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**1st Quarter ended June 30, 2022**

# **Financial Results Supplementary Information**

Digital Media Professionals Inc.

August 9, 2022

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Leveraging our experience and knowledge as one of the world's leading graphics IP vendors, we have recently been contributing to solving problems for our customers and society by providing a full range of 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 Tokyo Stock Exchange Mothers market in June 2011, Moved to TSE Growth market in April 2022)
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	69 (as of April 1, 2022)
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



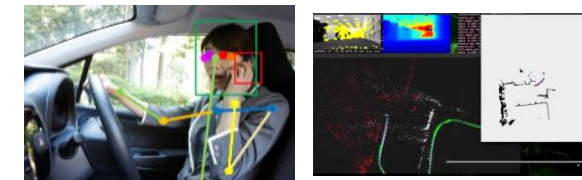
## Product business

- 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



# Business Highlights



- First quarter sales reached a record high. Operating loss, ordinary loss, and net loss attributable to owners of the parent also improved year on year.
- Sales by business /field also increased, except for the professional service business and the robotics field. Temporary decrease in projects in the professional service business in the robotics field (recovery planned from Q2 onward)

Overall	Sales by business	Sales by field	
Net sales	IP Core License	Safety	Robotics
¥ <b>387M</b> (YoY* +55%)	¥ <b>32M</b> (YoY +30%)	¥ <b>26M</b> (YoY +697%)	¥ <b>4M</b> (YoY -91%)
Ordinary income	Product	Amusement	Other
¥ <b>-83M</b> (YoY ¥ +12M)	¥ <b>343M</b> (YoY +100%)	¥ <b>332M</b> (YoY +94%)	¥ <b>24M</b> (YoY +30%)
	Professional service		
	¥ <b>11M</b> (YoY -79%)		

\* YoY :Year on Year

Sales increased mainly due to growth in the amusement field. Losses also improved.

(Unit: million yen)	1st Quarter ended June 30, 2021	1st Quarter ended June 30, 2022	Amount change
<b>Net sales</b>	250	<b>387</b>	<b>+137</b>
<b>Operating income</b>	-95	<b>-89</b>	<b>+6</b>
<b>Ordinary income</b>	-95	<b>-83</b>	<b>+12</b>
<b>Net income attributable to owners of parent</b>	-96	<b>-84</b>	<b>+12</b>

- Net sales increased 54.7% mainly due to growth in the amusement field, despite a temporary decline in the professional service business in the robotics field. Operating loss also improved.
- Ordinary loss and net loss attributable to owners of the parent also improved year on year, due in part to foreign exchange gains.

# Results Highlights: Net Sales by Business and Field

- In the safety field, the business domain expanded to a broader safety field in addition to ADAS/DMS using dashcams.
- Robotics business is expected to expand mainly in the product and professional service businesses from Q2 onward.

## ● Sales by business

**IP core license business**    **¥32 million**    Same period last year    **¥25 million**

- Recorded GPU running royalties for digital equipment, recurring revenues in safety/robotics fields, maintenance/support revenues, etc.

**Product business**                    **¥343 million**    Same period last year    **¥171 million**

- Recorded sales from volume shipments of RS1 and volume shipments of ZIA C3 kit for peripheral monitoring of commercial vehicles

**Professional service business**                    **¥11 million**    Same period last year    **¥53 million**

- Recorded revenues from contracted development services in the safety, robotics, and amusement fields
- Temporary decrease in customer projects in the robotics field

## ● Sales by field

**Safety field**                                    **¥26 million**    Same period last year    **¥3 million**

- Recorded recurring revenues (running royalties and subscription fees) and professional services revenues related to dashcams
- Recorded revenue from volume shipments of ZIA C3 kit for peripheral monitoring of commercial vehicles

**Robotics field**                                    **¥4 million**    Same period last year    **¥57 million**

- Started to record subscription revenues
- Temporary decrease in customer projects in the professional service business

**Amusement field**                                    **¥332 million**    Same period last year    **¥171 million**

- Recorded sales of RS1 for mass production

**Other**    **¥24 million**    Same period last year    **¥18 million**

- GPU running royalties for digital equipment grew

## Equity ratio remains high at 87.1%

(Unit: million yen)	End of March 2022	End of June 2022	Amount change	Major factors
Current assets	2,784	2,992	+208	Cash and deposits +105, Accounts receivable - trade and contract assets +61, Inventories +40
Non-current assets	688	471	-216	Investment securities -199 Software -13
<b>Total assets</b>	<b>3,472</b>	<b>3,463</b>	<b>-8</b>	
Current liabilities	358	430	+71	Accounts payable - trade +94
Non-current liabilities	18	18	+0	
<b>Total liabilities</b>	<b>376</b>	<b>448</b>	<b>+71</b>	
<b>Total net assets</b>	<b>3,095</b>	<b>3,015</b>	<b>-79</b>	Retained earnings -84
<b>Total liabilities and net assets</b>	<b>3,472</b>	<b>3,463</b>	<b>-8</b>	

## Earned stable revenues in the amusement and safety fields, and accelerated and strengthened efforts to monetize/profit in the robotics field.

### Robotics field

- Value-added Initiatives  
Demonstration test of autonomous picking robots incorporating "ZIA MOVE" software for automatic and autonomous driving at the ATC (Asia and Pacific Trade Center) facility with the support of the City of Osaka (July-September).
- Business expansion of Cambrian vision system for collaborative robots  
Progress on several specific projects to reduce manpower and improve productivity for end customers, including introduction into production lines in the automotive industry.

### Safety field

- ADAS/DMS using dashcams  
Recurring revenue from existing projects, as well as IP core licenses and professional services for customers' new projects
- Volume shipments of ZIA C3 kit for peripheral monitoring of commercial vehicles

### Amusement field

- Continued RS1 shipments in response to large-scale orders (1,602 million yen scheduled to deliver to customers from April 2022 onward)
- Continue to aim to expand market share in market segments where we can demonstrate the superiority of RS1, our unique 2D/3D integrated chip

### Other

- "ZIA DV720" edge AI processor was highly evaluated for its real-time processing and customizability, and was adopted for two new series of TVS REGZA's "REGZA" TVs. Running royalty will be recorded from this fiscal year.



## No change in the full-year earnings forecast announced on May 13, 2022

(Unit: million yen)	FY 03/2022 (Actual)	FY 03/2023 (Forecast)
<b>Net sales</b>	1,667	2,370
<b>Operating income</b>	-126	25
<b>Ordinary income</b>	-122	25
<b>Net income attributable to owners of parent</b>	-157	20

- In the first quarter, net sales increased mainly due to growth in the amusement field, and the profit (loss) level improved year on year. Temporary decrease in sales of the professional service business in the robotics field had been factored into the full-year forecast.
- From the second quarter onward, we expect to expand license and professional service revenues in the safety field, and product and professional service businesses in the robotics field, in addition to the continued volume shipments of "RS1" image processing semiconductors for the amusement market.

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