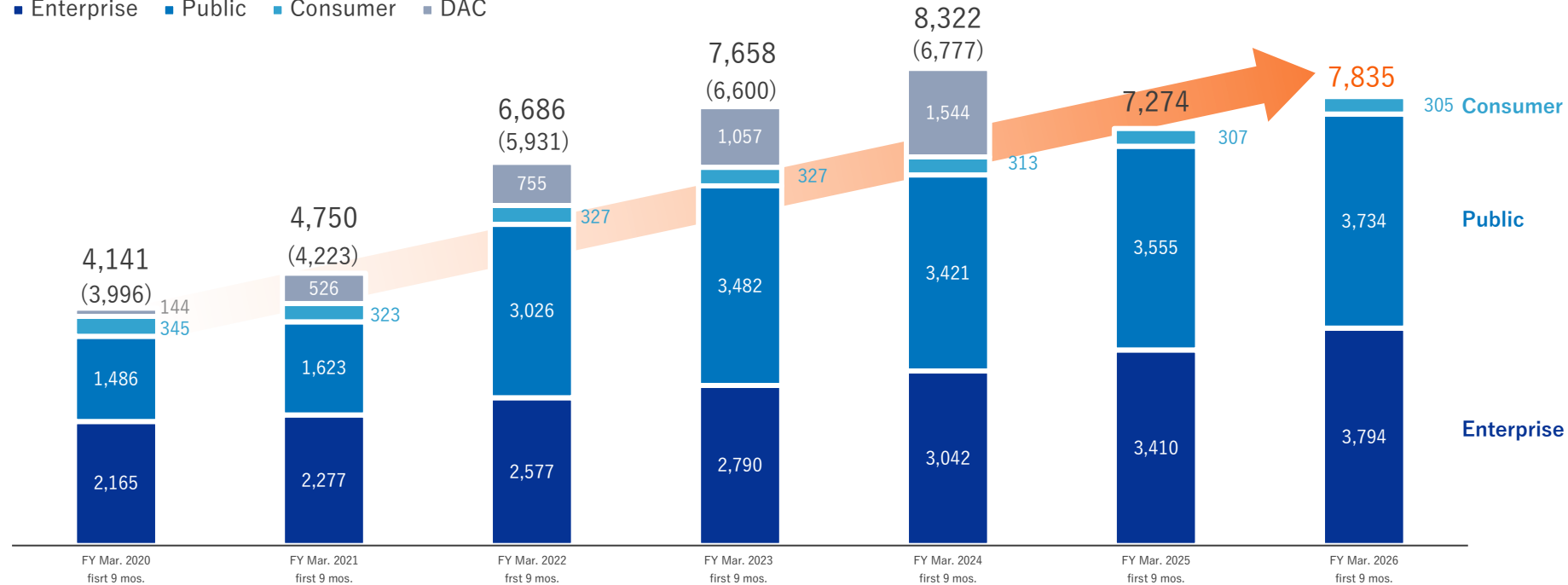
*Note: DAC: Digital Arts Consulting (a consolidated subsidiary in which shares were transferred in the fiscal year ended March 31, 2024)
The figure in square brackets [] represents contracts excluding DAC.

Trend in Consolidated Net Sales by Market

Contracts for the first nine months **reached a record high**. (excluding DAC)

(Millions of Yen)

■ Enterprise ■ Public ■ Consumer ■ DAC



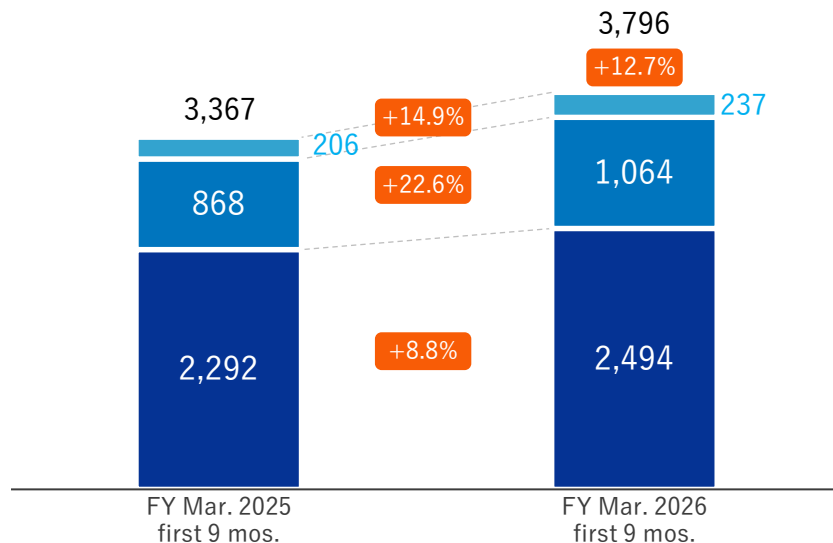
*Note: DAC: Digital Arts Consulting (a consolidated subsidiary in which shares were transferred in the fiscal year ended March 31, 2024)
The figure in square brackets [] represents contracts excluding DAC.

i-FILTER: Faster growth was achieved with the capturing of demand for website security solutions on business devices, including mobile devices.

m-FILTER: Rapid growth was maintained given demand for countermeasures against email attacks and information leaks when sending emails.

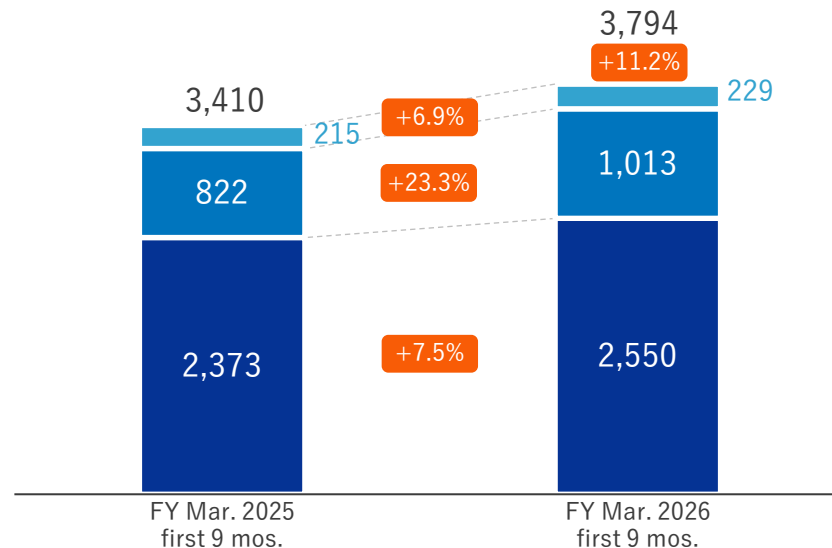
Market Contracts Trends by Product (Millions of Yen)

■ i-FILTER Series ■ m-FILTER Series ■ Other products



Market Net Sales Trends by Product (Millions of Yen)

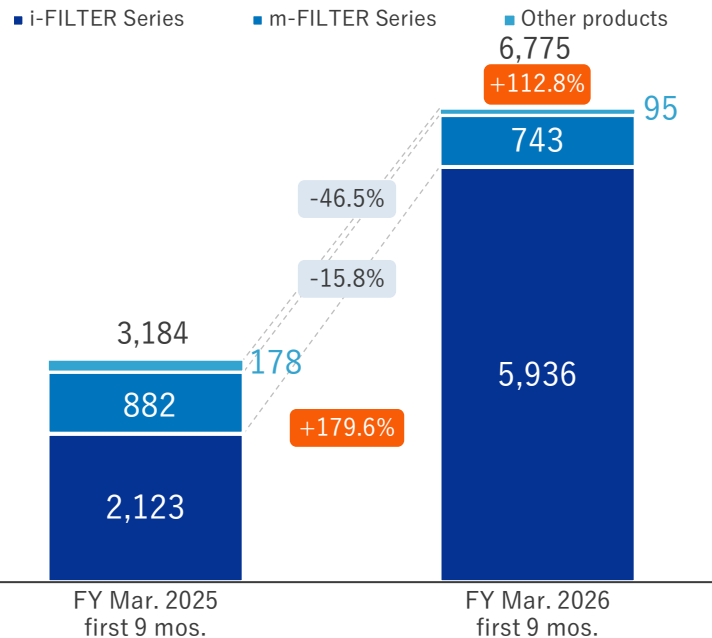
■ i-FILTER Series ■ m-FILTER Series ■ Other products



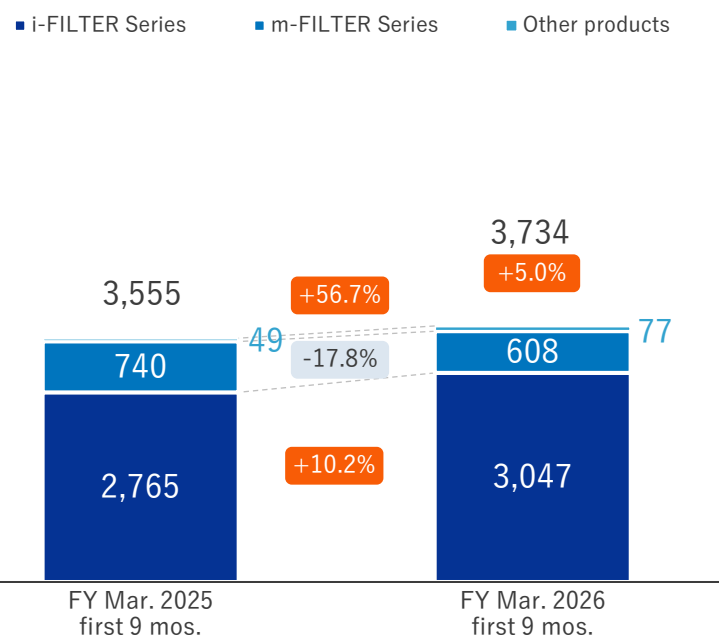
i-FILTER: Continued to grow fast mainly due to the acquisition of projects for the GIGA School Concept and large-scale projects for public-sector organizations.

m-FILTER: Decreased due to the absence of the projects for improvements Security Improvements for Local Governments that were gained in the same period of the previous year.

Market Contracts Trends by Product (Millions of Yen)

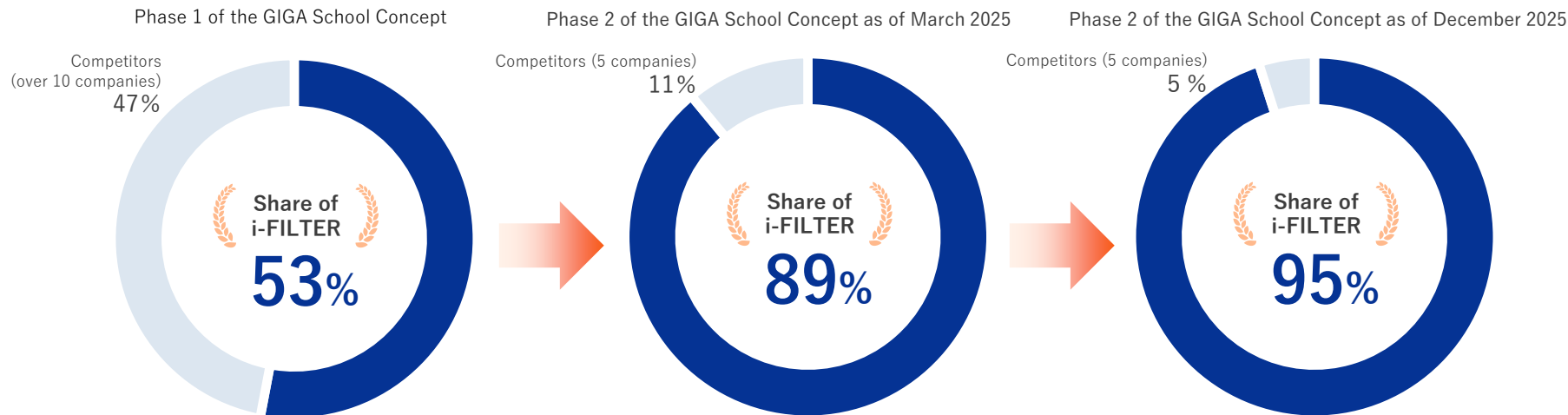


Market Net Sales Trends by Product (Millions of Yen)



Adoption of i-FILTER now **stands at 95%**.

Introduction of filtering under the GIGA School Concept*1



*1: According to our survey of 1,741 Boards of Education (Internal research) (December 2025)

Consolidated Financial Results for the First Nine Months
of the Fiscal Year Ending March 31, 2026

04. FY03/26 Initiatives

Conventional security measures mainly involve "detection and response" based on the premise of being attacked. However, as cyber attacks become more sophisticated and it becomes increasingly difficult to completely prevent damage using conventional approaches, companies now need to eliminate an attack itself before it happens, by allowing only trusted communications and behavior.

Point of Comparison	Conventional approaches other than white operation	The Company's white operations
Approach	Find and intercept malicious communications	Allow only trusted communications
Security Perspective	Based on post-damage response	Designed to essentially prevent damage
Learning Data	Build detection models based on attack logs	Created by the Company based on reliable sources of information The Company distributes the whitelist database to users (to reduce their person-hours)
Order of Defense Measures	Detect and respond after a breach	Eliminate access itself in the stages prior to a breach
Risk Tolerance	Assumption that a certain amount of damage is inevitable	Emphasis on proactive defense aiming for zero damage

Number of White Operations® users

14.99 million

0 reports of malware infection



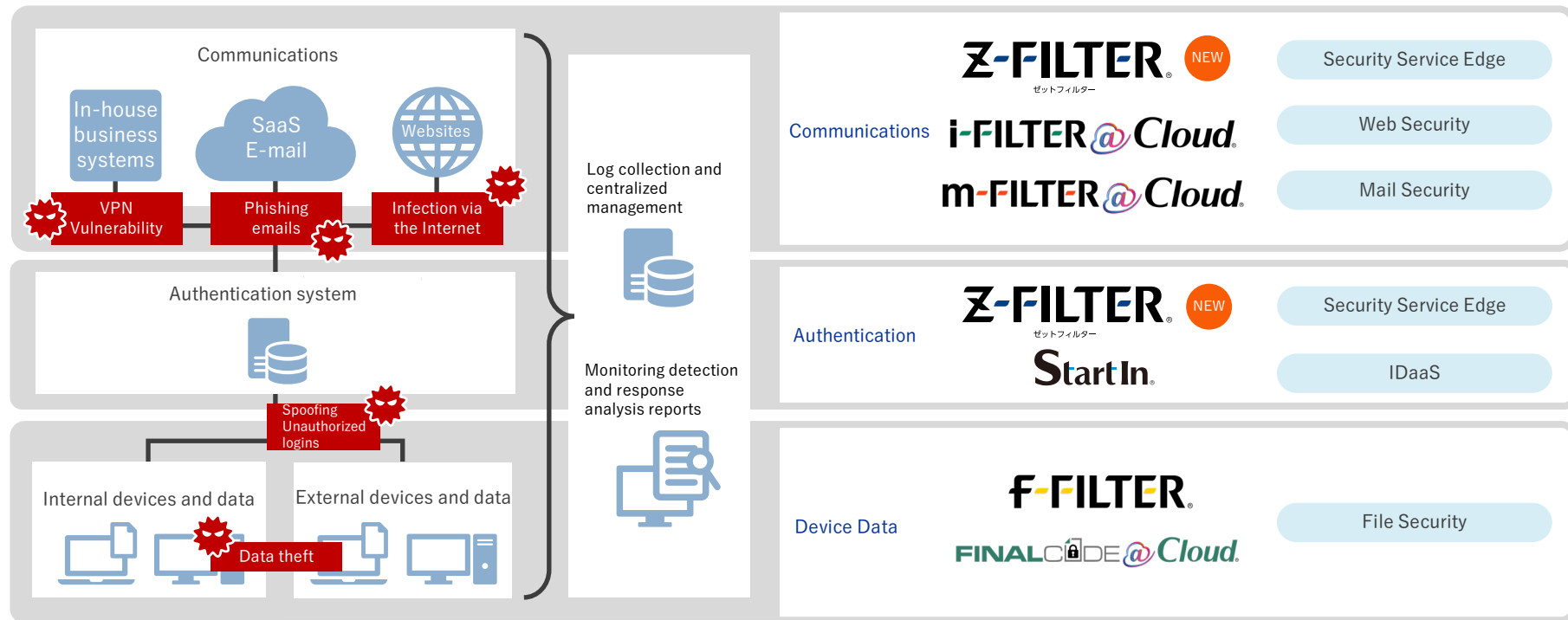
i-FILTER®
Ver.10

m-FILTER®
Ver.5

Z-FILTER® NEW
ゼットフィルター

*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 December 2025 (Source: Digital Arts)

"White Operation[®]" protects communication and authentication, which are the main attack points of cyber attacks, and completely protects data in case of leakage or theft.

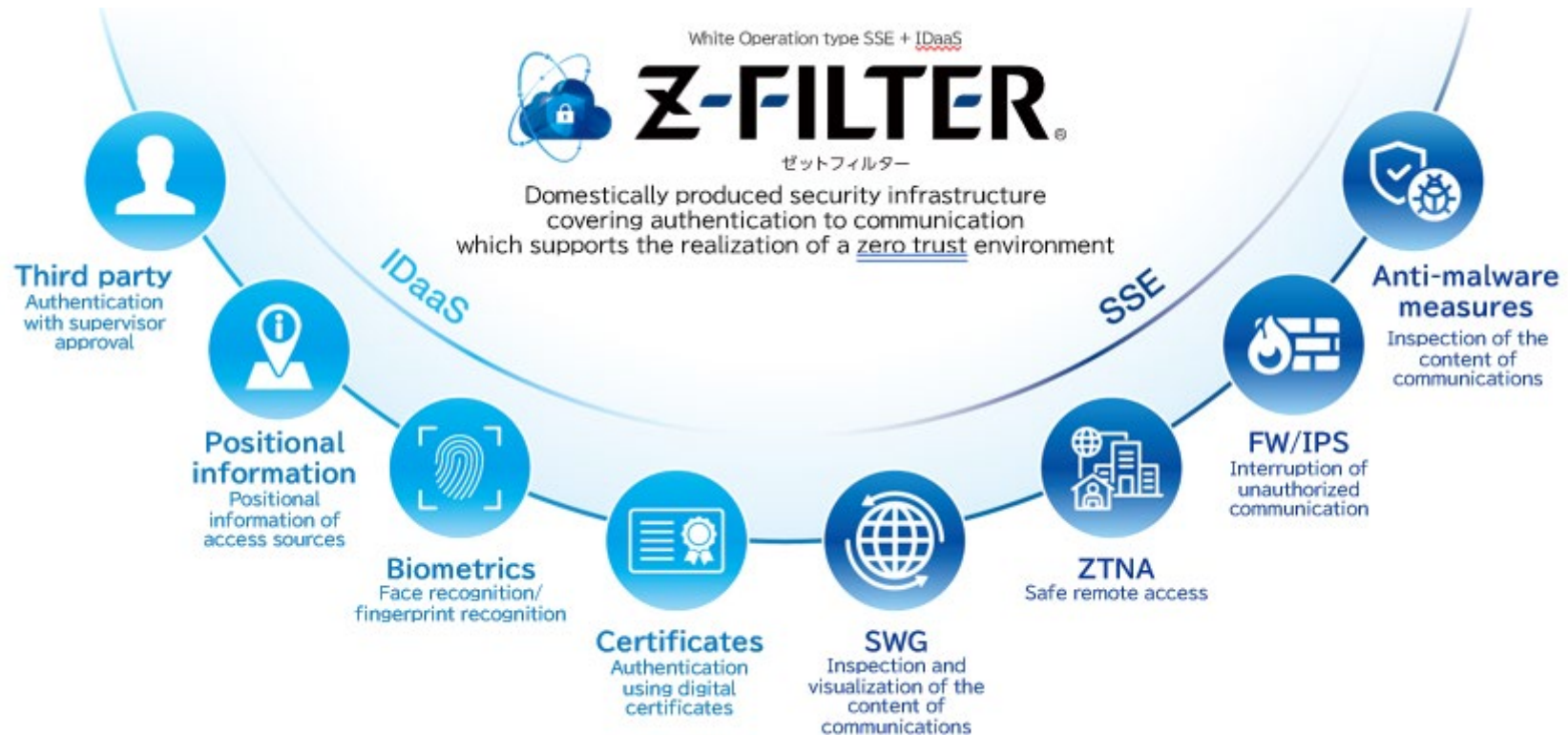


Consolidated Financial Results for the First Nine Months
of the Fiscal Year Ending March 31, 2026

05. FY03/26 Product Information Updates

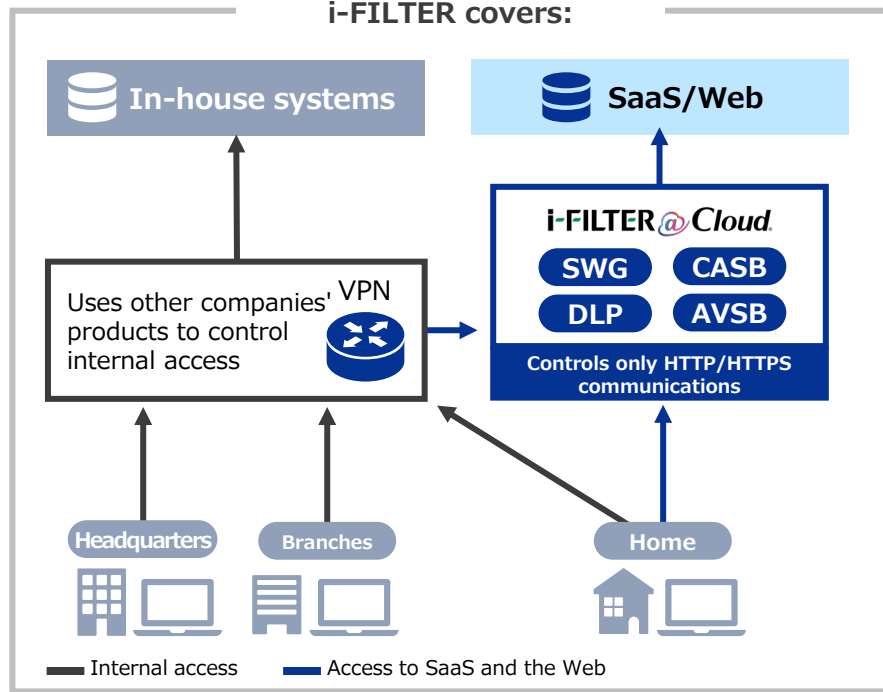
Z-FILTER, a new product, to be released on November 4

Projects are steadily increasing. Some orders have already been received.

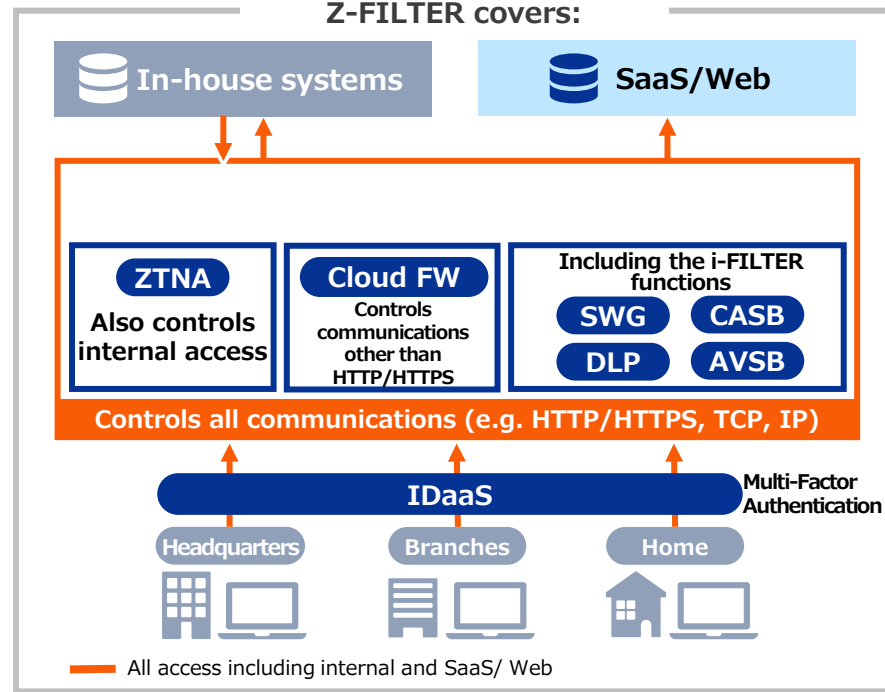


Z-FILTER includes all of the functions of i-FILTER, and further, it includes ZTNA and cloud FW. **It is therefore capable of controlling all communications.** In addition, it also permits **secure user authentication** using IDaaS.

i-FILTER covers:



Z-FILTER covers:



	i-FILTER@Cloud 500 yen/month (excluding tax)	SWG 1,500 yen/month (excluding tax)	SWG ID 1,750yen/month (excluding tax)	SSE 2,000yen/month (excluding tax)
ZTNA	—	—	—	●
IDaaS ^{*1}	—	—	●	●
URL filtering	●	●	●	●
DNS security	—	●	●	●
CASB	●	●	●	●
Cloud Firewall	—	●	●	●
IPS	—	●	●	●
Anti-Virus & Sandbox	Paid option	●	●	●
IPsec/GRE ^{*2}	—	Paid option	Paid option	Paid option
DLP ^{*3}	Paid option	Paid option	Paid option	Paid option

*1: It comes standard with StartIn (StartIn is indicated as the brand name) When an existing IDaaS product is used, integration with IDaaS products that are SAML 2.0 compatible is also possible.

*2: Varies according to communication bandwidth and capacity-based fees

*3: A unified rate of 100 yen /month applies per user.

Consolidated Financial Results for the First Nine Months
of the Fiscal Year Ending March 31, 2026

06. FY03/26 Full-Year Financial Forecast

Full-Year Financial Forecast for the Fiscal Year Ending March 31, 2026 (Consolidated)



(Millions of Yen)

	FY Mar. 2025 Full-Year Results	FY Mar. 2026 Full-Year Forecast	Change	% Change
Contracts	10,570	19,000	+8,429	+79.7%
Net sales	9,982	11,800	+1,817	+18.2%
Cost of sales	2,948	3,296	+348	+11.8%
Gross profit	7,033	8,503	+1,469	+20.9%
Gross profit point	70.5%	72.1%	-	-
Selling, general and administrative expenses	2,474	2,895	+420	+17.0%
Operating profit	4,558	5,607	+1,048	+23.0%
Operating margin	45.7%	47.5%	-	-
Ordinary profit	4,562	5,627	+1,064	+23.3%
Profit attributable to owners of parent	3,183	3,880	+696	+21.9%

Full-Year Financial Forecast for the Fiscal Year Ending March 31, 2026 (Non-Consolidated)



(Millions of Yen)

	FY Mar. 2025 Full-Year Results	FY Mar. 2026 Full-Year Forecast	Change	% Change
Contracts	10,561	18,995	+8,433	+79.9%
Net sales	9,972	11,795	+1,822	+18.3%
Cost of sales	2,945	3,295	+349	+11.9%
Gross profit	7,026	8,499	+1,472	+21.0%
Gross profit point	70.5%	72.1%	-	-
Selling, general and administrative expenses	2,464	2,883	+419	+17.0%
Operating profit	4,562	5,615	+1,052	+23.1%
Operating margin	45.8%	47.6%	-	-
Ordinary profit	4,569	5,635	+1,065	+23.3%
Profit	3,187	3,888	+700	+22.0%

Consolidated Cost of Sales and Selling, General and Administrative Expenses



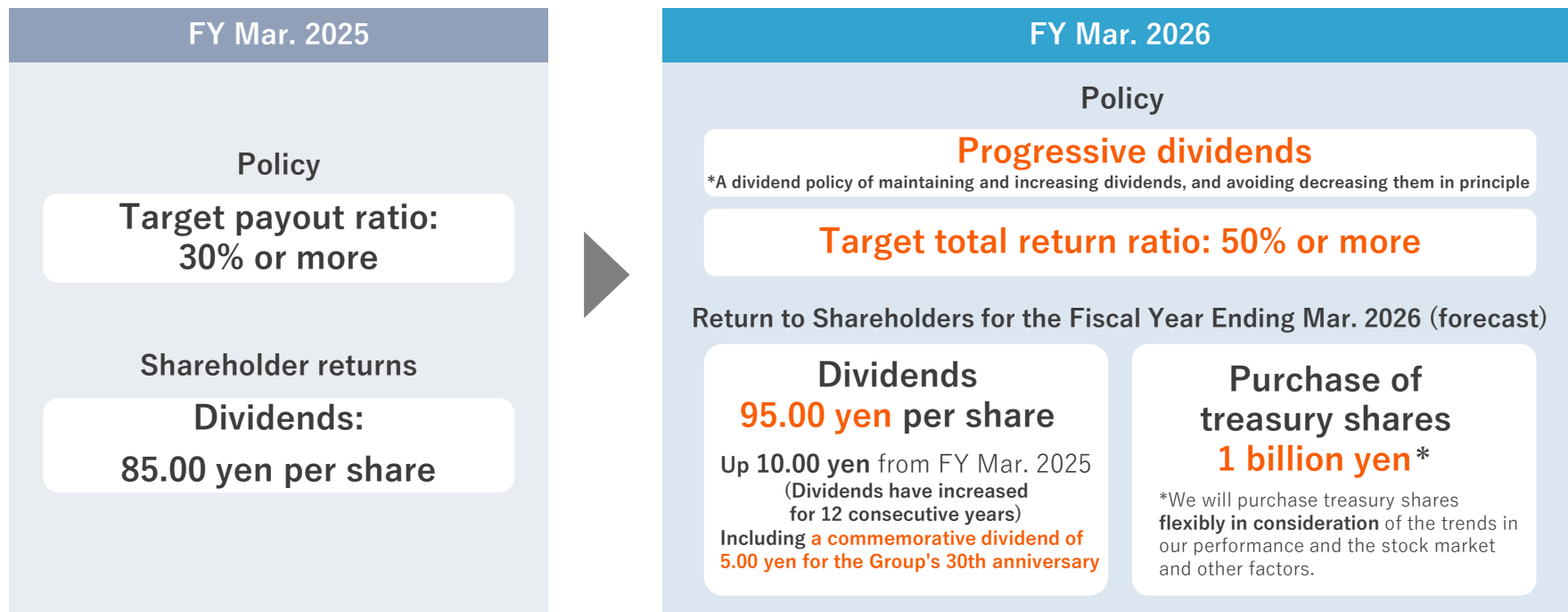
(Millions of Yen)

	FY Mar. 2025 Full-Year Results	FY Mar. 2026 Full-Year Forecast	Change	% Change
Cost of Sales	2,948	3,296	+348	+11.8%
Labor	1,040	1,215	+175	+16.8%
Depreciation	865	929	+64	+7.4%
Communication expenses	1,505	1,682	+177	+11.8%
Others	653	702	+49	+7.5%
Transfer to other accounts	-1,116	-1,233	-117	-10.5%
Selling, general and administrative expenses	2,474	2,895	+421	+17.0%
Personnel expenses	1,229	1,562	+333	+27.2%
Advertising expenses	309	255	-54	-17.4%
Others	936	1,077	+141	+15.1%

Consolidated Financial Results for the First Nine Months
of the Fiscal Year Ending March 31, 2026

07. FY03/26 Return to Shareholders

Starting FY March 2026, we will change our shareholder return policy as follows to strengthen our stance on returning profit to shareholders. Under the new policy, we plan shareholder returns for the fiscal year ending March 31, 2026 as follows.



- 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. based on 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.

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