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

April 9, 2021

To whom it may concern:

Company name	Digital Media Professionals Inc.
Representative	Tsuyoshi Osawa, President & COO (Security Code: 3652, TSE Mothers)
Contact	Tomoyuki Ietaka, Executive Officer, CFO, General Manager, Finance/Corporate Planning Department
TEL.	03-6454-0450

Notice of Medium-term Business Direction

1. Basic policy

There is growing momentum in society, politics, and the business world to overcome major global social and environmental issues such as the declining birthrate and the aging population, the COVID-19, and the climate change. Our basic policy for the medium-term direction of our business is to regard these changes in the social environment as opportunities to realize CSV (Creating Shared Value) management, which will enable us to earn profits and increase our corporate value by contributing to the resolution of such issues.

We aim to achieve a V-shaped recovery over the medium term from the fiscal year ended March 2021, in which our business results deteriorated due to the stagnation of the amusement market and the impact of customers' restrained investment in development caused by the COVID-19.

2. Basic strategy

(1) Providing added value across the entire development cycle of customer products and services

We aim to maximize the LTV (Lifetime Value) of our customers by providing added value across the entire development cycle of customer products and services from planning to mass production through the development of IP core license business, LSI product business, and professional service business with an integrated development system from algorithms and software to hardware, which is our strength.

In addition, we aim to respond flexibly and quickly to customer developments and improve our profit margin by developing and providing standard products and services based on technology and know-how cultivated through customer projects.

(2) Focused markets

We believe that we can differentiate ourselves from our competitors in the fields of safe driving assistance and robotics, which are expected to grow in market size and contribute to solving social and environmental issues by utilizing graphics technology, which has been one of our strengths since our founding, and AI (artificial intelligence) and deep learning technologies derived and cultivated from it. We will implement basic strategies that match the life cycle of those markets.

a. Safe driving assistance field

In this field, the enforcement of the revised Road Traffic Law and the expansion of automobile insurance with a dashcam special contract have led to an increase in demand for real-time accident prevention using dashcams and safe driving education using near-miss events, and we recognize that the market is in a growth phase.

In addition to providing initial licenses and professional services, we have also started to develop the recurring business by recording running royalty income and subscription income from the fiscal year ended March 31, 2021. With the competitive advantage of being able to provide integrated services from the cloud to the edge, we aim to become a market leader by further cultivating existing customers' projects and developing new customers.

b. Robotics field

In this field, the market for robotic vehicles and collaborative robots is expected to expand in response to the decrease in the working population and the trend toward labor saving and productivity improvement in various fields such as manufacturing, logistics, and agriculture. However, many customers are at the PoC (Proof of Concept) stage and the market is still in the introduction phase. Therefore, while applying the business know-how and business model that has been successful in the field of safe driving assistance, we aim to acquire PoC projects from customers with high potential and maximize full-scale development opportunities by enhancing our technology portfolio for robotics including ZIA SLAM (Visual SLAM) and expand our share in this vast market.

Regarding the business with Yamaha Motor, the lead customer in this field and business and capital partner, we will continue to contribute to the development of AI for a variety of its products in line with the development roadmap and will also work on external sales of the results of the collaboration upon discussion.

In the amusement field, which is our main business, sales of amusement machines have been decreasing year by year due to the decline in the amusement playing population and the recent COVID-19 and the market is in a mature and declining phase. However, annual unit sales exceed one million and we believe that the absolute market size is still large. While keeping a close eye on the volatility of the pachinko/pachislot machine market, we aim to increase our share in market segments where we can demonstrate the superiority of our unique 2D/3D integrated chip.

(3) Securing sustainable competitive advantage and growth

In the field of safe driving assistance, we are developing SaaS (Software as a Service) with ZIA Cloud SAFE, a SaaS-type safe driving assistance service using Amazon Web Services (AWS), PaaS (Platform as a Service) with ZIA SAFE, a safe driving assistance system development platform, and IaaS (Infrastructure as a Service) with services that use customers' dashcams as the infrastructure. We will horizontally expand the same initiatives to the robotics field and other growth fields and aim to achieve sustainable and organic growth as a platformer that provides XaaS to a wide range of customers in the focused fields by exerting network effects through close collaboration with various platformers, service providers and other ecosystems. In addition, we will proactively consider non-organic growth through M&As and business alliances that contribute to strengthening and complementing the competitiveness of services in our focused business fields. Through the above initiatives, we aim to secure a sustainable competitive advantage and achieve sustainable growth.

3. Schedule for disclosure of numerical targets

The medium-term numerical targets based on the above basic policy and strategy will be announced soon.

For details of the medium-term business direction, please refer to the attached presentation materials.

VISUALIZE THE FUTURE

DIGITAL MEDIA PROFESSIONALS

Medium-term Business Direction

Digital Media Professionals Inc.

April 9, 2021

Company Profile

A fabless semiconductor vendor with 18 years of experience as one of the world's leading GPU IP vendors. In recent years, in order to become the world's leading "AI Computing Company," we are contributing to solving customer and social issues by providing end-to-end AI services from algorithm/software to hardware and from the edge to the cloud.

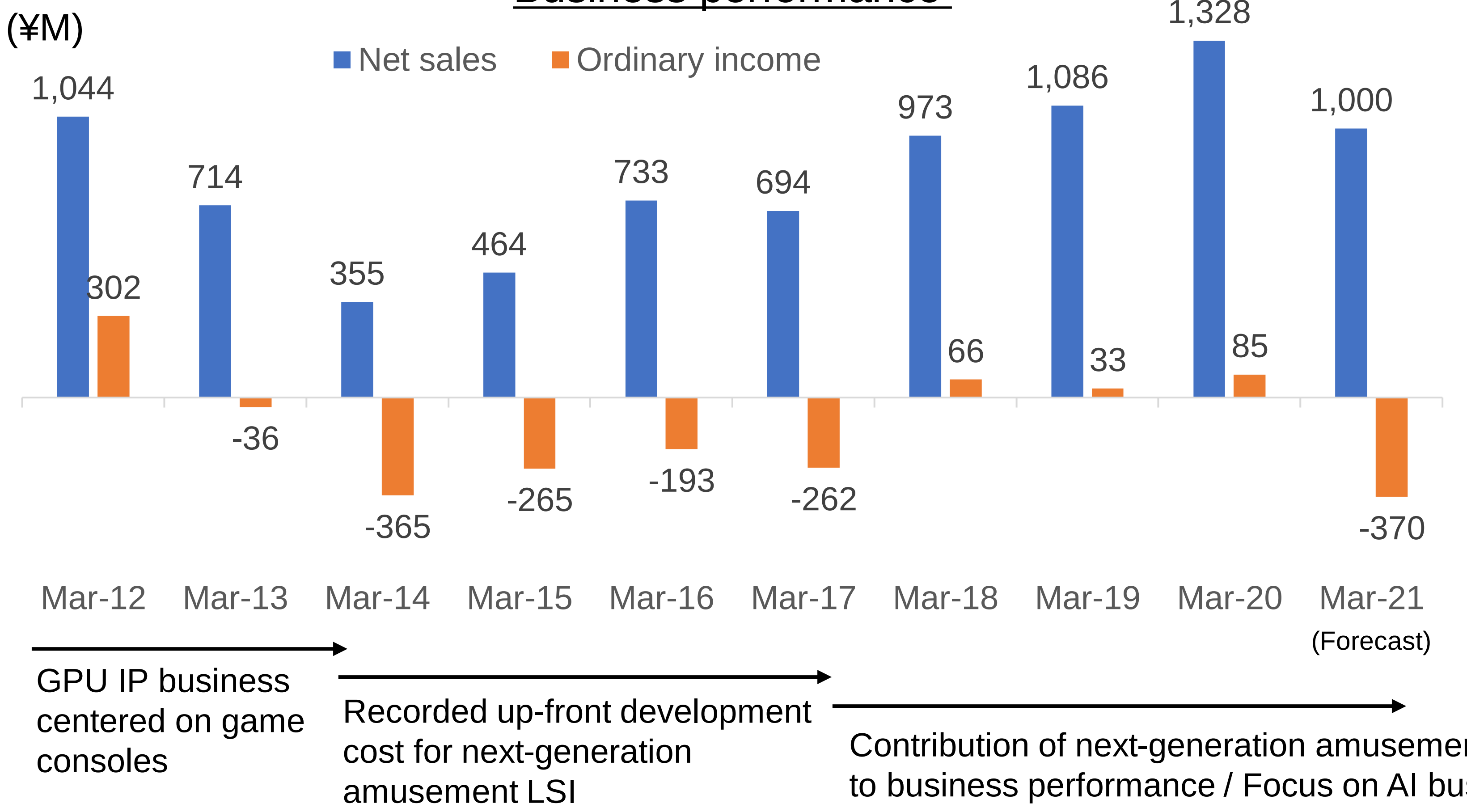
Company name	Digital Media Professionals Inc. (DMP)
Business content	IP license, SoC / module development & sales, and contract development services related to GPU and AI
Foundation	July 2002
Location	Nakano-ku, Tokyo, Japan
Representative	Chairman and CEO: Tatsuo Yamamoto President and COO: Tsuyoshi Osawa
Capital	1,838 million yen
Number of consolidated employees	65 (as of the end of March 2021)
Number of patents	35 cases
Consolidated subsidiary	Digital Media Professionals Vietnam Company Limited

Month / Year	History
July 2002	Founded
July 2005	Launched ULTRAY® Visual Processor
April 2007	PICA® Graphics IP Core received the Excellence in IP Prize of 9th LSI IP Design Award
April 2009	Launched SMAPH®-F Vector Graphics IP Core
November 2009	Launched SMAPH®-S 3D Graphics IP Core
June 2011	Listed on the Mothers market of the Tokyo Stock Exchange
May 2014	Business and capital alliance with UKC Holdings Corporation (currently Restar Holdings Corporation)
August 2016	Launched the new 3D graphics IP core "M3000" series
November 2016	Launched "ZIA™", an image recognition engine using deep learning
March 2018	Started mass production and shipment of next-generation graphics processor "RS1"
May 2019	Business and capital alliance with Yamaha Motor Co., Ltd.
May 2019	ISO 9001: 2015 Certified (Certification body: Intertek Certification Japan Ltd.)
April 2020	Established Digital Media Professionals Vietnam Company Limited
April 2021	Capital and business alliance with Cambrian Inc, USA

Performance review

- From GPU IP business mainly for game consoles at the time of listing, through LSI development for amusement, focusing on AI business in recent years
- Performance deteriorated in the fiscal year ended March 2021 due to the impact of COVID-19

Business performance*



Revised earnings forecast for the fiscal year ended March 2021

	Nov.10	Apr. 9 revised
Net sales	1,500	1,000
Ordinary income	-100	-370

[Factors for a drop in sales]

- Test pass rate of customer's new machines has been low

- Due to the impact of the COVID-19 including the state of emergency issued to 11 prefectures in January, the sales volume of pachinko and pachislot machine manufacturers has been lower than planned, and the sales of some titles that were scheduled to be released in the fourth quarter have been postponed to the next fiscal year. Therefore, demand for the "RS1" image processing semiconductor for the amusement market, which was expected toward the end of the fiscal year, has been pushed back

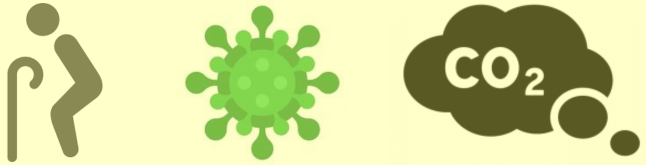
- In the professional service, development investment by some AI-related customers, which was expected to recover in the fourth quarter, was lower than expected

* Actual results on a non-consolidated basis through the fiscal year ended March 31, 2020, and full-year consolidated forecasts for the fiscal year ended March 31, 2021 disclosed on April 9, 2021

Basic policy for medium-term business direction

Increasing momentum for society, politics, and the business world to overcome major social and environmental issues such as "declining birthrate and aging population," "COVID-19," and "climate change"

Social and environmental issues



We regard changes in the social environment as opportunities and strive to realize CSV (Creating Shared Value) management, which will enable us to earn profits and increase our corporate value by contributing to the resolution of social and environmental issues.

<u>Fiscal year ended March 2021</u>

Performance deteriorated due to the stagnation of the amusement market and the impact of customers' restrained investment in development caused by the COVID-19

<u>Medium-term direction</u>

Focus on robotics and safe driving assistance fields and achieve a V-shaped recovery

* Numerical targets will be announced soon

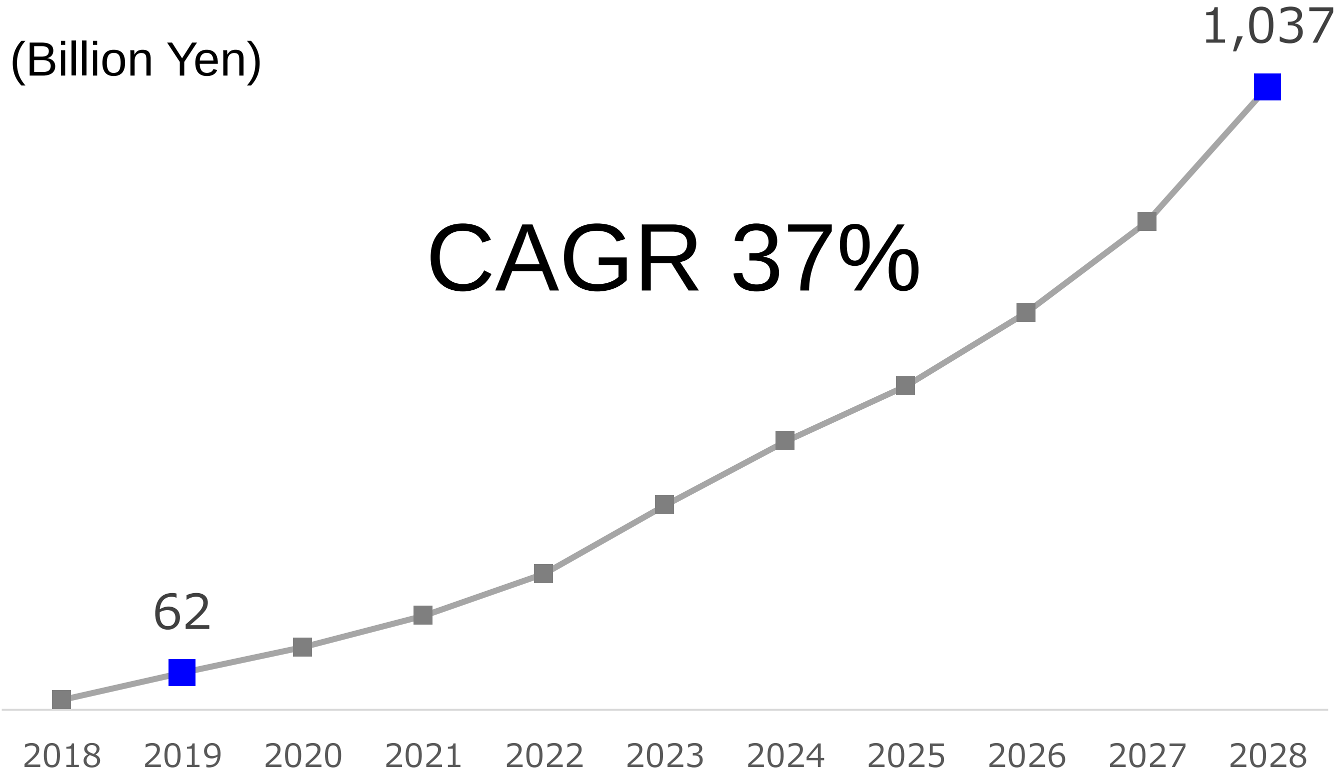
Social & Environmental Changes/Issues and DMP Initiatives

Mega topic	Social & environmental changes / issues	DMP's Initiatives
Declining birthrate and aging population	• Declining working population • Key workers' overwork • Skill transfer issue • Increase in elderly car accidents • Existence of vulnerable road users • Infrastructure aging	• Contributing to productivity improvement, work efficiency improvement, labor saving to complement and mitigate the decrease in the working population, hard work, and COVID-19 damage by making efforts for automation and autonomy in the field of robotics • Contributing to real-time accident prevention and safe driving education based on near-miss events by providing safe driving assistance services • Contributing to MaaS promotion through autonomous driving technology • Providing a VR (Virtual Reality) environment for customer development projects • Contributing to a global low-carbon society by reducing the power consumption of hardware (IP) • Contributing to infrastructure inspection by utilizing AI image recognition technology
COVID-19	• Progress of remoteization and online • Digital shift • Expansion of EC (electronic commerce) • Decrease in foreign workers	
Climate change	• Rise in average temperature due to greenhouse effect • Increase in natural disasters • Decrease in agricultural production and food	

Robotic Vehicle

Demand for autonomous robotic vehicles is expected to grow at various sites such as manufacturing, logistics, agriculture, and homes for labor saving and productivity improvement.

Robotic Vehicle AI Related Computing Hardware Global Market

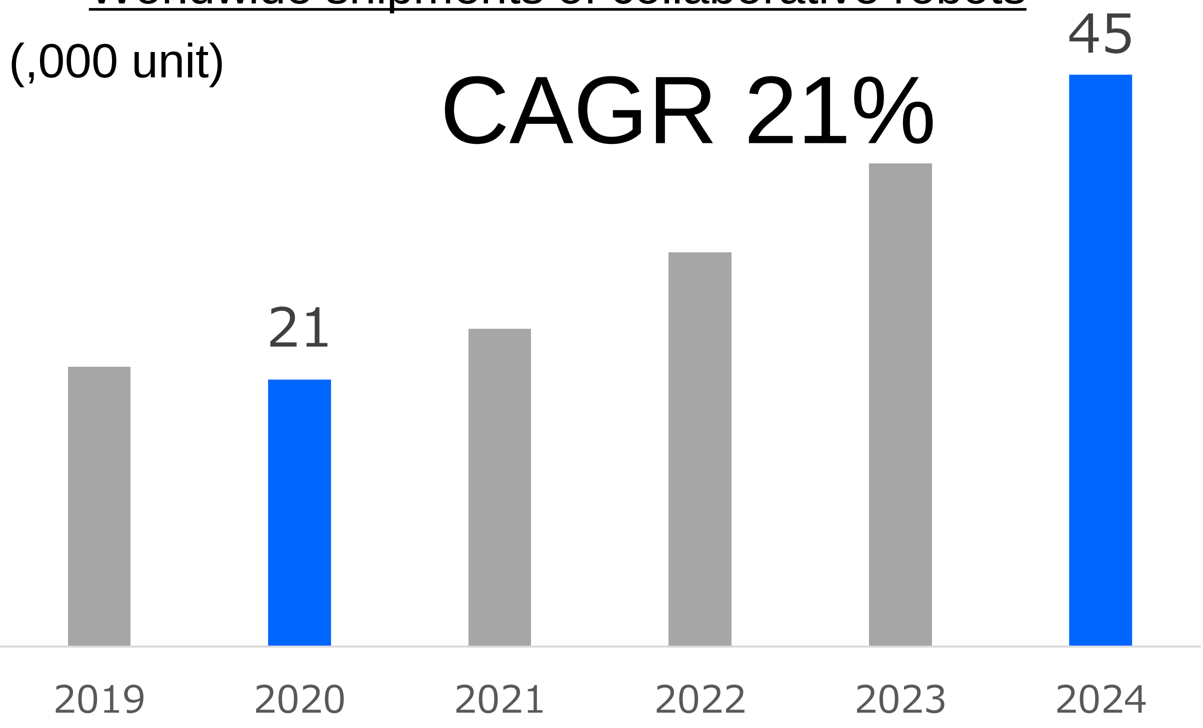


Source: Yole Développement

Collaborative robot

- With the background of labor shortage and prevention of COVID-19 infection, introduction at manufacturing and distribution sites is progressing, and application to food, pharmaceuticals, and cosmetics industries is also progressing.
- It is expected that the installation rate of AI vision systems that detect and recognize objects with cameras will also increase.

Worldwide shipments of collaborative robots



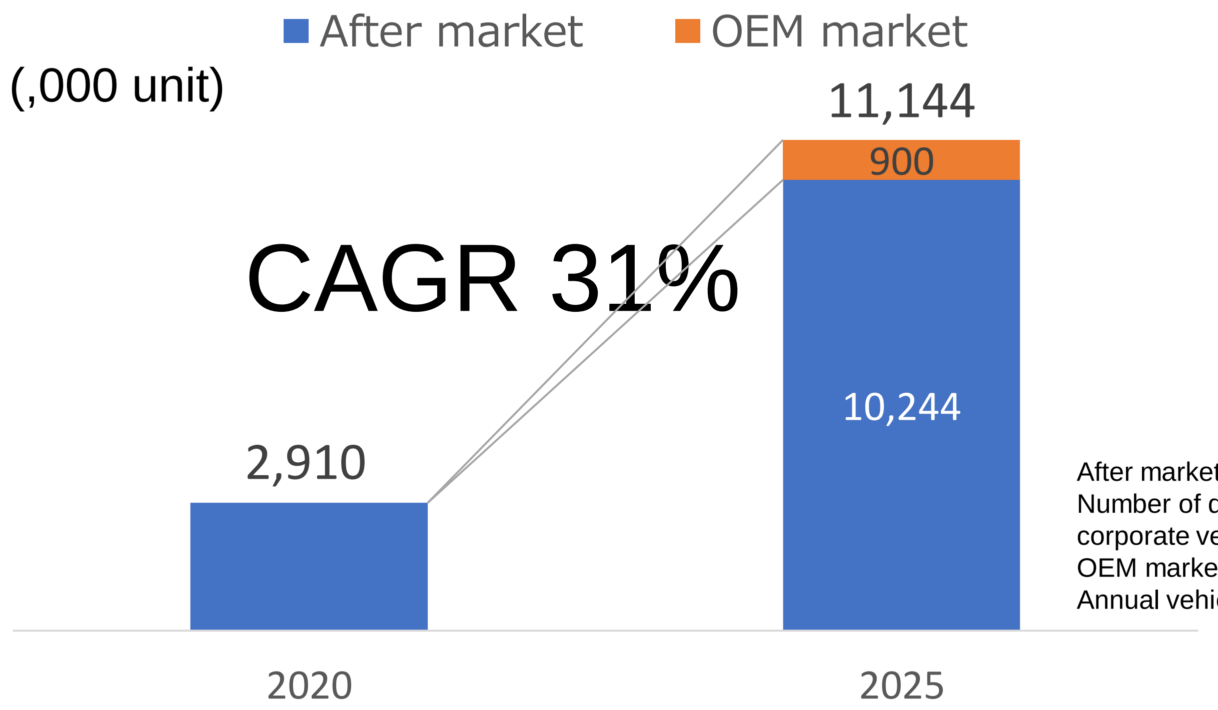
Source: Global Information

Market trend

Safe driving assistance (utilization of dashcam)

The expansion of the aftermarket as well as the rise of the OEM market can be expected due to the enforcement of the revised Road Traffic Act, the expansion of automobile insurance with a dashcam special contract, and the demand for safe driving education for corporate vehicles

Dashcam with AI / communication function domestic market

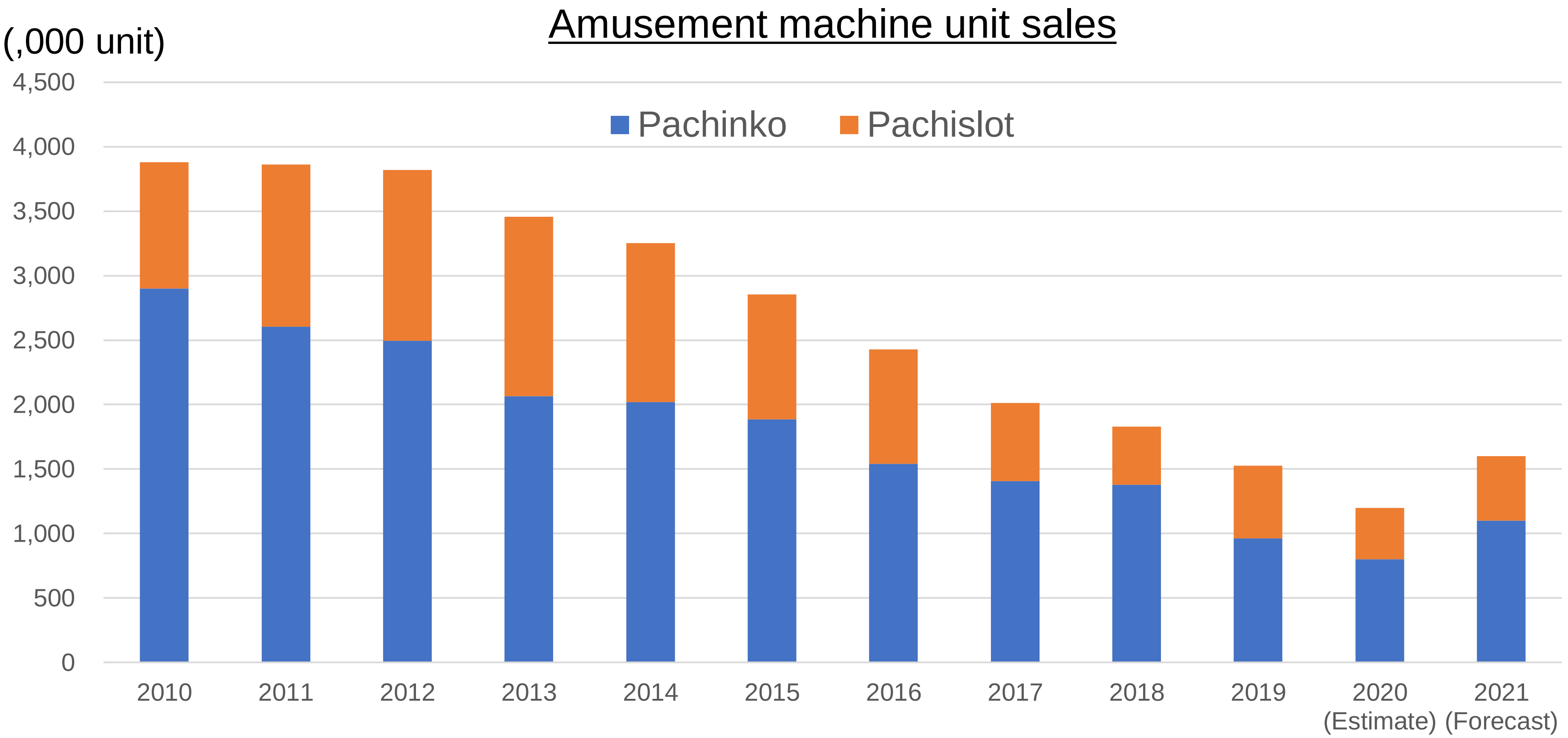


After market:
Number of drive recorders x installation rate (2020: 5%, 2025: 20%) + corporate vehicles x installation rate (2020: 20%, 2025: 50%)
OEM market:
Annual vehicle sales x installation rate (2020: 0%, 2025: 20%)

Source: Automobile Inspection & Registration Information Association, Japan Automotive Leasing Association, Japan Trucking Association, Japan Automobile Dealers Association, Ministry of Land, Infrastructure, Transport and Tourism, Japan Electronics and Information Technology Industries Association, and DMP's estimate for installation rate

Amusement

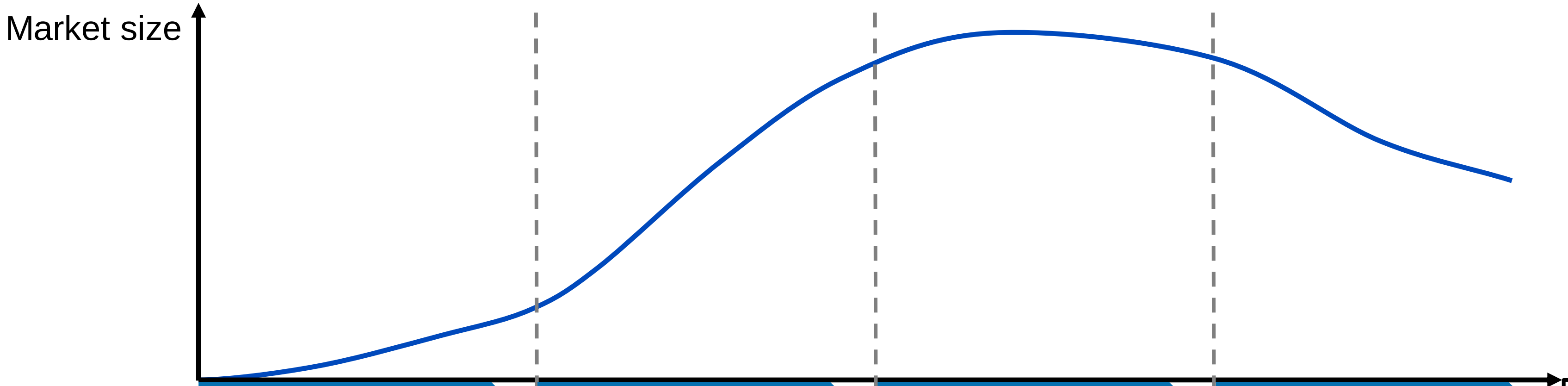
- Although the market continues to decline, it still has a scale of over 1 million units
- Demand for replacement of old rule machines with new rule machines in 2021



Source: Yano Research Institute, Estimate and forecast are from Daiwa Securities Report "Amusement Machine Market Outlook," March 30, 2021

Main business market life cycle and basic strategy

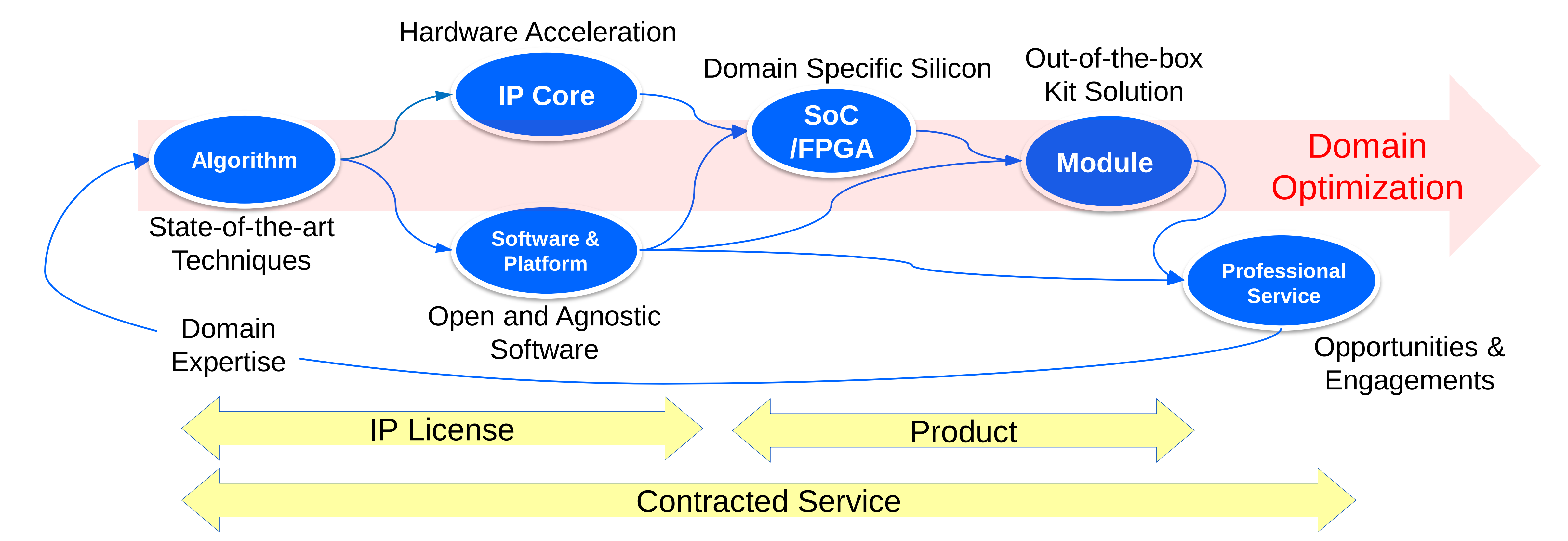
- Apply business know-how and business models in the field of safe driving assistance including the recurring business to the growth of the robotics field
- In the amusement field, reaping profit is carried out with the risk of increased market volatility due to COVID-19 in mind



	Introduction	Growth	Maturity	Decline	Basic strategy
Robotics	◎				Maximize full-scale development opportunities from the acquisition of PoC projects
Safe driving assistance		◎			Expanding the number of customers by enhancing solutions and deepening customer projects
Amusement			◎		Maximize survivor profits by maintaining and improving quality and expanding market share

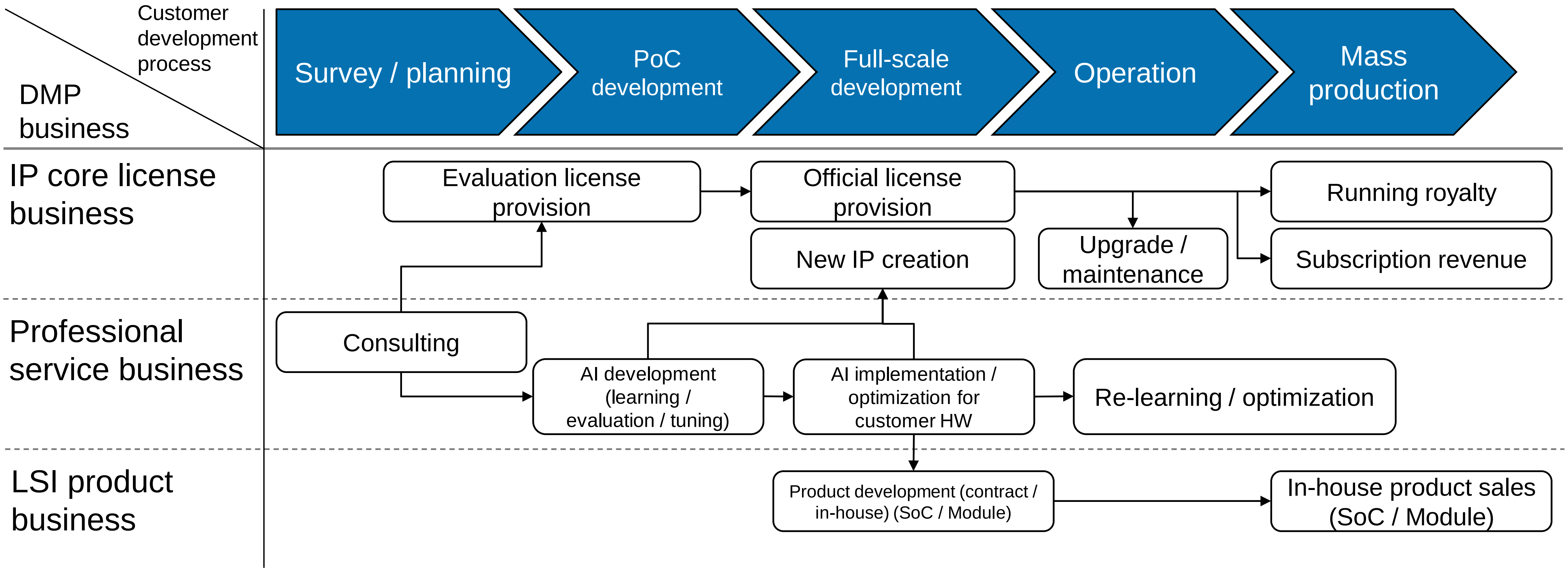
Business model

- Integrated development of algorithms, software, and hardware (domain optimization)
- Flexible value proposition and monetization model through licenses, products and professional services
- Build a well-balanced profit structure of highly profitable "IP core license business", scale-seeking "professional service business", and "LSI product business"



Revenue cycle

- Providing added value and maximizing LTV (Lifetime Value) of customers over the entire development life cycle (from planning to mass production) of customer products
- By developing and providing standard products and services based on the technology and know-how cultivated in customer projects, we will strive to respond flexibly and quickly to customer development and improve profitability.



Competitive advantage

- Providing end-to-end AI solutions including hardware
- Differentiation points are optimization of acceleration performance, cost, and power consumption, which are specialized for the customer domain

[Service function]

	Strategy formulation	Data preparation	AI model creation and verification	Hardware	Solution
	• Confirmation of issues • Cost-benefit estimation • Determining data utilized	• Amount / quality of data • Data preprocessing • Annotation	• Learning model creation • Model accuracy verification • Mathematical optimization • Confirming data flow • Confirming Issues solving	• Hardware acceleration performance, cost, power optimization • Hardware agnostic	• Back end • Front end • UI / UX • General productization
DMP					
AI development contract / algorithm software development company					

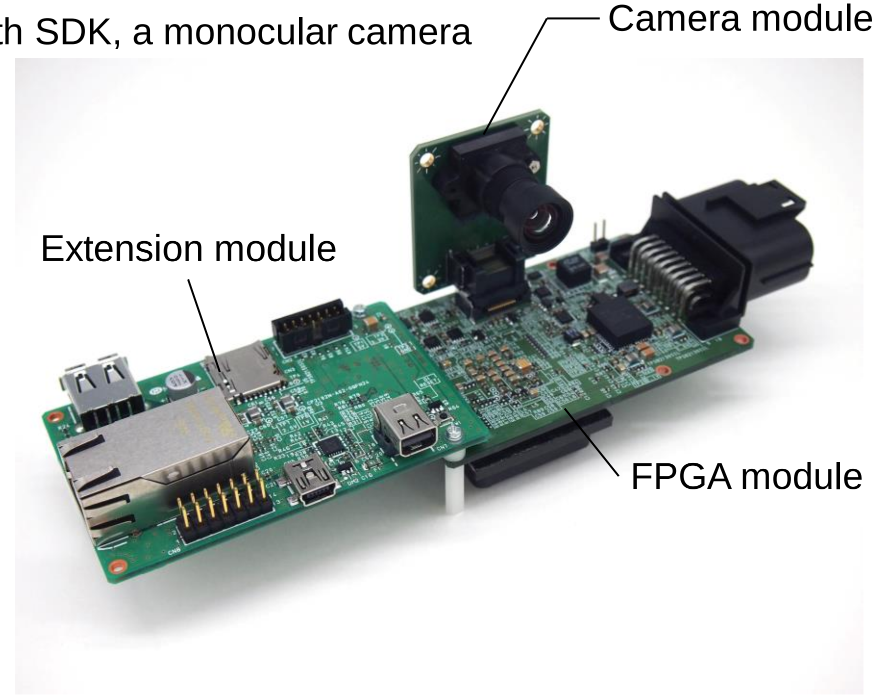
Source: DMP's Industry Analysis (Reference: Nomura Securities Industry Research Report No. 242)

External sales of the result of collaboration with Yamaha motor

- **Launch external sales of camera systems (accepting order in first quarter), the result of collaboration with Yamaha Motor, a business and capital partner**
- **Support the entire product development process of customers by providing this camera system and related services**

■ Outline of the high-precision, compact embedded monocular camera system

- 35mm x 40mm compact embedded camera module equipped with Sony Semiconductor Solutions' high-sensitivity image sensor "IMX390," a compact FPGA module, an extension module, and an SDK (Software Development Kit)
- By customizing the FPGA module and establishing a PC-based evaluation environment with SDK, a monocular camera system can be easily developed in a short period of time according to user specifications.
- Start accepting orders in the first quarter of the fiscal year ending March 2022



■ Provision of related service

- DMP offers a variety of support services to add values to customers' products and services, such as the provision of reference designs for FPGA designs including the "ZIA™ ISP" ISP core and "ZIA™ DV740" AI processor, custom FPGA designs, AI recognition software development according to user applications, and system creation linked to cloud environments such as AWS (Amazon Web Services).
- DMP will provide a wide range of supports, from optimal development kits to mass production support, for customers who develop embedded systems for mobility products, safety assistance systems, and surveillance systems in the industrial equipment field, including factory automation, logistics, and security.

Capital and business alliance with Cambrian Inc.

Strengthening the portfolio and expanding business of robotics, a DMP's focused area

- **Sales of vision systems for collaborative robot arms**
- **Accelerating collaboration in the field of image recognition with major robotics manufacturers**

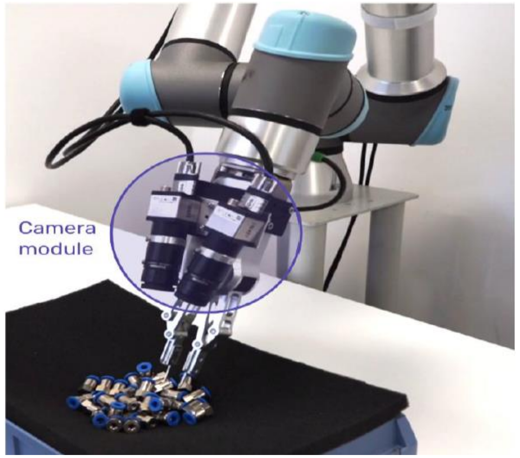
Outline of capital and business alliance

- Capital participation as a minority shareholder (US $ 370,000 investment)
- Exclusive distributor in Japan for a collaborative robot image recognition system (vision system) manufactured by Cambrian, USA
- Joint development for collaborative robotics technology and product that leverages the strengths of both companies

Features of Cambrian's product

- Immediate use by attaching to the arm of widely used collaborative robots such as UR
- 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)
- Compatible with a wide variety of items such as plastic, rubber, metal materials, transparent and reflective surfaces
- High processing performance with recognition time of less than 200ms and picking success rate of 98%+ for electronic components

Cambrian's Vision System



Application examples

Picking

Kitting

Cable insertion

Assembly

Safe driving assistance

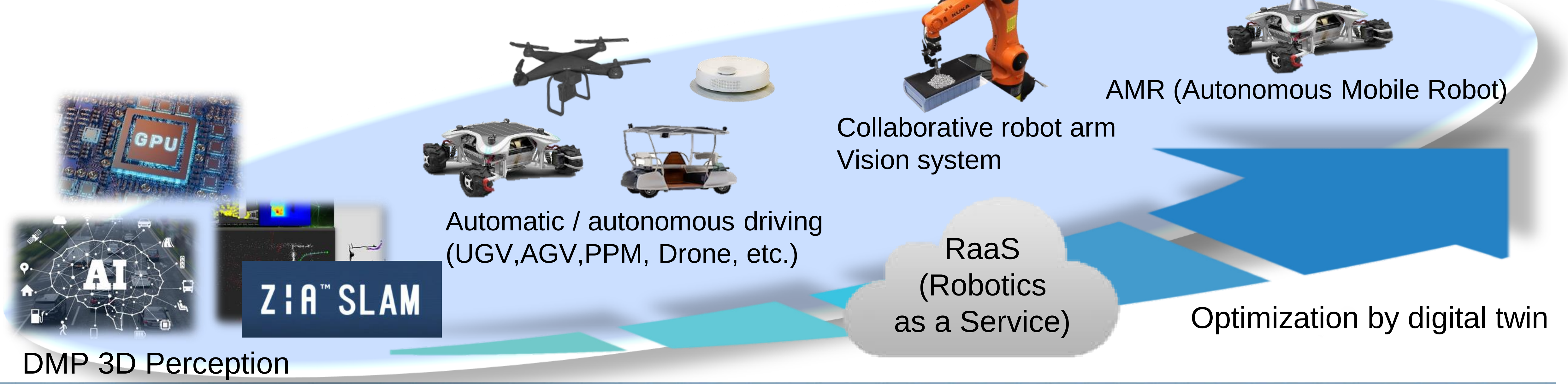
Aim to become a market leader by cultivating existing customers' projects and developing new customers through our competitive advantage of being able to provide integrated services from the cloud to the edge

- AI recognition model with a proven market record in near-miss image analysis and DMS
- Comprehensive support from the edge (ZIA SAFE) to the cloud (ZIA Cloud SAFE)
- Flexible response to customer needs with running royalty and subscription license models
- Compatible with various hardware (strongly support customer's device by professional services)

Robotics

Aim to expand share of vast market by acquiring PoC projects of customers with high potential followed by maximizing full-scale development opportunities through enhancing the technology portfolio for robotics

- Domain optimization with a comprehensive solution of algorithms, software and hardware
- Differentiation by DMP 3D Perception (power, performance, cost)
- Advanced AMR technology development through integration of automatic / autonomous driving and arm vision system
- Providing RaaS utilizing ZIA Cloud technology
- Robot operating environment optimization by 3D simulation (digital twin)



Towards sustainable growth

- Aim for sustainable organic growth as a platformer that provides XaaS in the focused areas to a wide range of customers by exerting the network effect through close collaboration with various platformers, service providers and other ecosystems
- Proactively consider non-organic growth through M&As and business alliances that contribute to complementing the competitiveness of our focused business areas

	Safe driving assistance	Robotics	Ecosystem
SaaS Software as a Service	ZIA Cloud SAFE	Robotics cloud service	Cloud service (AWS, etc.)
PaaS Platform as a Service	ZIA SAFE	ZIA SLAM	AI platformer Standards body
IaaS Infrastructure as a Service	Dashcam operation management, Insurance services, etc.	RaaS Robotics as a Service	SIer, Service provider

Expansion to other industries

Near-miss service for construction and medical, etc.

<Inquiries>

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Forward-looking statements contained within this document are based on currently available information and involve risks and uncertainties, including macroeconomic conditions and trends in the industries in which we are engaged. As such, actual results may differ materially from those anticipated.