

(This is an English translation from the Japanese original. In case of any discrepancy between this document and the Japanese original, the latter shall prevail.)

April 9, 2021

Notice of Capital and Business Alliance with Cambrian, Inc.

Digital Media Professionals Inc. (Headquarters: Nakano-ku, Tokyo, President & COO: Tsuyoshi Osawa, hereinafter referred to as "DMP") has resolved at a meeting of its Board of Directors held on April 9, 2021 to form a capital and business alliance with Cambrian Inc. in Delaware, USA and its subsidiary (collectively hereinafter referred to as "Cambrian") as described below.

1. Reasons for the capital and business alliance

Cambrian develops, manufactures, and sells image recognition systems (vision systems) for collaborative robots. Collaborative robots are robots that can work together with people without safety fences and have been increasingly introduced in manufacturing sites due to the shortage of manpower and the prevention of the new corona virus infections. In addition, the market is expected to expand with applications in the food, pharmaceutical, and cosmetics industries. In order for collaborative robots to operate (e.g., to pick up and move parts, products, goods, etc.), they need a vision system that recognizes objects with a camera. Cambrian's team has been developing and selling its vision systems in Europe since 2015. In order to expand its business, Cambrian has decided to establish a new headquarters in Delaware, USA, and to increase its capital by issuing preferred shares.

DMP has decided to take a stake in Cambrian as a minority shareholder because it believes that Cambrian's business domain has affinity and complementarity with its focus area of robotics, and that Cambrian's technology is competitive. In addition to contributing to the enhancement of Cambrian's development capabilities from a financial standpoint, DMP intends to expand its business in the field of robotics and solve social issues such as labor shortage and productivity improvement due to the declining birthrate and aging population by adding Cambrian's competitive vision systems to its product lineup and conducting joint development.

[Features of Cambrian's vision system]

- High versatility through AI-based object recognition and arm motion control
- Low price compared to products of competitors
- Support for very small size items (1 mm x 1 mm or less)
- High processing performance with recognition time of less than 200ms and picking success rate of 98%+ for electronic components
- Compatible with a wide variety of items such as plastic, rubber, metal materials, transparent and reflective surfaces

2. Details of the capital and business alliance

(1) Details of the business alliance

a. Exclusive distributorship agreement

DMP is concluding an exclusive distributorship agreement with Cambrian for Cambrian's vision systems in Japan on April 9, 2021. DMP group will sell Cambrian's vision systems not only in Japan but also in the Asian region.

b. Business alliance agreement

DMP is concluding a business alliance agreement on April 9, 2021 to conduct joint development (mutual outsourcing) with the aim of strengthening Cambrian's product competitiveness in the Japanese and global markets.

(2) Acquisition price, etc., of Cambrian's shares

DMP will acquire a portion of the preferred shares of Series Seed issued by Cambrian as follows. The acquisition price was calculated and determined in consideration of the Cambrian's business plan and other factors.

Amount to be paid: US\$ 370,000

Date of acquisition (planned): End of April 2021

3. Outline of Cambrian

(1) Company name	Cambrian Inc.	
(2) Location	(HQ) 251 Little Falls Drive, Wilmington, New Castle, DE 19808, USA (UK Office) 9 Ainger Road, London, United Kingdom, NW33AR	
(3) Representative	Miika Perä, CEO	
(4) Description of business	Development, manufacturing, and sales of vision systems for collaborative robots	
(5) Date of establishment	October 6, 2020	
(6) Major shareholders	Miika Perä ff Sapphire (IV) Venture Capital Fund, LP	
(7) Relationship with DMP (Before capital and business alliance)	Capital relationship	There is no capital relationship between DMP and Cambrian required to be referred to herein. In addition, there is no significant capital relationship between related parties or affiliates of DMP and the related parties or affiliates of Cambrian.
	Personal relationship	There is no personal relationship between DMP and Cambrian required to be referred to herein. In addition, there is no significant personal relationship between related parties or affiliates of DMP and the related parties or affiliates of Cambrian.
	Business relationship	There is no business relationship between DMP and Cambrian required to be referred to herein. In addition, there is no significant business relationship between related parties or affiliates of DMP and the related parties or affiliates of Cambrian.

	Status as a related party	Cambrian is not a related party of DMP. In addition, the related parties and affiliates of Cambrian do not fall under related parties of DMP.
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(Note) Cambrian is a privately held company, and its financial information is not presented because it is required not to be disclosed.

4. Schedule

- (1) Resolution at a meeting of the Board of Directors: April 9, 2021
- (2) Conclusion of a definitive stock purchase agreement: April 30, 2021 (Planned)
- (3) Acquisition of the stock: April 30, 2021 (Planned)

5. Future outlook

DMP is in final discussions with Cambrian to conclude a definitive stock purchase agreement by the end of April 2021.

In the future, DMP will develop and provide solutions based on Cambrian's products to meet the demand for collaborative robots in Japan and other Asian countries, such as automation of manufacturing and logistics sites and applications in the food, pharmaceutical, and cosmetics industries, and expand its business in its focus area of robotics.

The impact of this matter on the consolidated business performance for the fiscal year ending March 31, 2022 is currently under scrutiny and will be disclosed as soon as there are matters to be announced.