

October 4, 2016 Digital Arts Inc.

m-FILTER[®]: No. 1 Installed Email Security Software for Three Consecutive Years

 \sim 44.8% share in newly installed software for the email filtering and archive market \sim

TOKYO, Japan (October 4, 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 email security software for corporations and government agencies, m-FILTER, achieved 44.8% share in total shipments (5.8 billion yen in sales), making m-FILTER the #1 installed software in the market for three consecutive years. The survey was conducted by MIC Research Institute Ltd. (headquartered in Minato-ku, Tokyo, Japan; President Akira Ariga; "MIC Research Institute") and the results were published in its market research report Information Security Solutions Market: Status and Outlook 2016 - Internal Information Leakage Prevention Solutions issued in September 2016.

This study was conducted from April to September 2016, which analyzed best estimates computed by MIC Research Institute based on vendor interviews with its analysts, disclosed press/product briefing information, disclosed financial statements, and other exclusive information retained by MIC Research Institute.

Email Filtering/Archive Market: Vendor Share (by shipment)

MIC Research Institute Ltd. (September 2016). Information Security Solutions Market: Status and Outlook 2016 - Internal Information Leakage Prevention Solutions.

	FY 2015 (Actual)
Digital Arts Inc.	44.8%
Company A	18.2%
Company B	9.1%
Company C	9.0%
Others	18.9%
Total	100%

MIC Research Institute defines "email filtering/archive market" as the market for products with email archive features or containing both filtering and archive features. Research results demonstrated that Digital Arts boosted sales volume in FY2015 to acquire a 44.8% share in the market, marking this the third consecutive year to be the #1 installed software since the 2013 results.

In their latest report, MIC Research Institute analyzed that "in FY2016, Digital Arts drives new sales by offering effective solutions sought after by governmental municipalities to segregate internet access and enhance email security by adding features to neutralize messages on its m-FILTER, and combining i-FILTER and m-FILTER with VMware Horizon series, a virtual desktop infrastructure to segregate internet access" and "Digital Arts is the top vendor in this market for its mainstay i-FILTER, a web filtering software, which creates a successful synergy to steadily drive sales in both products". It also mentions that Digital Arts "continues to focus on product promotion, making effective use of large-scale trade shows, private seminars, and media for various advertisements, and these efforts are yielding successful results".

Email is an integral part of our daily business routine, but unfortunately, we do not go a day without hearing news on mistaken message transmissions by corporations, government agencies, and local municipalities, regardless of industry and size of organization. With compliance and IT governance in place, email audit requirements are growing increasingly severe, reminding people of the importance of email filtering and message archive.



In response to growing market demands, Digital Arts released m-FILTER Ver. 4 in June 2014, enhancing the email filtering and archiving features already equipped in previous versions. Since then, m-FILTER realized secure connection between Office365/Gmail cloud-based mail clients, in addition to a link option to Crypto-bin for m-FILTER (NRI SecureTechnologies Ltd.) to respond to even greater needs for preventing wrong transmissions and archiving messages.

Digital Arts also introduced m-FILTER link option to Lit i View EMAIL AUDITOR for m-FILTER (FRONTEO, Inc.), an internal fraud solution utilizing AI technology, in September 2015. It enhanced integration with FinalCode, a persistent file security and tracking solution, in January 2016, and added an option to neutralize messages in June 2016 to prevent targeted email attacks. Digital Arts goes beyond the conventional mistaken transmission features and offers an array of options to combat data leakage.

Adding to these features, Digital Arts enhanced sales and marketing support to its business partners (distributors) that resulted in strong m-FILTER shipments, leading to acquire #1 share in installed software, according to the study by MIC Research Institute.

In November 2016, Digital Arts plans to release m-FILTER Ver. 4.8 with enhanced integration with Lit i View EMAIL AUDITOR for m-FILTER and a Personal Number Detection option to identify and manually delete personal numbers (social security/taxation number) from archived messages.

Digital Arts strives to realize an environment that people can trust and feel confident connecting to the internet by enhancing customer satisfaction levels through incorporating valuable feedback into product development.

About m-FILTER <u>http://www.daj.jp/en/products/mf/</u>

m-FILTER is a gateway email security software for businesses, private sectors, and local governments facing the challenge of data disclosure via email, audit requirements and email spams that seem to increase year after year. m-FILTER comes with three features that suit client needs: m-FILTER MailFilter delays internal/external outgoing messages, auto-encrypts attachments, and requires supervisor permission before sending messages; m-FILTER Archive saves email and attachments in real time, and reduces operational load with its high-speed search; m-FILTER Anti-Spam completely filters and eliminates spam mail using Cloudmark engine recognized for its highest standard in spam detection. Users can incorporate all three features or select only the features that are necessary to solve issues unique to their organization.

About Digital Arts Inc. <u>http://www.daj.jp/en/</u>

Digital Arts, Inc. is a provider 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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