

This presentation has been translated from the Japanese original for reference purposes.
In the event of any discrepancy between this document and the Japanese original, the latter shall prevail.

VISUALIZE THE FUTURE



IR Seminar for Personal Investors

August 28, 2021
Digital Media Professionals Inc.
Securities Code: 3652

The views and forecasts that appear in these materials represent determinations made by the Company at the time the materials were created.
The accuracy of the information therein is not guaranteed.
Please be aware of the possibility that actual performance and results may differ considerably due to a variety of factors.

1. Outline of DMP

2. Medium-term Business Plan

1. Outline of DMP

In recent years, leveraging the experience and knowledge as one of the world's leading Graphics IP vendors since the foundation, DMP is contributing to solving customer and social issues by providing end-to-end integrated AI services **from algorithm/software to hardware** and **from the edge to the cloud**.

Company name	Digital Media Professionals Inc. (DMP)
Foundation	July 2002 (Listed on the Mothers market of the Tokyo Stock Exchange in June 2011)
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

IP core license business

- AI/GPU IP core license
- AI software license



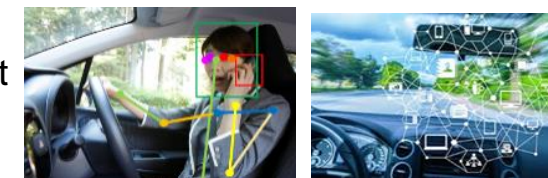
Product business

- Graphics processing LSI for amusement market
- AI FPGA module • Vision system for collaborative robot



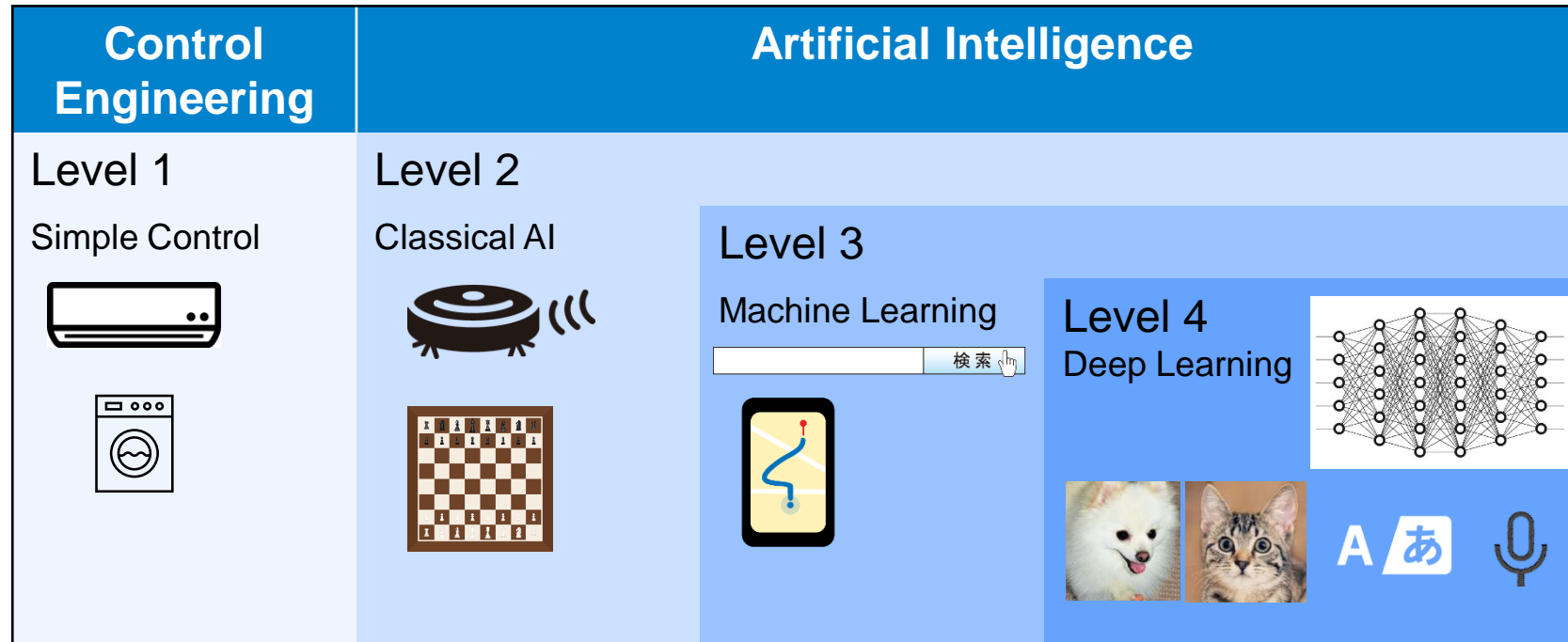
Professional service business

- AI algorithm, computer-vision software contracted development
- FPGA/board contracted development
- Customer product/service development support in safe driving assistance and robotics fields



What is AI (Artificial Intelligence)

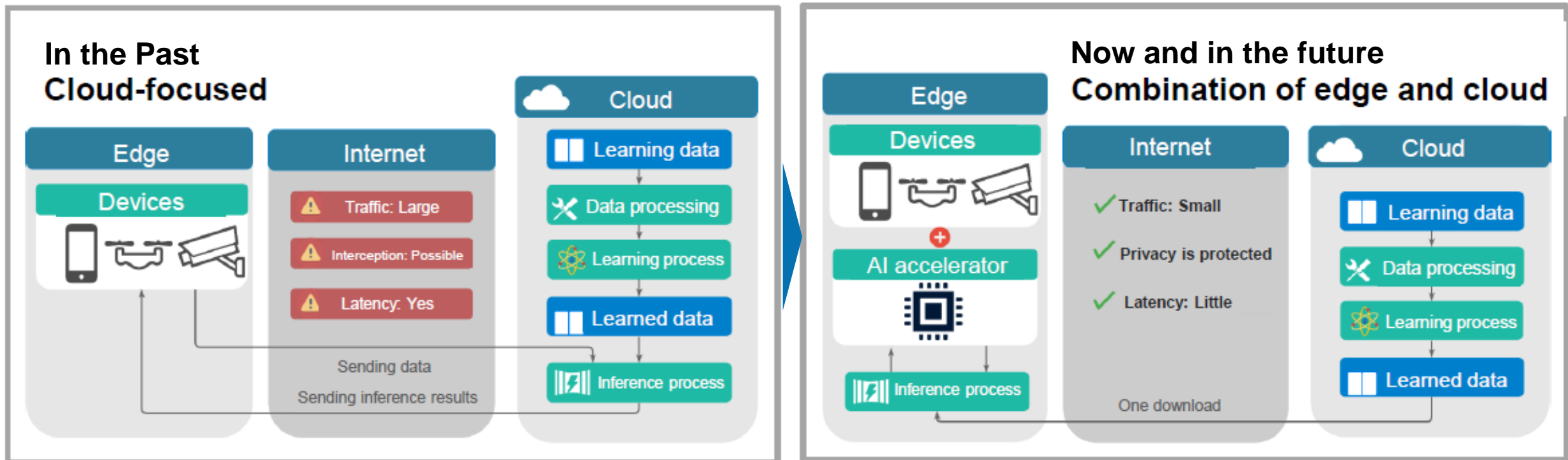
AI is a machine (information processing system) that has the same intellectual processing capabilities as humans, including reasoning, recognition, and judgment.



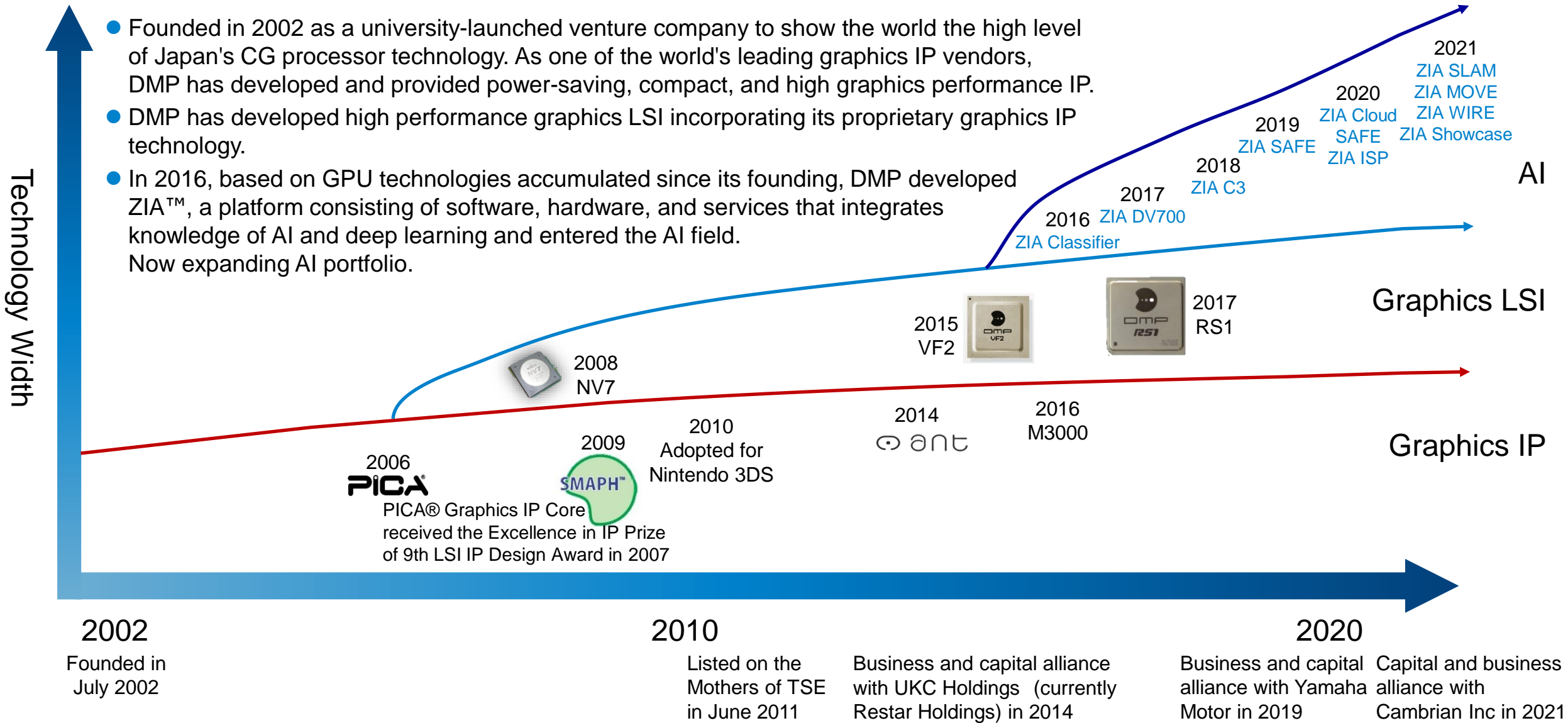
Reference: Deep Learning for GENERAL : JDLA Certificate (G-Certificate) Official Textbook (Edited by Japan Deep Learning Association)

Cloud: Create learned models by learning from large amounts of data using high computing power

Edge: High-speed, real-time inference processing (judgment, classification, prediction) of data obtained in practical environments using learned models



DMP's technology evolution

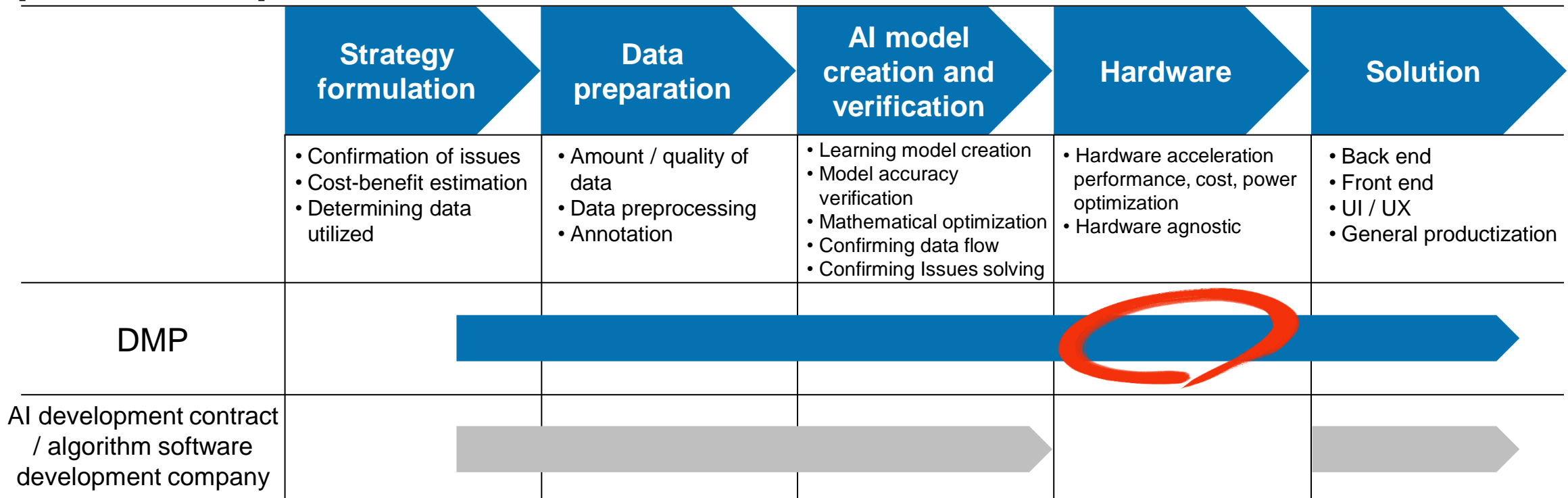


DMP's competitive advantage

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

*Hardware acceleration: Rewriting part or all of the algorithm or system description written in C language software into hardware (RTL) and combining software and dedicated hardware to improve performance.

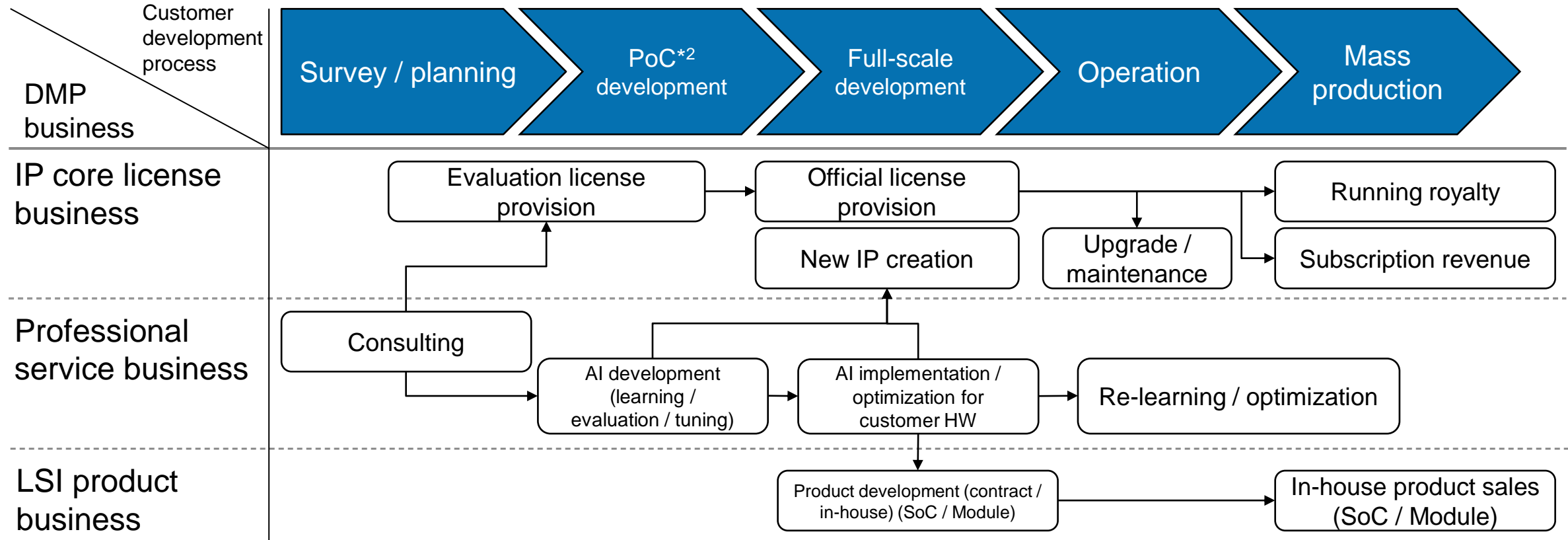
[Service function]



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

DMP's revenue cycle

- Providing added value and maximizing LTV*¹ (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.

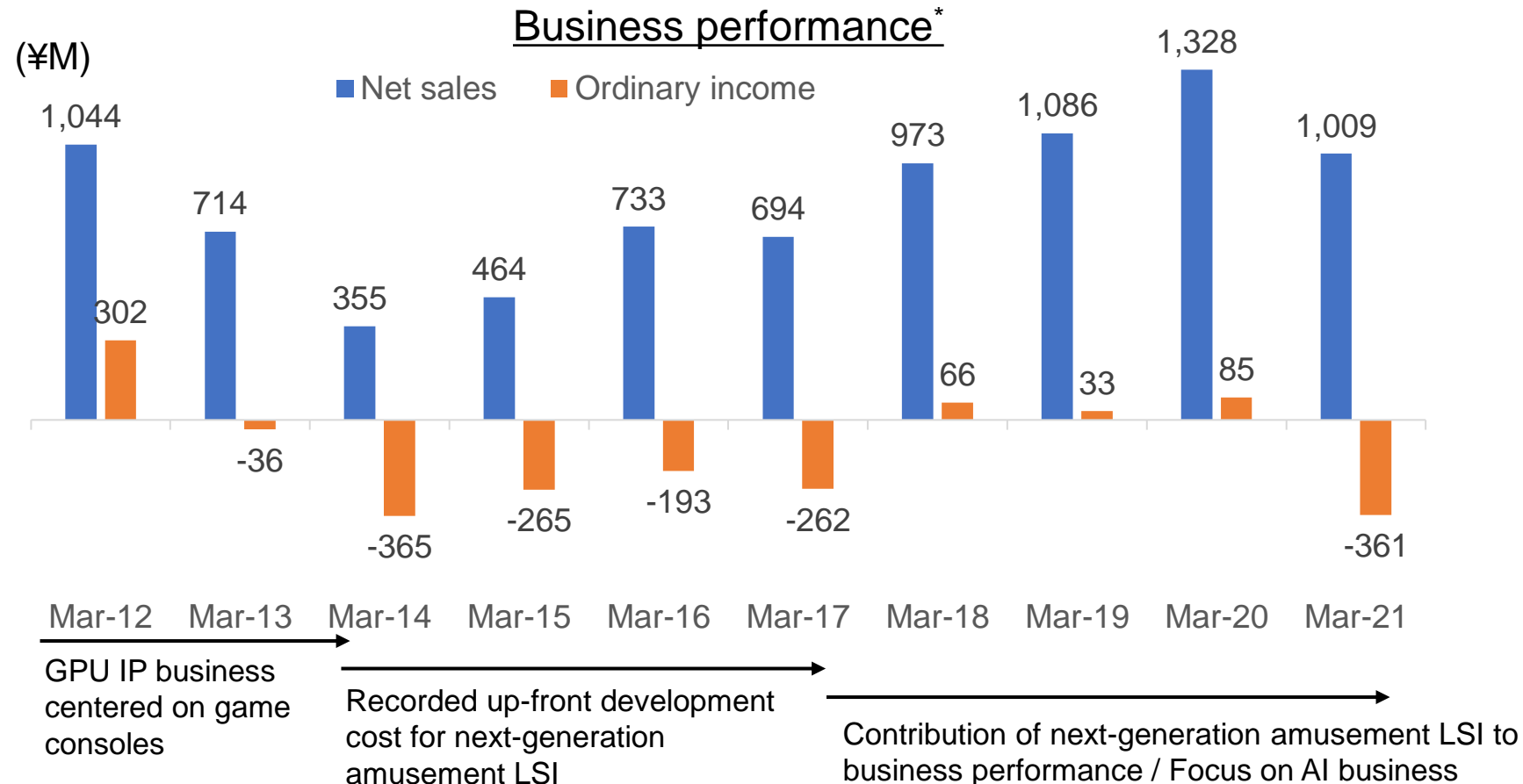


*1 LTV: Abbreviation for Lifetime Value. The profit earned from the beginning to the end of transactions with a customer (customer lifetime value)

*2 PoC: Abbreviation for Proof of Concept. Verification and trial about feasibility before introducing a new concept, theory or principle in full scale

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 impacts of COVID-19 such as the slump in the amusement machine market and restraint and postponement of AI development investment by some customers



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

Q1 sales and large-scale order (to be delivered to the customer from the second through the fourth quarter) for the "RS1" image processing semiconductor for the amusement market totals 1,150 million yen, which exceeds the initial RS1 sales forecast of 840 million yen.

(Unit: million yen)	FY 03/2021 (Actual)	FY 03/2022 (Forecast)
Net sales	1,009	1,500
Operating income	-425	-250
Ordinary income	-361	-250
Net income attributable to owners of parent	-364	-252

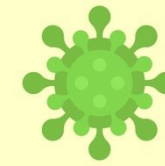
- Q1 net sales grew mainly due to the activation of the Robotics field, while profit (loss) level was almost the same as the same period last year.
- From Q2 onward, IP licenses and professional services for new customers/projects are expected to be active in the safety driving assistance field. In the robotics field, an increase in business projects is expected to continue in the PoC and practical use stages.
- There is no change to the full-year consolidated business forecast announced on May 14, 2021 at this moment. The impact of the large-scale order for RS1 on the consolidated business forecast will be closely examined, and if there is anything that needs to be disclosed, it will be announced promptly.

2. Medium-term Business Plan

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.



Fiscal year ended March 2021

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



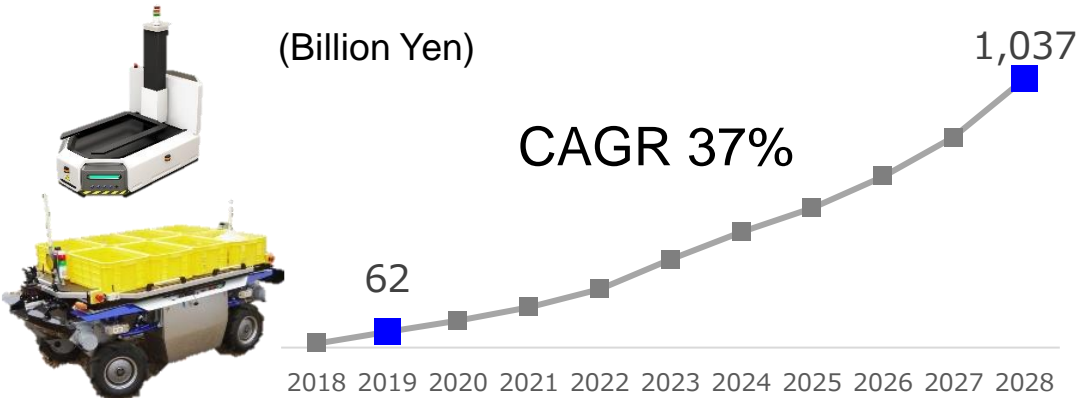
Medium-term business goal

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

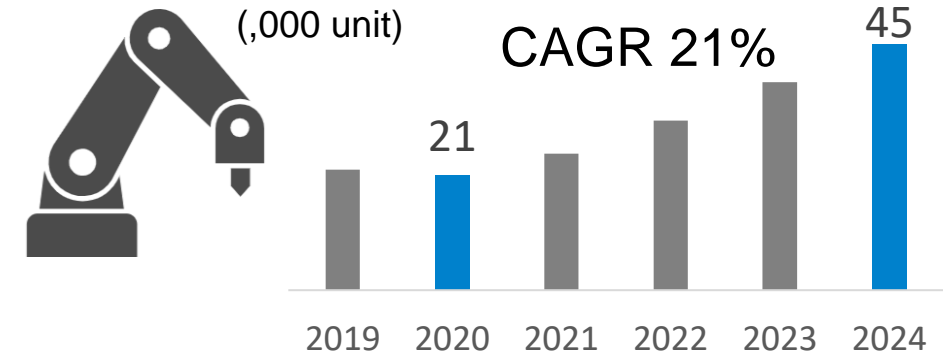
Net sales ¥2,500M, Operating income ¥200M in FY March 2024

- Robotics and safe driving assistance market show high growth rates
- Although the amusement market continues to decline, it still has a scale of over 1 million units

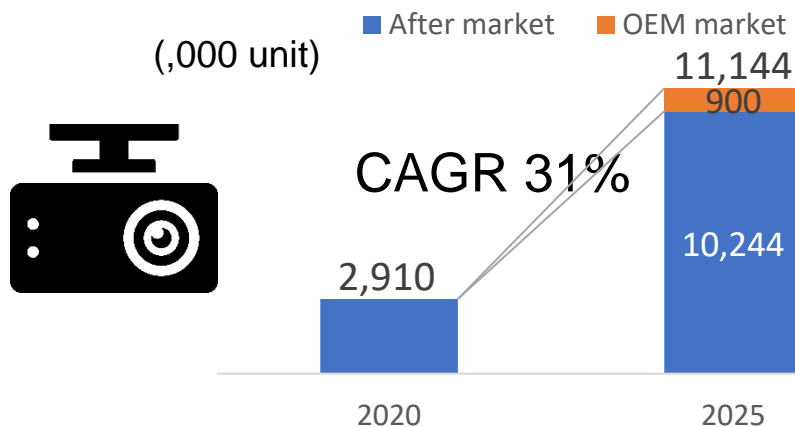
Robotic Vehicle AI Related Computing Hardware Global Market*¹



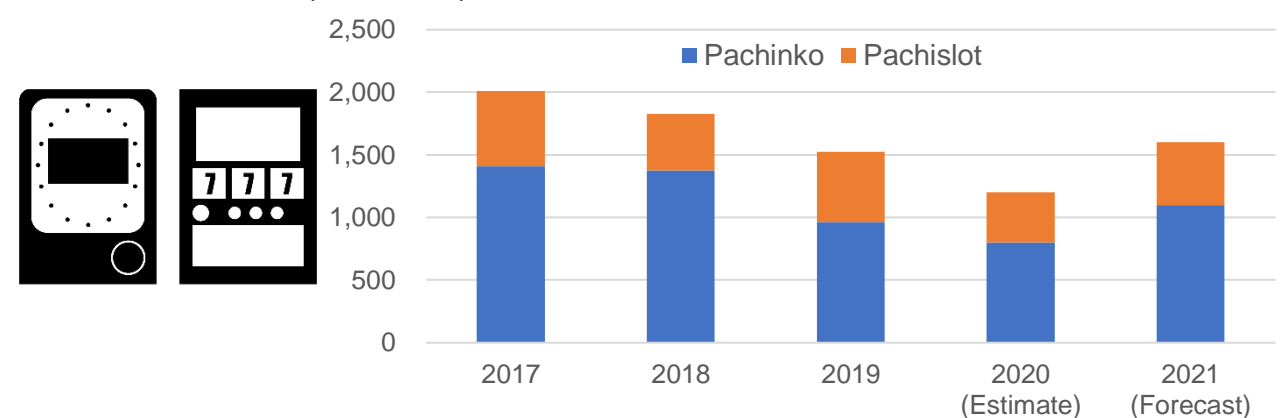
Worldwide shipments of collaborative robots*²



Dashcam with AI / communication function domestic market*³



Amusement machine unit sales*⁴



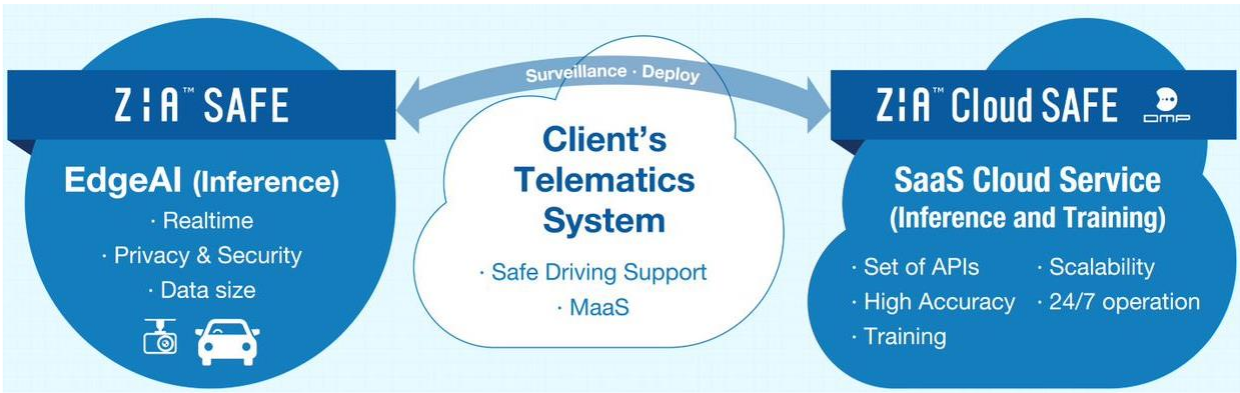
Source: *1 Yole Développement, *2 Global Information, *3 DMP's estimate based on various statistics, *4 Yano Research Institute, Estimate and forecast are from Daiwa Securities Report "Amusement Machine Market Outlook," March 30, 2021

Safe driving assistance field



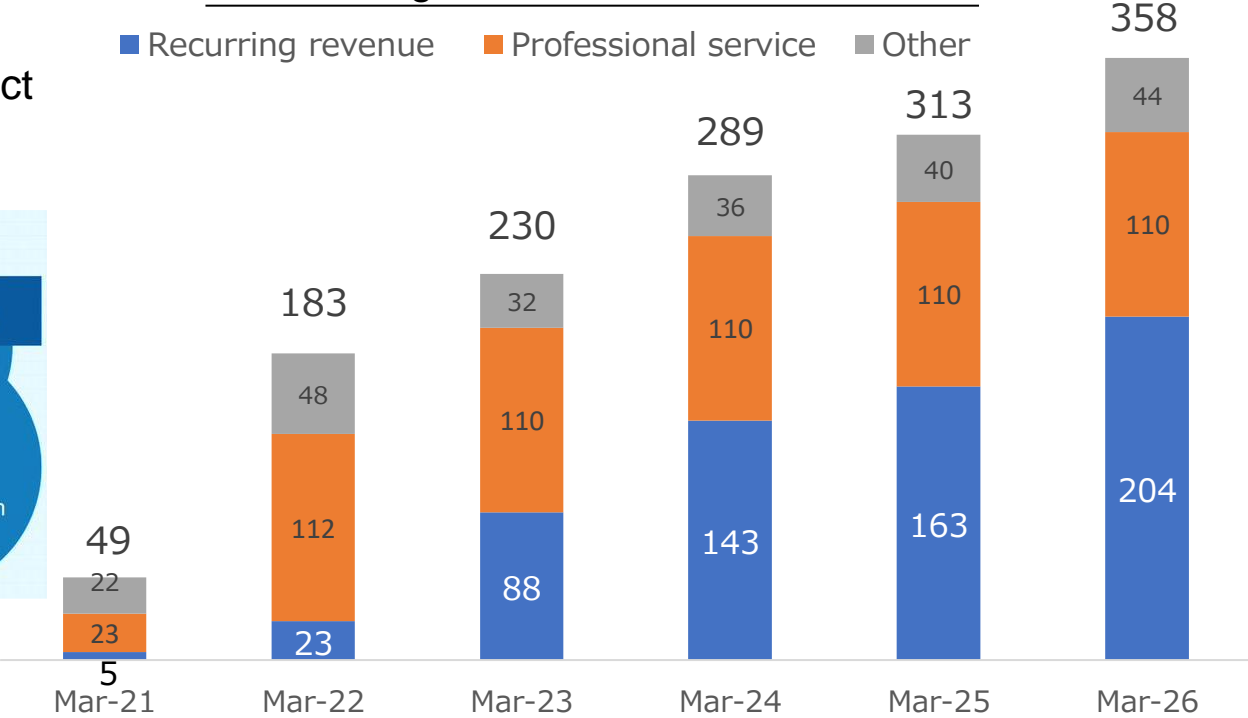
Aim to become a market leader by cultivating existing customers' projects and developing new customers through our competitive advantage of being able to provide integrated services from the cloud to the edge

- 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 recurring business models (running royalty and subscription license)
- Provision of professional services tailored to customer project requirements



※ Driver Monitoring System

Safe driving assistance sales (Million Yen)



Hiyari-hatto (near-miss) videos

Click the image for the video

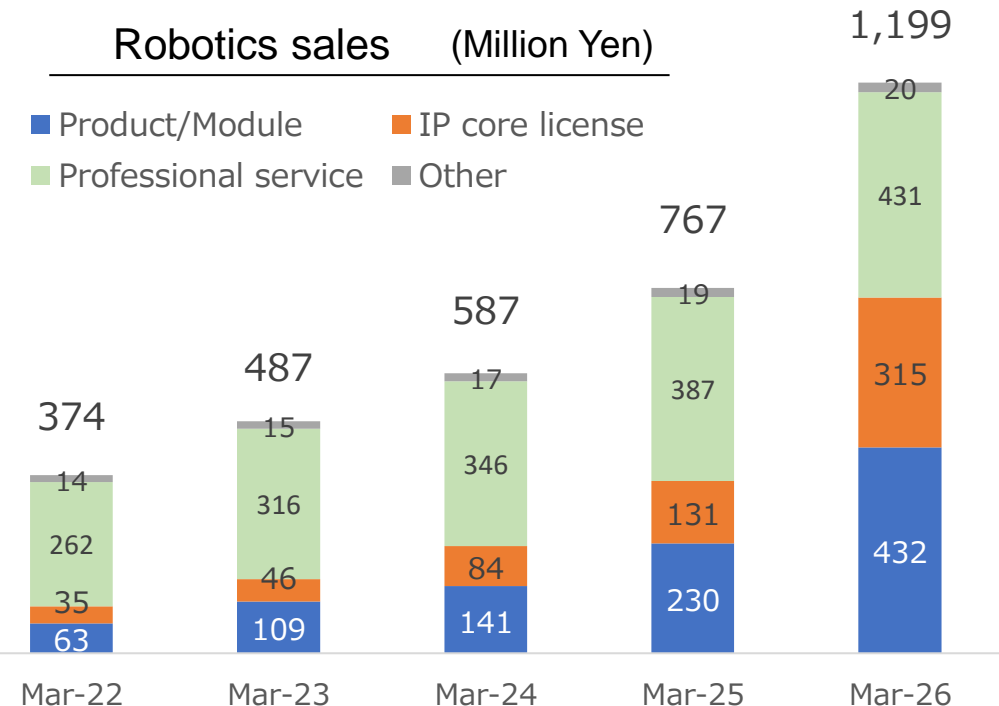
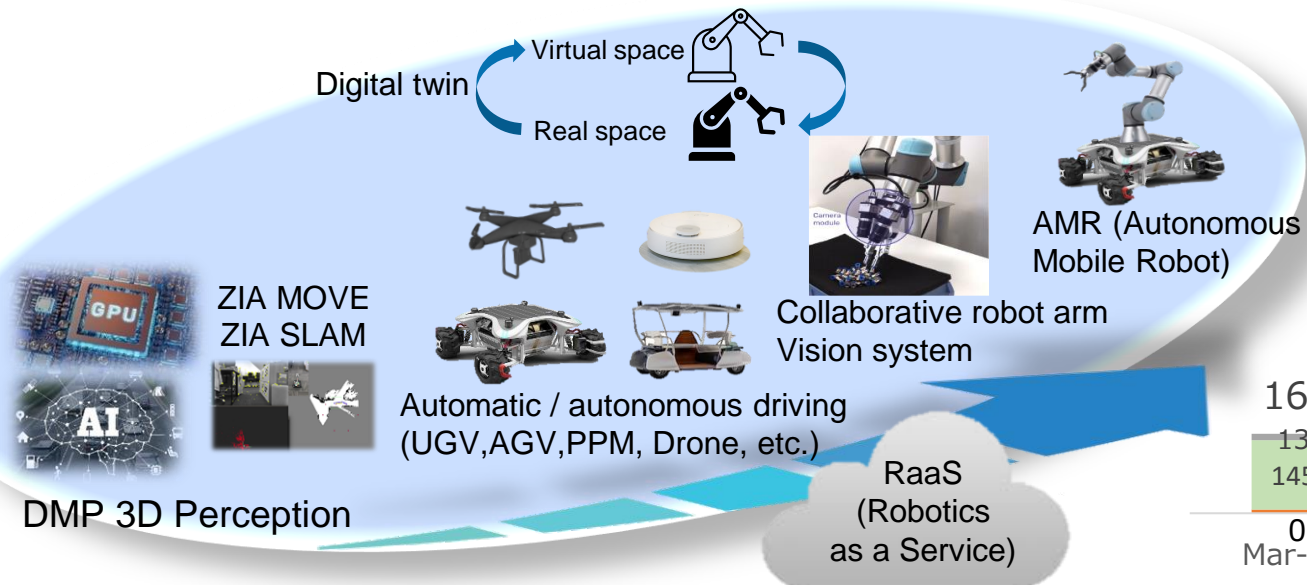




Strategy and numerical target

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)



Click the image for the video



DMP Autonomous pipeline

- Multiple input sensors
- Robust SLAM algorithm
- Occupancy / Cost map
- Trajectory and Map Exploration
- Control module for specific devices

0:12 / 3:36

Autonomous grape harvesting test by Yamaha Motor

Click the image for the video

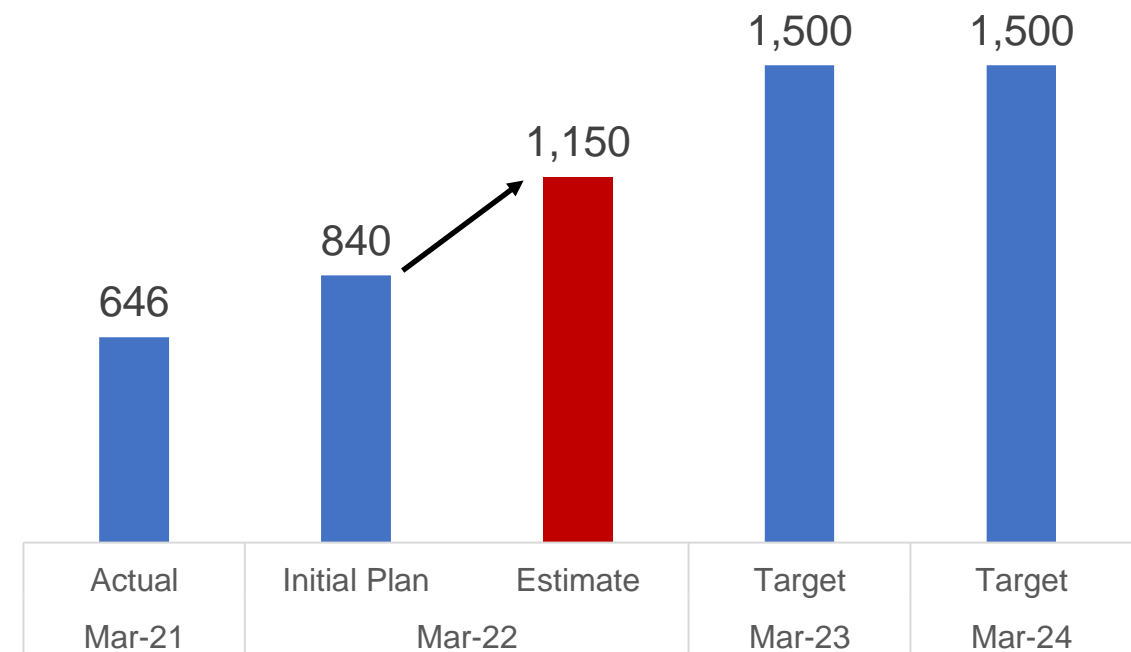


Amusement business medium-term outlook

- RS1 shipments in fiscal March 2022 are expected to exceed the initial plan due to the acquisition of large-scale orders, although the impact of inventory retention in distribution channels has been factored in
- Full-scale expansion of adoption in existing customer models and acquisition of new customers are expected in fiscal March 2023 (confirmed)
- While keeping a close eye on market volatility, we will continue to aim to expand our market share and enter new customers in market segments where we can demonstrate the superiority of our unique 2D/3D integrated chips

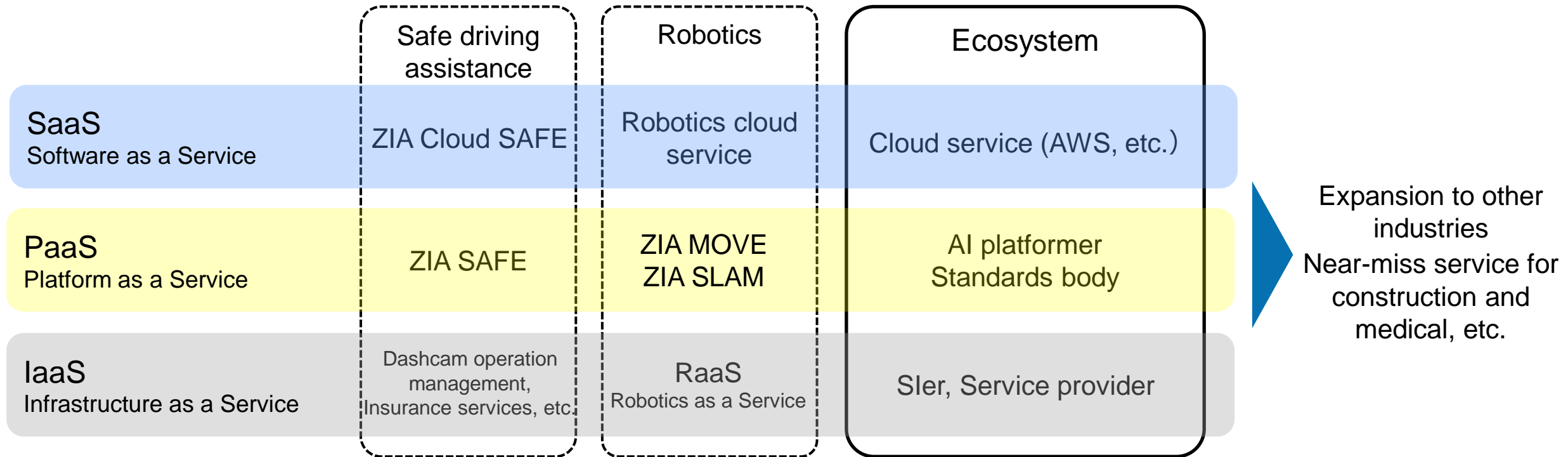


RS1 sales (Million Yen)



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



* XaaS: Abbreviation for X as a Service. Providing a variety of things as a service (through the cloud)

Business performance target

- Fiscal year ending March 2022
Net sales are expected to increase due to business expansion in the fields of safe driving assistance and robotics as well as recovery in the amusement business and customer development investment, but operating income is expected to be in the red due to personnel investment related to strengthening the development system for sustainable growth.
- Fiscal year ending March 2024
Targeting **net sales of 2,500 million yen** and **operating income of 200 million yen** through expansion of focused businesses.
- Fiscal year ending March 2026
Targeting **sales of 1,600 million yen or more**, excluding the amusement business and aiming to increase sales further through horizontal development of the XaaS business.

(Million Yen)	March 2021 (Actual)	March 2022 (Forecast)	March 2023 (Target)	March 2024 (Target)	CAGR (21/3-24/3)
Net sales	1,009	1,500	2,250	2,500	35%
Operating income	▲425	▲250	50	200	
Ordinary Income	▲361	▲250	50	200	

<Inquiries>

Digital Media Professionals Inc. Corporate Planning Department

Tel. +81-3-6454-0450

URL: <https://www.dmprof.com/en/ir/>

- 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.
- The purpose of this document is to provide information for the purpose of understanding our company and is not to solicit investment in securities issued by our company. Please refrain from making any investment decisions based entirely on this document.