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FOR IMMEDIATE RELEASE

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(Securities Code: 2326, TSE Prime Market)
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Notice of Recording of Extraordinary Income and Revision of Full-year Consolidated Financial Results
Forecast

Digital Arts Inc. (the "Company") hereby announces that it will post extraordinary income in line with the press release, "Notice of Change (Share Transfer) in Consolidated Subsidiary (Specified Subsidiary)," issued today. In connection with this, the Company has revised its financial results forecast for the fiscal year ending March 31, 2024, announced on May 9, 2023, as detailed below.

1. Recording of extraordinary income

As announced in the press release, "Notice of Change (Share Transfer) in Consolidated Subsidiary (Specified Subsidiary)," issued today, the Board of Directors passed a resolution at a meeting held today to transfer 91.86% of the outstanding shares of Digital Arts Consulting Inc., a consolidated subsidiary of the Company, to CHANGE Holdings, Inc. As a result, a sum of approximately 1,930 million yen and a sum of approximately 2,150 million yen are expected to be posted as a gain on sale of shares of subsidiaries in the category of extraordinary income in the consolidated financial results and non-consolidated financial results respectively for the fiscal year ending March 31, 2024.

2. Revision of financial results forecast

(1) Revision of the consolidated financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Profit per share
Previously forecast (A)	Million yen 11,500	Million yen 5,150	Million yen 5,150	Million yen 3,550	Yen 252.86
Revised forecast (B)	11,500	5,150	5,150	4,880	354.82
Difference (B-A)	—	—	—	1,330	—
Change (%)	—	—	—	37.5	—
(Reference) Results for the previous fiscal year (Year ended March 31, 2023)	10,436	4,413	4,429	3,062	218.12

(Reference) Revision of the non-consolidated financial results forecast for the fiscal year ending March 31, 2024 (April 1, 2023 – March 31, 2024)

	Net sales	Operating profit	Ordinary profit	Profit	Profit per share
Previously forecast (A)	Million yen 10,000	Million yen 5,000	Million yen 5,000	Million yen 3,450	Yen 245.74
Revised forecast (B)	10,000	5,000	5,000	4,930	358.46
Difference (B-A)	—	—	—	1,480	—
Change (%)	—	—	—	42.9	—
(Reference) Results for the previous fiscal year (Year ended March 31, 2023)	8,984	4,395	4,407	3,048	217.15

(2) Reason of the revision

The full-year consolidated forecasts announced on May 9, 2023, will be revised due to the posting of the extraordinary income of approximately 1,930 million yen in the above paragraph 1. The impact of the transfer of the consolidated subsidiary on the Company's Medium-term Management Plan, including the latest trends in performance, is currently examined. The dividend forecast will not be revised.

*The forecast above has been created based on the information available as of the date of the publication of this notice. Actual results may be different from the forecast due to a variety of factors.