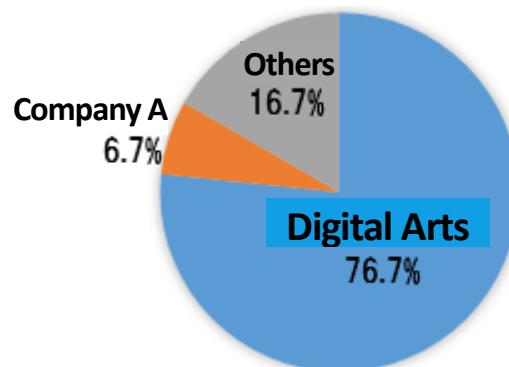


FinalCode® Acquires #1 Share (76.7%) in SaaS IRM Market for FY2015 (Source: ITR)

*Digital Arts boosts share in the growing SaaS IRM Market
Doubling at +114.3% from the previous year*

TOKYO, Japan (August 23, 2016) – Digital Arts Inc. (headquartered in Chiyoda-ku, Tokyo, Japan; CEO: Toshio Dogu; “Digital Arts”; Code 2326), a provider of information security software and solutions, announced that its file encryption and tracking solution, FinalCode, acquired top share (76.7%) in the SaaS-based IRM market for fiscal year 2015, according to *ITR Market View: 2016 Data Loss Prevention Market*, a market study report issued in June 2016 by ITR Corporation (headquartered in Shinjuku-ku, Tokyo; CEO Satoshi Uchiyama; “ITR”). This study was conducted in April and May 2016 and was an analysis of best estimates based on vendor interviews with ITR analysts, company press/product briefing information, disclosed financial statements, and other exclusive information retained by ITR.

SaaS IRM MARKET : SALES MARKET SHARE BY VENDOR (2015)



Reference: *ITR Market View: 2016 Data Loss Prevention Market* (issued June 2016)

According to ITR’s report, domestic IRM market for FY2015 showed rapid growth with a 72.0% increase from the previous fiscal year. Currently, there is a high demand for IRM as a preventive measure against data loss, which increased after a major leak incident in May 2015 by the Japan Pension Service. The market is expected to continue its vast growth with an estimate of 24.1% increase for FY2016. Moreover, ITR’s report mentions that IRM software operating on SaaS doubled its size in 2015 with an impressive 114.3% increase from the previous fiscal year and that “Digital Arts continues to expand rapidly and boost market share”.

Incidents involving leak of sensitive information by corporations and public-sectors have become a serious social issue and conventional security measures are insufficient to completely block data loss. This is because information is not only at risk by attacks from outside the organization. Important data are being taken out by people within the organization, which cause indirect leaks when information is handed to secondary and third sources. Digital Arts believes that a significant change in mindset is necessary for the future of information security measures. While it is realistically not possible to stop files from getting lost, a system should “automatically protect files in a way that keeps users unaware and that no harm is done when the files get lost”.

FinalCode, provided by Digital Arts, automatically encrypts files saved in shared folders to strengthen security on important data without making the users aware of the encryption activity. If by any chance files get lost outside the organization for unexpected reasons, FinalCode automatically and remotely deletes the file, preventing unintended recipients from opening and gaining access to important information.

Since 2012, FinalCode is available in SaaS, making it even more easily deployable by corporations. Companies can take advantage of FinalCode's file encryption and tracking features immediately after signing a license agreement, without the hassle of extensive hardware procurement and complicated system configuration. Because of FinalCode's strong and unique features, year after year, increasing companies choose to deploy FinalCode company-wide as their last defense against information leakage. Increased recognition has attracted more corporations and public-sectors seeking enhanced security measures to protect sensitive data, which led to strong shipments by Digital Arts distributors, and ultimately resulted in Digital Arts acquiring top market share in SaaS IRM solutions, according to the ITR market research.

Digital Arts is an information security provider striving to realize an environment where people can trust and feel confident to connect to the internet, and increase overall satisfaction by incorporating valuable customer input and feedback into product development.

■ **About FinalCode** <http://www.finalcode.com/en/>

FinalCode is the ultimate file security solution that provides password-free automatic file encryption and tracking. File access is limited to selected users or groups to stop leaks of sensitive information, even if files are sent to unintentional recipients. It also offers the unique ability to remotely delete and/or change access restrictions on files already delivered. External users can view FinalCode encrypted files at no cost. FinalCode realizes borderless control on critical information assets, providing a piece of mind to businesses and organizations exposed to various risks of information loss.

■ **About Digital Arts Inc.** <http://www.dai.jp/en/>

Digital Arts, Inc. is a manufacturer of information security products with a unique patented web filtering technology at its core. It plan, develops, sells and supports internet security products on its own, while also delivering added value as the first Japanese manufacturer to launch a web filtering software in the industry. Digital Arts is highly recognized for its most comprehensive domestic web filtering database and its unique filtering technology patented in 27 countries and regions around the world. Digital Arts has become the top domestic supplier of web filter software i-FILTER (corporate and public-sectors), i-FILTER for Consumer, and i-FILTER Browser & Cloud. Other product lineup includes m-FILTER, a gateway email security software for corporations, m-FILTER MailAdviser, a client email anti-misdelivery software, D-SPA, a secure proxy appliance solution, and FinalCode, the ultimate password-less file encryption and tracking solution.

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