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VISUALIZE THE FUTURE



2nd Quarter ended September 30, 2022

Results Briefing

Digital Media Professionals Inc.

November 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.

- 1 Explanation of Results, 2nd Quarter ended September 30, 2022**
- 2 Initiatives and Progress, 2nd Quarter ended September 30, 2022**
- 3 Fiscal Year Ending March 31, 2023, Full-Year Business Forecast**
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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



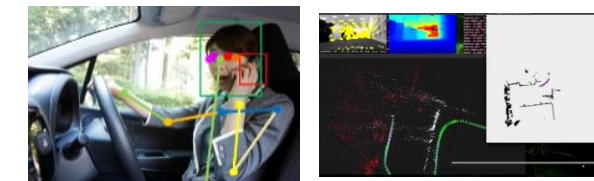
Product business

- 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



- Six-month 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 are growing and steady, except for the professional service and the robotics field. Professional service business in the robotics field is expected to recover from Q3 onward.

Overall	Sales by business	Sales by field	
Net sales	IP Core License	Safety	Robotics
¥ 925M (YoY* +34%)	¥ 67M (YoY -1%)	¥ 49M (YoY +9%)	¥ 31M (YoY -71%)
Ordinary income	Product	Amusement	Other
¥ -94M (YoY ¥ +14M)	¥ 798M (YoY +59%)	¥ 789M (YoY +58%)	¥ 55M (YoY +34%)
	Professional service		
	¥ 59M (YoY -50%)		

* YoY :Year on Year

Net sales grew mainly due to higher sales in the product business and losses improved

(Unit: million yen)	2 nd Quarter ended Sept. 30, 2021	2 nd Quarter ended Sept. 30, 2022	Amount change
Net sales	690	925	+234
Operating income	-109	-102	+7
Ordinary income	-109	-94	+14
Net income attributable to owners of parent	-110	-95	+14

- Net sales increased 34.0% mainly due to growth in the amusement field, despite a 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 Q3 onward.

● Sales by business

IP core license business **¥67 million** Same period last year ¥67 million

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

Product business **¥798 million** Same period last year ¥502 million

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

Professional service business **¥59 million** Same period last year ¥120 million

- Recorded revenues from contracted development services in the safety, robotics, and amusement fields
- R&D for robotics customers is in a transitional phase, resulting in a temporary decrease in projects

● Sales by field

Safety field **¥49 million** Same period last year ¥45 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 **¥31 million** Same period last year ¥106 million

- Started to record subscription revenues
- Customer R&D is in a transitional phase, resulting in a temporary decline in sales in the professional service business

Amusement field **¥789 million** Same period last year ¥499 million

- Recorded sales of RS1 for mass production

Other **¥55 million** Same period last year ¥38 million

- AI/GPU running royalties for digital equipment grew

Equity ratio remains high at 86.2%

(Unit: million yen)		End of March 2022	End of Sep 2022	Amount change	Major factors
	Current assets	2,784	3,033	+249	Accounts receivable - trade and contract assets +198, Inventories +46
	Non-current assets	688	452	-235	Investment securities -199 Other intangible assets -23
Total assets		3,472	3,485	+13	
	Current liabilities	358	462	+103	Accounts payable - trade +122
	Non-current liabilities	18	18	+0	
Total liabilities		376	480	+104	
Total net assets		3,095	3,004	-90	Retained earnings -95
Total liabilities and net assets		3,472	3,485	+13	

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Robotics Field

- Expand reach to industries with high robotics implementation effectiveness (manufacturing, transportation, etc.)
- Focus on areas and technologies where the DMP robotics portfolio can demonstrate competitive advantages and add values

- **Refinement and focus of proprietary technologies**

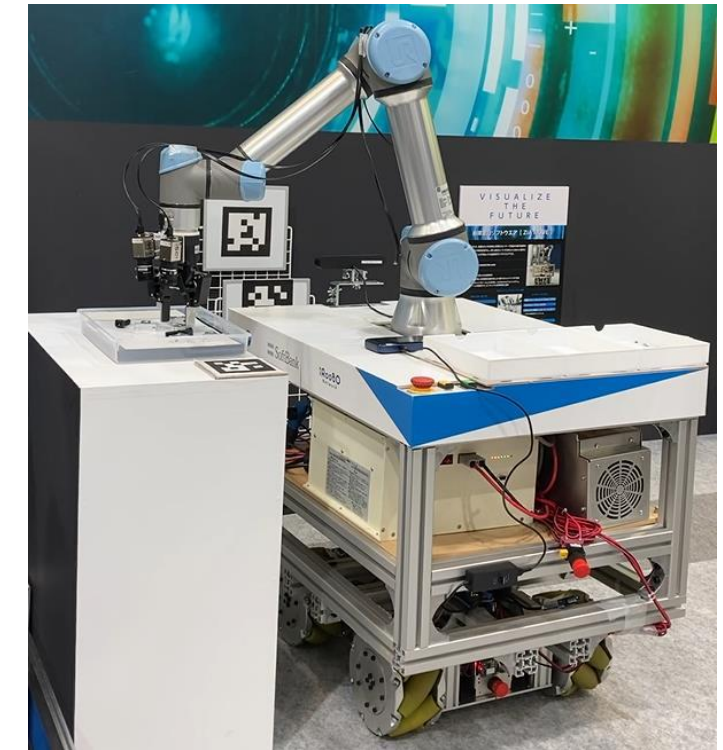
- Improved ZIA SLAM (MOVE) functionality and robustness at the ATC (Asia and Pacific Trade Center) facility with the support of the City of Osaka
- Developed DMP Robot Safety, a digital safety fence that supports collaboration between humans and picking robots, and DMP Picking Check, which measures success and failure of robot picking

- **Expansion of Cambrian vision system business**

Cambrian's strengths such as accuracy, speed, wide range of picking targets, and stability under ambient light have been highly evaluated, leading to increased adoption and high-probability prospects in the manufacturing industry, particularly in the automotive industry

- **Pursuit of high added value**

- Developed advanced AMR that combines AMR (Autonomous Mobile Robot) and robot picking to support complete automation of parts delivery in factories
- Started recording subscription income in the robotics field



Advanced AMR Demonstration
at the RoboDEX Nagoya

- Aim for stable growth by providing new IP core licenses, recurring businesses, and professional services
- Expand business from safe driving assistance to broader safety field

- **Business expansion by deeply cultivating existing customers and acquiring new customers**

- Continued to provide total support to existing customers from edge (ZIA SAFE) to cloud (ZIA Cloud SAFE)
- Acquired PoC projects for new customers

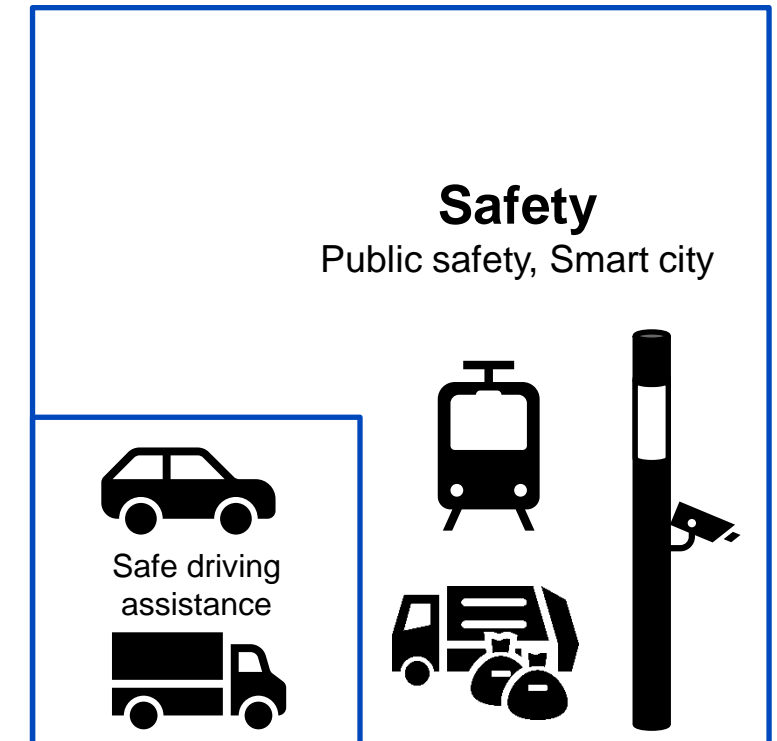
- **Recurring business growth**

- Acquired stable subscription revenues, but royalty revenues were not achieved due to the shortage of semiconductors
- Running royalty income from OTA* for already shipped equipment will be recorded from Q3 onward

- **Business expansion from safe driving assistance to broader safety field**

- Mass production shipment of ZIA C3 kits for peripheral monitoring of commercial vehicles
- Progress in PoC relating to smart city for human flow and traffic volume survey using edge cameras

*OTA (Over-the-Air): Technology to send and receive data (software) via wireless communication



● Amusement field


- Continued volume shipments of RS1 in response to large-scale orders
- Despite the shortage of semiconductors and materials, the market for 6.5-type pachislot machines with expanded game features has been strong. Smart Pachislot and Smart Pachinko machines are expected to be introduced in the market during this fiscal year



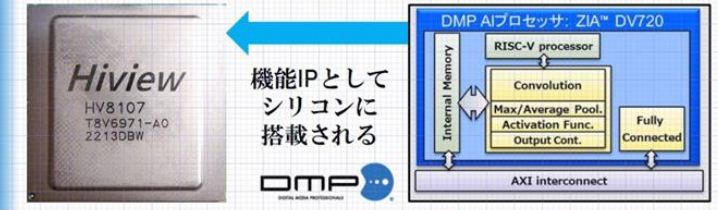
● AI/GPU IP

- Cumulative shipments of our customers' digital devices incorporating DMP's AI/GPU IPs reached 150 million units. Current royalty business also remained strong year-on-year due to license renewals, etc.
- Started recording royalty income in the second quarter from ZIA DV720, the AI processor IP adopted for TVS REGZA's 4K TVs for its balance of computing performance and silicon size

Article appeared in "TechanaLye Report No. 632" on DV720 being adopted for "HV8107 image processor" for TVs jointly developed by HISENSE and TVS REGZA

HV8107が採用するDMPのAI  TechanaLye

HISENSE社とREGZA社が共同開発したテレビ用イメージプロセッサHV8107は映像内の人物の顔を検出し超解像度処理やAI処理を行い人物を従来よりも自然な色で表現している。HV8107にはDMP社(中野区)のAIプロセッサ ZIA DV720が採用されている。同シリーズはIPコアとしてリリースされており産業機器向け製品にも採用されている。DMP社やNSITEXE社(港区)など日本発の高度な演算系IPが躍進することを期待する。



機能IPとしてシリコンに搭載される

Technology analyze for everyone

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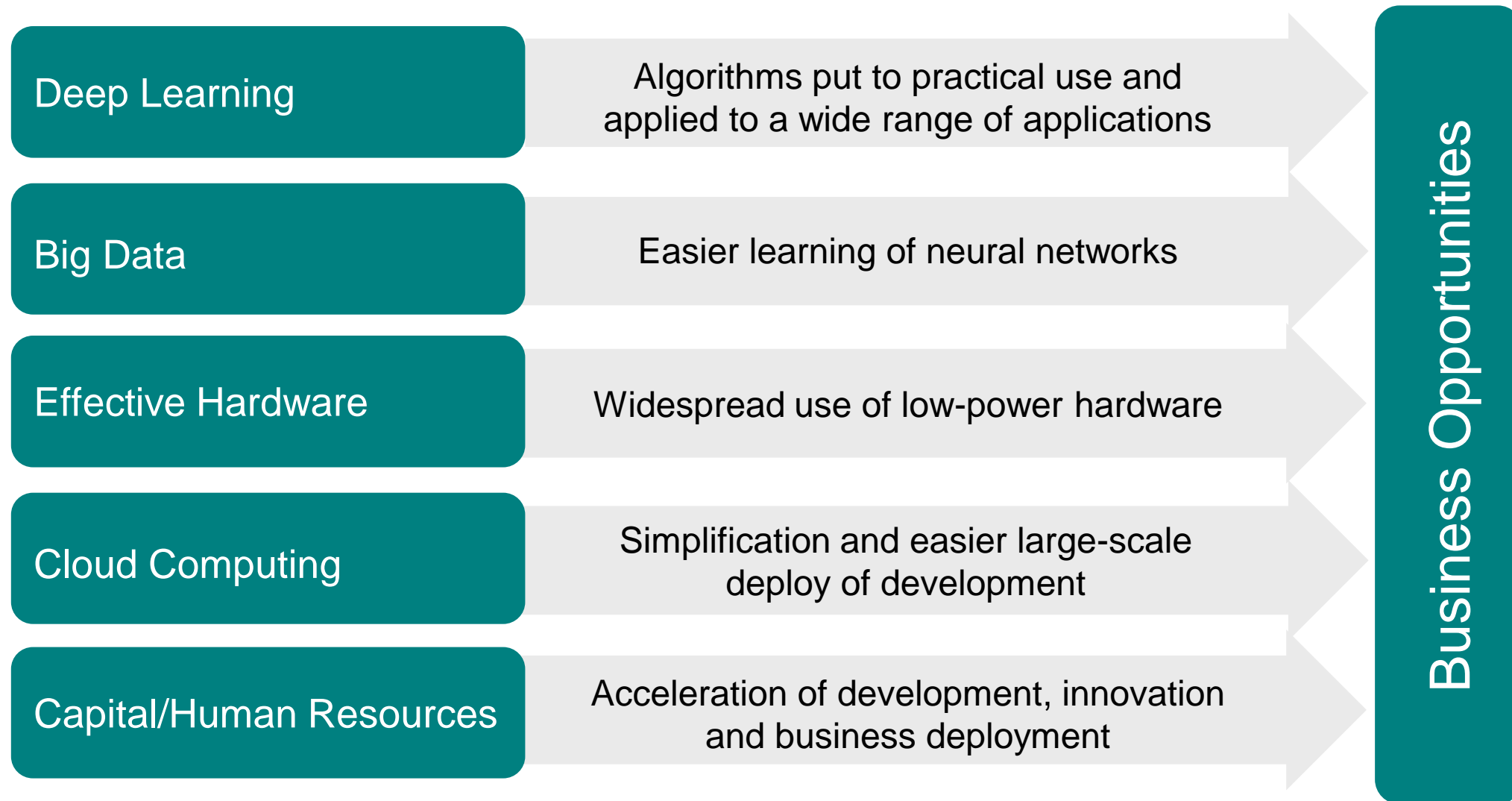
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No change in the full-year earnings forecast announced on May 13, 2022

(Unit: million yen)	FY 03/2022 (Actual)	2nd Quarter ended Sept. 30, 2022	FY 03/2023 (Forecast)
Net sales	1,667	925	2,370
Operating income	-126	-102	25
Ordinary income	-122	-94	25
Net income attributable to owners of parent	-157	-95	20

- Net sales progress (vs. full-year forecast) remained 39% in 2Q cumulative, but growth in IP core license, products, and professional service business is expected from 3Q onward
 - Safety: Royalty income from OTA and professional service revenue are expected to grow
 - Robotics: Sales of Cambrian products and professional service business for low-speed autonomous driving are expected to grow
 - Amusement: Continue volume shipments of "RS1" image processing semiconductors
 - Other: AI/GPU running royalties from newly adopted digital devices are expected to grow

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Source: Edge AI Vision Alliance

Solving Real-world Problems on a Large Scale



Pcmag.com



Dailymail.co.uk



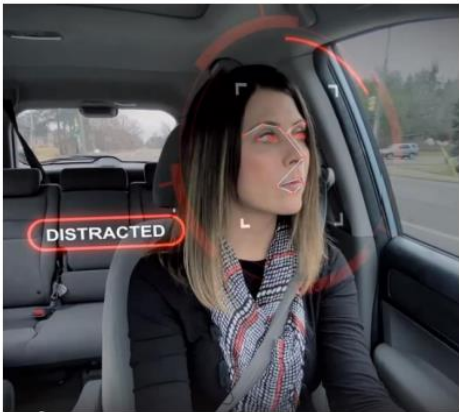
Visio.ai



Visio.ai



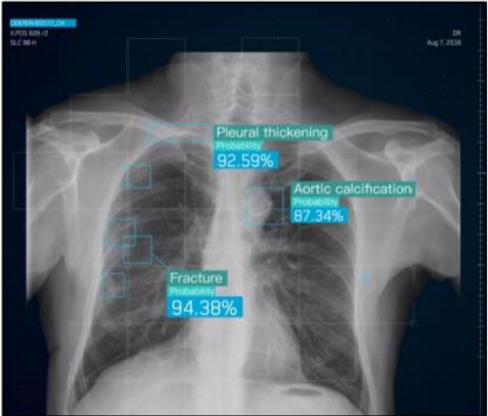
Tom'sguide.com



Just-auto.com



Vegetablegrowersnews.com



Global.invision.com



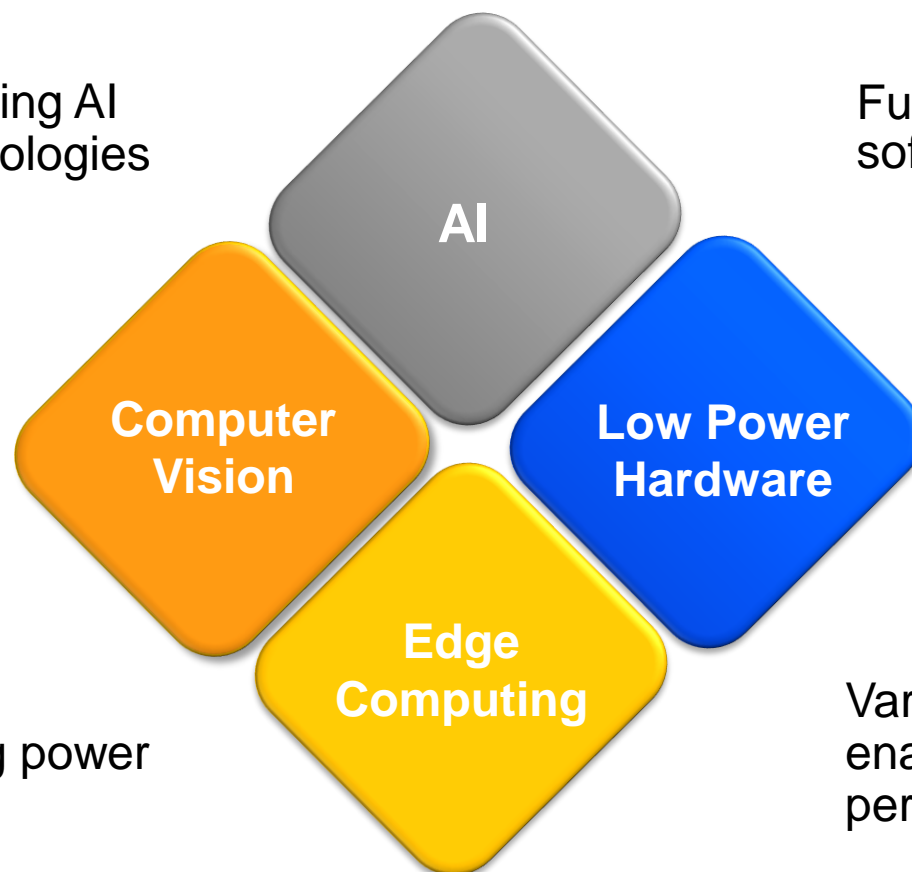
Mashgin.com

Source: Edge AI Vision Alliance

Domain optimization through AI and image processing technologies backed by GPU development and a wide range of products and services

Optimal solutions by combining AI and image processing technologies

Full stack development of algorithms, software, and hardware



Optimal balance of real-time performance and processing power with the edge and the cloud

Various IP and optimization technologies to enable development of power-saving, high-performance systems

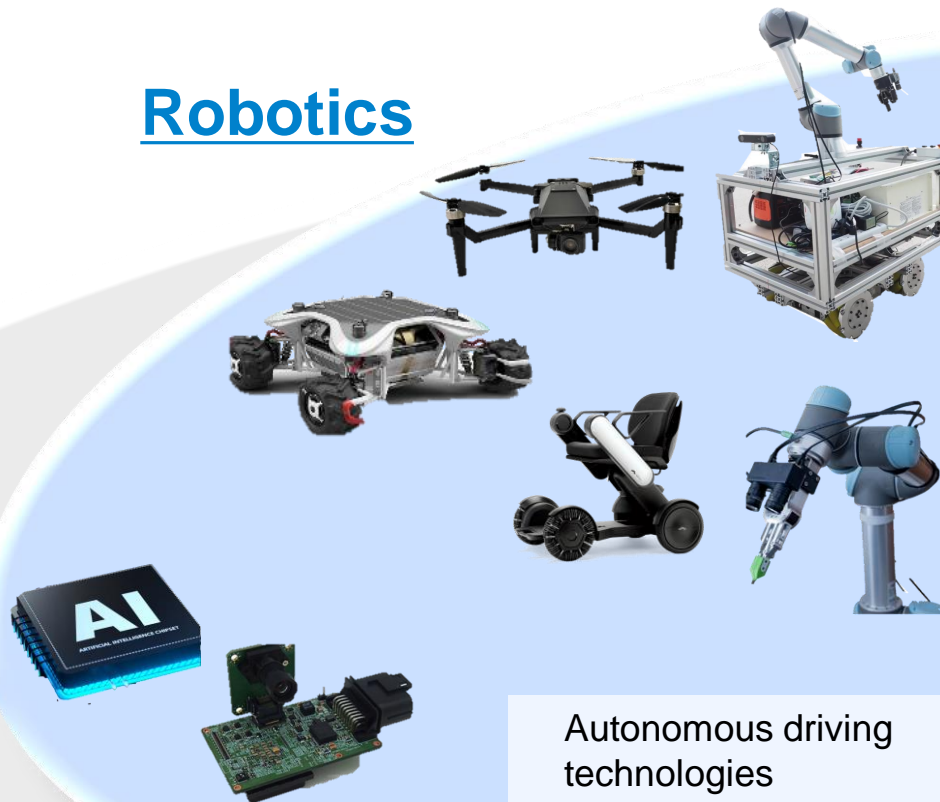
- Increase added value in the amusement business
- Develop next generation AI processor IP
 - Expand licensing to other fields by leveraging mass production results of TVs and cameras
- Promote robotics business with a focus on autonomous driving and picking
- Expand business in the safety field and continuously improve value proposition
- Focus on next-generation sensor technology for the next stage of growth
- Improve continuously quality and development process

Amusement



Amusement SoC RS1
Graphics processor

Robotics



AI inference processor IP
GPU IP
ISP & Stereo Vision
Camera module

Autonomous driving
technologies
Visual SLAM
Picking system

Safety



Safe driving assistance system
DMS/ADAS
Cloud service

GPU

Low-power IP

Computer
Vision

Edge & Cloud
Computing





DMP AI Processor DV720 adopted for REGZA's new processor ZRα

Enabling real-time high bit-accuracy signal processing and state-of-the-art super-resolution



Focus by determining scene perspective



Beautiful skin effect



Image enhancement for the Net bandwidth



Noise reduction

Realize optimal configuration and layout of flexible production lines and 24-hour operation

Attaching the camera to a commercially available robot arm enables various tasks such as picking, welding, and inspection



UNIVERSAL ROBOTS



KUKA



ABB

Can be attached to robot arms of major manufacturers
(Also compatible with robot arms of Japanese ones)

Compatible with various parts

Capable of picking a wide range of parts, including transparent parts, plastics, and shiny metals

Speed

- Setup time of 2-3 days instead of several weeks required so far
- Recognition time is about 0.2 seconds. With the use of a high-speed industrial robot, a pick cycle time of 2-3 seconds can be achieved.

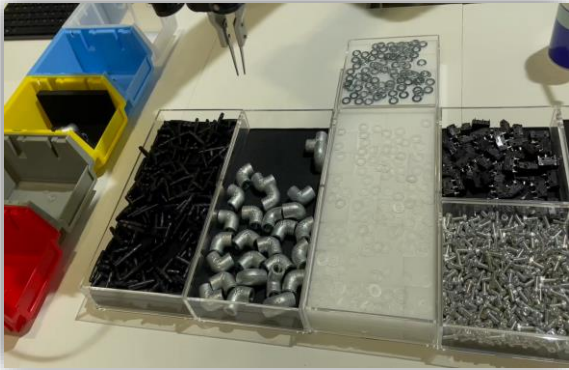
Robust to ambient light

Unaffected by ambient light and applicable to all external light conditions

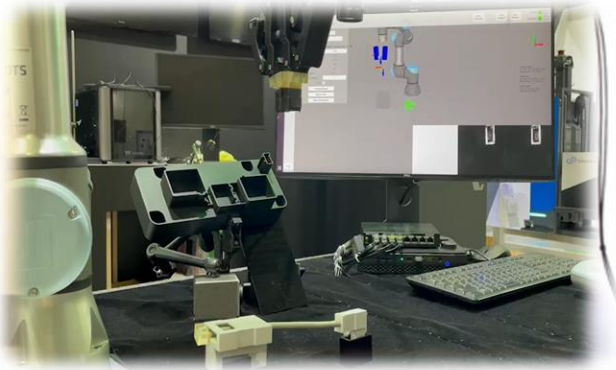
Accuracy

Capable of detecting and picking parts with an accuracy of 1 mm or less

Bin picking



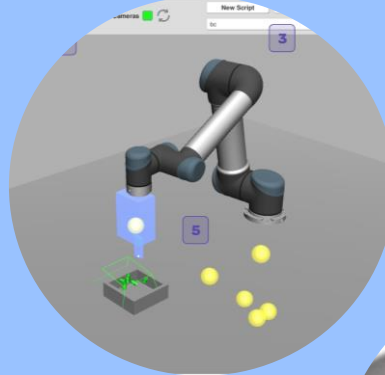
Cable insertion



STEP 1:
Preparation of CAD data of
items to be picked



STEP 2:
Learning by AI



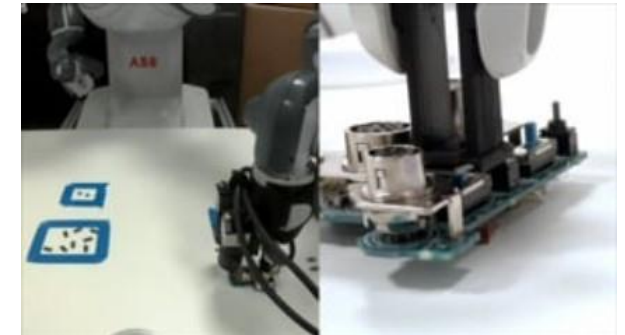
STEP 3:
Picking &
placing



Kitting



Assembly/ Welding/Inspection



**Setup time 2-3 days total (less than one-fifth
the time of conventional systems)**

Application of ZIA SAFE to infrastructure and robotics

Safe driving assistance system



ZIA™ SAFE

Professional service for
safe driving assistance system by "ZIA™ SAFE"

Image analysis by AI

Recognition of human, Vehicle, object		Recognition of road, local circumstances		Direction of face, line of eye	Posture estimation	Direction estimation	Following distance estimation	Privacy protection
Detection	Tracking	Analysis	Prediction					

"ZIA™ SAFE" AI Software modules

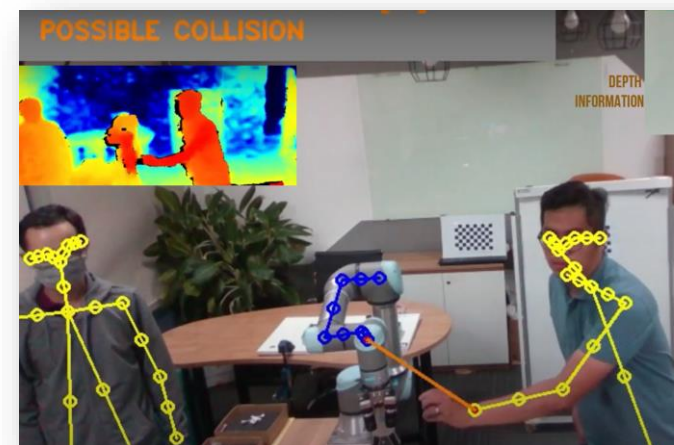
- Combine and customize "ZIA™ SAFE" building blocks according to customer's specification
- Making supervised labels, learning, neural network optimization, performance evaluation, model compression, acceleration
- GUI development
- Realize hardware acceleration according to customer's requirement of speed-up and low power



Infrastructure: Analysis of dangerous behaviors in trains



Robotics: Digital safety fence "DMP Robot Safety"

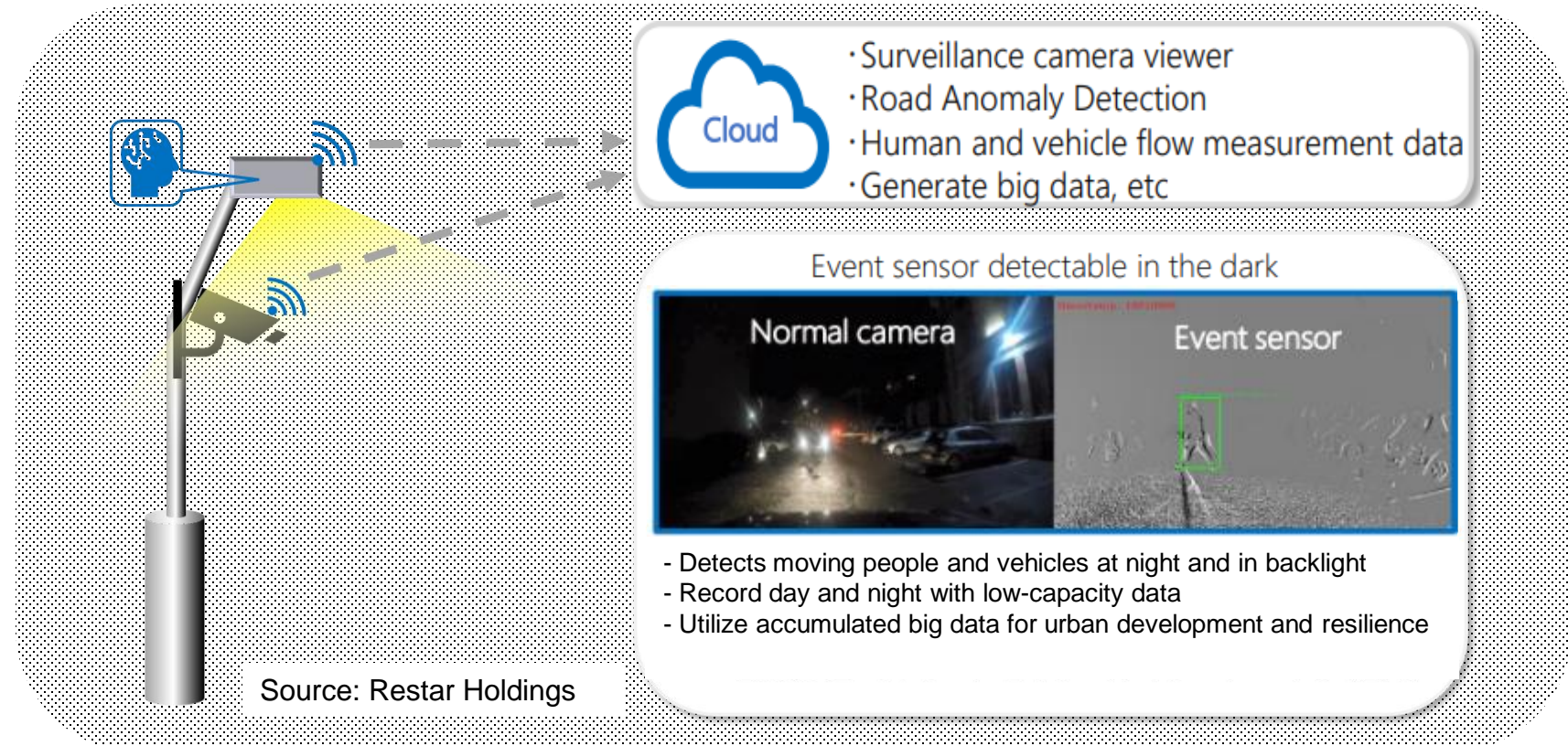


Smart Pole - Approach to Realizing Smart Cities

Prophesee's event-based camera



DMP's ZIA C3 AI processor module



- Surveillance camera viewer
- Road Anomaly Detection
- Human and vehicle flow measurement data
- Generate big data, etc

Event sensor detectable in the dark



- Detects moving people and vehicles at night and in backlight
- Record day and night with low-capacity data
- Utilize accumulated big data for urban development and resilience

Source: Restar Holdings

DMP's AI processor and event-based camera (neuromorphic sensor) that imitates the function of the human retina/brain to detect people and cars in dark areas

Bringing Together DMP's Technologies - Advanced AMR

See

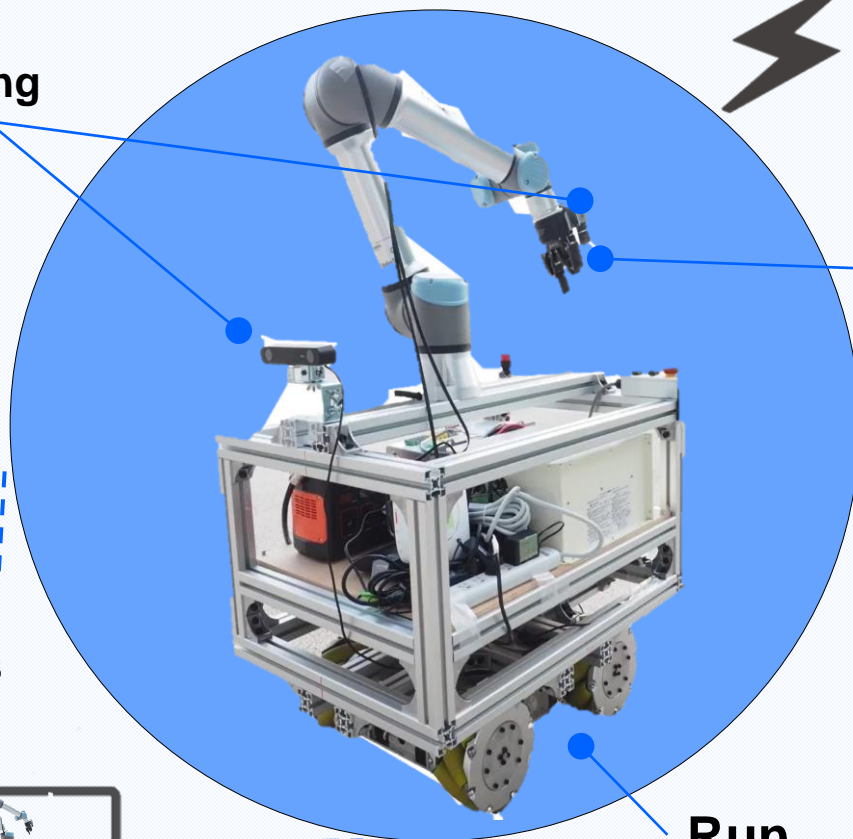
Image Processing technologies

- Camera
- AI recognition
- ISP/Stereo IP

Reproduce

3D technologies

- Digital Twin



Connect

Collaboration with Softbank

- 5G

Grab

Picking solutions

- Cambrian Vision System



Safely

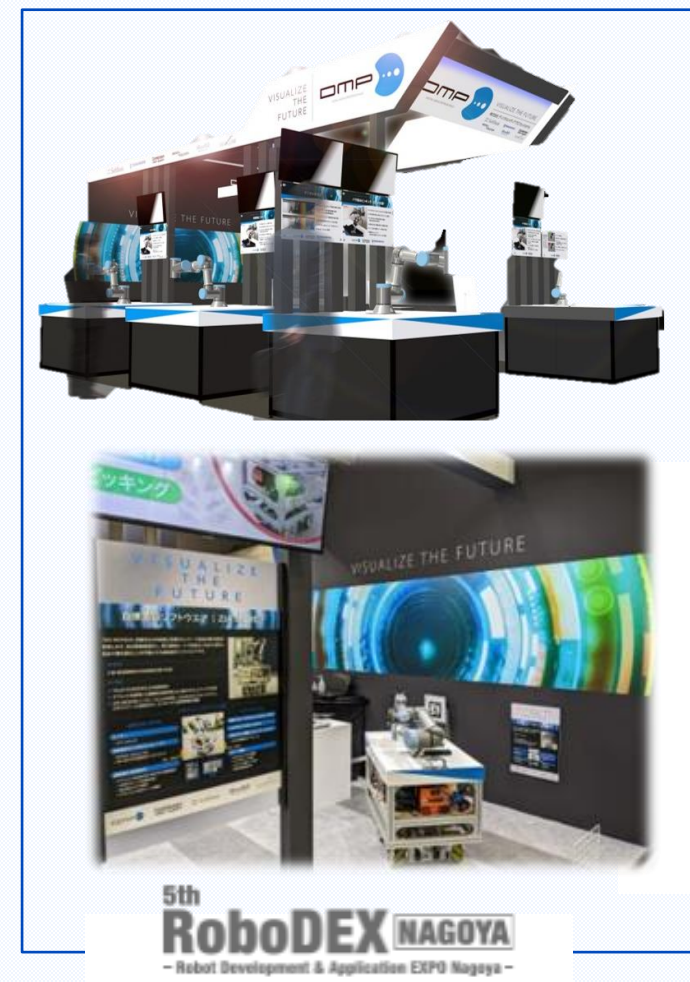
Safety technologies

- ZIA SAFE
- Digital safety fence

Run

Autonomous driving technologies

- ZIA MOVE
- ZIA SLAM



RoboDEX NAGOYA in October 2022
Demonstration at DMP booth

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