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VISUALIZE THE FUTURE



**3rd Quarter ended December 31, 2021**

# **Financial Results Supplementary Information**

Digital Media Professionals Inc.

February 10, 2022

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.

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A fabless semiconductor vendor with experience as one of the world's leading GPU IP vendors since its foundation. 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

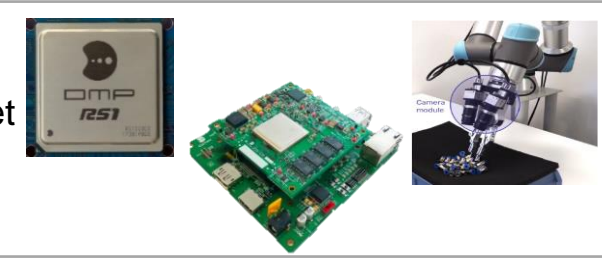
## IP core license business

- AI/GPU IP core license
- AI software license



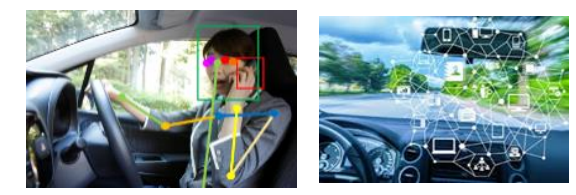
## Product business

- Image 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 support related to safe driving assistance system and robotics



Realize CSV (Creating Shared Value) management, which will enable us to earn revenues/profits and increase our corporate value by contributing to solving social and environmental issues



## Substantial increase in sales due to revitalization of businesses and focused and mainstay fields; profitable in October-December

(Unit: million yen)	3rd Quarter ended Dec 31, 2020	3rd Quarter ended Dec 31, 2021	Amount change
<b>Net sales</b>	834	<b>1,279</b>	<b>+445</b>
<b>Operating income</b>	-294	<b>-91</b>	<b>+202</b>
<b>Ordinary income</b>	-242	<b>-90</b>	<b>+152</b>
<b>Net income attributable to owners of parent</b>	-244	<b>-91</b>	<b>+152</b>

- Net sales increased by 53.4% and operating loss improved by 202 million yen due to increased sales in all three businesses: IP core license, product, and professional service. Returned to profitability in the third quarter only (October-December).
- Despite the absence of 53 million yen in subsidy income related to the NEDO project, which was recorded as non-operating income in the same period of the previous fiscal year, ordinary loss and net loss attributable to owners of parent improved by 152 million yen year on year.



# Results Highlights: Net Sales by Business and Field



- IP licenses and professional services for new customers/projects were active in the safe driving assistance field.
- Business projects centered on PoC increased and product business started smoothly in the robotics field.

## ● Sales by business

**IP core license business** **¥132 million** Same period last year **¥101 million**

- Recorded GPU new license revenue and running royalties for digital equipment, new licenses/support revenues for safe driving assistance and robotics fields, and recurring revenue in safe driving assistance field

**Product business** **¥955 million** Same period last year **¥600 million**

- Recorded sales of RS1 for mass production, camera modules for drone mass production, and Cambrian vision systems

**Professional service business** **¥191 million** Same period last year **¥132 million**

- Although contracted income from the NEDO project was lost, contracted AI development services for safe driving assistance and robotics fields got active.

## ● Sales by field

**Safe driving assistance field** **¥78 million** Same period last year **¥14 million**

- IP licensing including recurring business and professional services got active.

**Robotics field** **¥196 million** Same period last year **¥102 million**

- In addition to revenues from new IP licenses, product business like camera modules for drone mass production and Cambrian vision systems, and AI contract development projects got active.

**Amusement field** **¥919 million** Same period last year **¥598 million**

- Recorded sales of RS1 for mass production

**Other** **¥85 million** Same period last year **¥119 million**

- Contracted income from NEDO recorded in the same period last year was lost, although GPU new license and running royalties for digital equipment were recorded.

## Total assets increased due to business expansion. Equity ratio was 87.0%

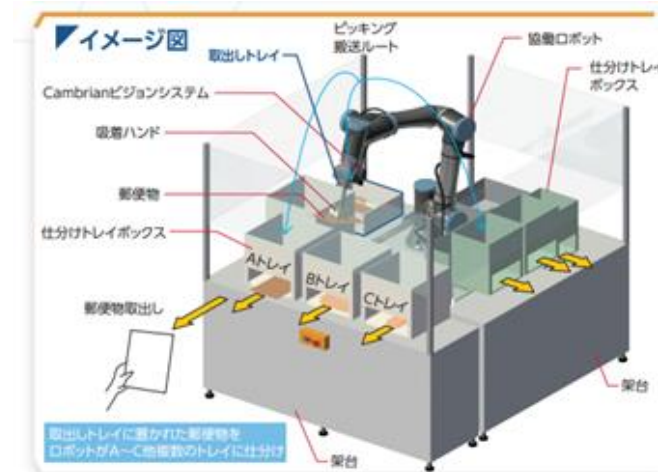
(Unit: million yen)	End of March 2021	End of Dec 2021	Amount change	Major factors
Current assets	2,736	2,911	+174	Accounts receivable - trade and contract assets +191, Cash and deposits -98, Inventories -31, Other -49
Non-current assets	740	723	-17	Investment securities +42 Software -40
<b>Total assets</b>	<b>3,477</b>	<b>3,634</b>	<b>+157</b>	
Current liabilities	208	453	+245	Accounts payable - trade +236
Non-current liabilities	18	18	+0	
<b>Total liabilities</b>	<b>227</b>	<b>472</b>	<b>+245</b>	
<b>Total net assets</b>	<b>3,250</b>	<b>3,162</b>	<b>-87</b>	Retained earnings -91
<b>Total liabilities and net assets</b>	<b>3,477</b>	<b>3,634</b>	<b>+157</b>	

## Topics

**Secured stable earnings in the amusement field for the next fiscal year, while strengthening and accelerating efforts to develop products and services, expand customer base, and form technological alliances in focused fields**

### ● Robotics field

- Business expansion of Cambrian vision system  
Progresses in the development of applications, including the joint development of an automatic mail sorting system with Takashima Robot Marketing, as well as in projects aimed at reducing labor and improving productivity for end customers.
- Progress in PoC projects and practical application projects, centered on AI implementation projects for land, sea and air products of Yamaha Motor, a business and capital alliance partner



automatic mail sorting system

### ● Safe driving assistance field

- Earned recurring revenue from existing projects, and provided IP core licenses and professional services to new customers and new projects of existing customers

### ● Amusement field

- Acquired a new large-scale order of RS1 of 1,308 million yen to be delivered to customer from April 2022 onward (secured 87% of the planned sales of 1,500 million yen for the fiscal year ending March 2023 in the medium-term business plan)



- Cumulative Q3 net sales progress (vs. full year forecast) is 78%
- Returned to profitability in the three months from October to December

(Unit: million yen)	FY 03/2021 (Actual)	3rd Quarter ended Dec 31, 2021	FY 03/2022 (Forecast)
<b>Net sales</b>	1,009	1,279	<b>1,650</b>
<b>Operating income</b>	-425	-91	<b>-200</b>
<b>Ordinary income</b>	-361	-90	<b>-200</b>
<b>Net income attributable to owners of parent</b>	-364	-91	<b>-202</b>

- Significant increase in sales and significant improvement in loss in the nine months compared to the same period of the previous fiscal year due to revitalization in focused and mainstay fields
- In the fourth quarter, in addition to the continuation of mass production shipments of RS1, we expect to reap the benefits of PoC projects in the robotics field, as well as revenue from existing and new customers in the safe driving assistance field.
- There is no change to the full-year consolidated business forecast announced on November 10, 2021 at this moment.

# Reference) Major Activities since April 1, 2021



Each item is linked to PR/IR news (in Japanese or English) of DMP's website.

Date of Announcement/ Event	Details
April 9, 2021	<a href="#"><u>Capital and Business Alliance with Cambrian Inc, USA, a Developer and Seller of Vision System for Collaborative Robots</u></a>
April 9, 2021	<a href="#"><u>Notice of Medium-term Business Direction</u></a>
April 9, 2021	<a href="#"><u>DMP, Launch External Sales of Camera System, the Result of Collaboration with Yamaha Motor</u></a>
April 23, 2021	<a href="#"><u>Released ZIA™ Showcase</u></a>
May 14, 2021	<a href="#"><u>Notice of Medium-term Business Plan</u></a>
May 14, 2021	<a href="#"><u>DMP developed ZIA™ MOVE, an integrated software platform for automatic and autonomous driving for robotic vehicles</u></a>
May 14, 2021	<a href="#"><u>DMP Developed ZIA™ Wire, Wire-Detecting AI Recognition Model for Drones</u></a>
June 23-25, 2021	<a href="#"><u>Collaborative Robot Demonstration Using DMP's Safety Monitoring AI Recognition Software at Ryosan's Booth at INDUSTRY-FRONTIER 2021</u></a>
June 29, 2021	<a href="#"><u>DMP to Start Providing ZIA™ ISP that supports HDR Function of Sony's IMX390 Image Sensor</u></a>
June 29, 2021	<a href="#"><u>Presentation at a Webinar Hosted by PALTEK (Proposal of High-definition Image Processing Kit and AI Inference Module Suitable for Robotics/AGV)</u></a>
July 7, 2021	<a href="#"><u>DMP, ITD Lab Work Together in the Robotics Field</u></a>
August 11, 2021	<a href="#"><u>Notice of Large-scale Order for RS1, Image Processing Semiconductor for the Amusement Market</u></a>
August 28, 2021	<a href="#"><u>Held IR Seminar for Personal Investors</u></a>
October 12, 2021	<a href="#"><u>Business Plan and Growth Potential</u></a>
November 8, 2021	<a href="#"><u>Participated in the Exhibition and Lecture Hosted by JEVeC</u></a>
November 10, 2021	<a href="#"><u>DMP and Macnica Collaborate to Build Automatic and Autonomous Driving and Safe Driving Assistance Solutions for Low-speed Mobility</u></a>
Nov 29 - Dec 10, 2021	<a href="#"><u>Participated in COLLABORATE - UR Online Exhibition 2021 AUTUMN</u></a>
January 13, 2022	<a href="#"><u>Jointly Developed and Started Providing "Automatic Mail Sorting System" with Takashima Robot Marketing Using Cobots and AI-equipped 3D Cameras</u></a>
February 10, 2022	<a href="#"><u>Notice of Large-scale Order for RS1, Image Processing Semiconductor for the Amusement Market</u></a>

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