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MAKING THE IMAGE INTELLIGENT

DIGITAL MEDIA PROFESSIONALS

Fiscal Year Ended March 31, 2023

Results Briefing

Digital Media Professionals Inc.

May 12, 2023

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 **Financial Results and Progress of Initiatives, Fiscal Year Ended March 31, 2023**

2 **Business Forecast, Fiscal Year Ending March 31, 2024**

3 **Priority Measures, Fiscal Year Ending March 31, 2024**

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Company Profile

Leveraging our experience and knowledge as one of the world's leading graphics IP vendors, we have recently been 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**.

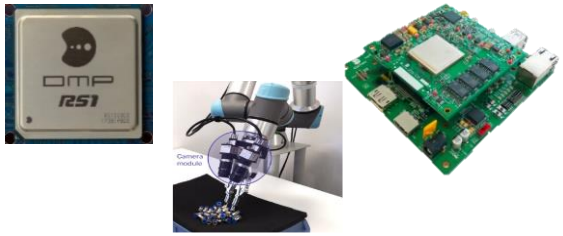
Company name	Digital Media Professionals Inc. (DMP)
Foundation	July 2002 (Listed on TSE Mothers in June 2011, shifted to TSE Growth in April 2022)
Location	Nakano-ku, Tokyo, Japan
Representative	Chairman, President and CEO Tatsuo Yamamoto
Capital	1,838 million yen
Number of consolidated employees	65 (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

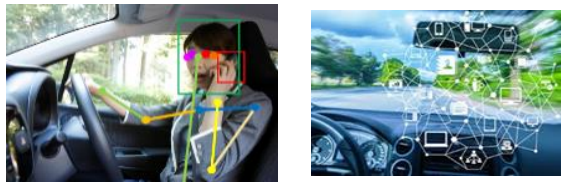
Product business

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



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

- Full-year sales broke the record. Operating income, ordinary income, and net income attributable to owners of the parent achieved profitability for the first time in three years since the fiscal year ended March 31, 2020 (non-consolidated results).
- In the robotics field, professional service business declined due to a decrease in customers' R&D projects, but sales in the amusement field increased significantly, and sales in fields of safety and other IP also expanded.

Overall

Net sales

¥ **2,322**M
(YoY* +39%)

Ordinary income

¥ **28**M
(YoY ¥ +151M)

Sales by business

IP Core License

¥ **261**M
(YoY +50%)

Product

¥ **1,956**M
(YoY +63%)

Professional service

¥ **104**M
(YoY -65%)

Sales by field

Safety

¥ **170**M
(YoY +4%)

Robotics

¥ **185**M
(YoY -21%)

Amusement

¥ **1,821**M
(YoY +58%)

Other

¥ **144**M
(YoY +29%)

* YoY :Year on Year

Results Highlights: P/L

Achieved significant revenue growth and returned to profitability due to sales expansion in the product business and IP core license business

(Unit: million yen)	FY ended March 31, 2022	FY ended March 31, 2023		Amount change YoY	Amount change vs. Forecast
		Forecast on May 13, 2022	Actual		
Net sales	1,667	2,370	**2,322**	+654	-47
Operating income	-126	25	**27**	+153	+2
Ordinary income	-122	25	**28**	+151	+3
Net income attributable to owners of the parent	-157	20	**22**	+179	+2

- Net sales increased 39.2% due to an increase in the product business, mainly in the amusement field, and an increase in the IP core license business, mainly in the safety field due to increased recurring revenues. Operating income improved by 153 million yen and returned to profitability.
- Ordinary income and net income attributable to owners of the parent also returned to profitability.

Results Highlights: Net Sales by Business and Field

Sales by business

IP core license business	**¥261 million**	Same period last year	¥173 million

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

Product business	**¥1,956 million**	Same period last year	¥1,199 million

- Recorded revenues, including volume shipments of RS1, volume shipments of ZIA C3 kit for peripheral monitoring of commercial vehicles, camera modules for mass production of drones, and Cambrian vision systems

Professional service business	**¥104 million**	Same period last year	¥295 million

- Recorded revenues from contracted development services in the safety, robotics, and amusement fields
- R&D projects for robotics customers decreased

Sales by field

Safety field	**¥170 million**	Same period last year	¥163 million

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

Robotics field	**¥185 million**	Same period last year	¥236 million

- Recorded revenues, including camera modules for mass production of drones, and Cambrian vision systems
- R&D projects for robotics customers decreased, resulting in a decline in sales in the professional service business

Amusement field	**¥1,821 million**	Same period last year	¥1,155 million

- Recorded sales of RS1 for mass production

Other	**¥144 million**	Same period last year	¥111 million

- Recorded GPU license revenue, AI/GPU IP running royalties and IP maintenance/support revenues for digital equipment

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

Results Highlights: B/S

Equity ratio remains high at 81.3%

Continued to secure funds for working capital and investments for enhancement of R&D system

(Unit: million yen)	End of March 2022	End of March 2023	Amount change	Major factors
Current assets	2,784	3,683	+899	Accounts receivable - trade and contract assets +444, Cash and deposits +433
Non-current assets	688	158	-529	Investment securities -499
Total assets	**3,472**	**3,842**	**+369**	
Current liabilities	358	700	+341	Accounts payable - trade +292
Non-current liabilities	18	17	-0	
Total liabilities	376	717	+341	
Total net assets	**3,095**	**3,124**	**+28**	Retained earnings +22
Total liabilities and net assets	**3,472**	**3,842**	**+369**	

Safety Field

- Recurring revenue from existing projects across edge to cloud, including OTA (Over the Air) projects, as well as new licenses and professional services for new customers and new projects for existing customers
- Continued research and development for broader safety areas

Car exterior and interior (driver) monitoring

Smart City

Public Safety

JVCKENWOOD

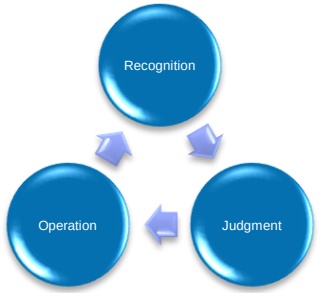
DENSO TEN

Smart mobility with a smile
Sumitomo Mitsui Auto Service

Local Government
Public Transportation

Robotics Field

- Refined and improved the accuracy of a seamless software platform (ZIA MOVE) for recognition, judgment, and operation that includes self-location estimation (ZIA SLAM), which is necessary for autonomous driving.
- Sales and business deals of the Cambrian vision system expanded, mainly to the manufacturing industry, due to its accuracy and speed in recognizing target parts and its robustness against ambient light. Inquiries from the industries of food, pharmaceuticals, and cosmetics also increased.



ZIA MOVE

Cambrian Vision System

Advanced AMR

Manufacturing

Transportation/ Logistics

Construction

Agriculture

YAMAHA Revs Your Heart

Amusement Field

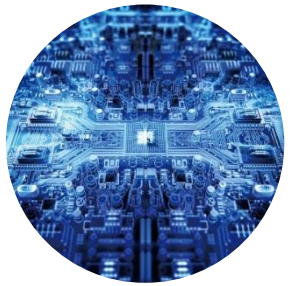
- Real-time 3D engine and high-performance, high-compression video engine on a single chip (industry's first), enabling both beautiful video expression and reduction of machine chassis cost
- Continued volume production shipments of RS1, primarily for pachislot machines, including 6.5 model and smart pachislot, which have been enjoying high utilization.
- Sales of ZEEG chassis equipped with RS1 exceeded 10 models and 100,000 units. (December 2022)

DMP × BANDAI NAMCO Fun for All into the Future

ZEEG Sammy UNIVERSAL ENTERTAINMENT

Other Field (IPs for digital equipment)

- Provide small size, low power consumption, and high-performance IP optimized for customers' digital equipment applications and embedded SoCs
- ZIA DV720 high-definition edge AI processor has been adopted for TVS REGZA's two new series of 4K REGZA TVs, and running royalty income has been recorded since the current fiscal year
- Development of AI IP processor that significantly surpasses the performance of current products is in the final stages



GPU IP

AI IP

RENESAS

FUJIFILM
Value from Innovation

OM SYSTEM

REGZA

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Consolidated Business Forecast

12% increase in net sales and expansion of profitability for the fiscal year ending March 31, 2024
Under the Purpose "Making the Image Intelligent," contribute to "realization of a safe and secure society" and "solution of social issues," while aiming for stable growth in image processing semiconductors

(Unit: million yen)	FY 03/2023 (Actual)	FY 03/2024 (Forecast)
Net sales	2,322	**2,600**
Operating income	27	**150**
Ordinary income	28	**150**
Net income attributable to owners of the parent	22	**120**

- Amusement: Stable growth for RS1 image processing semiconductors (considering the issues of procurement of materials and securing manufacturing capacity for manufacturers)
- Safety: Cultivate existing customers and acquire new customers by leveraging the strength of the ZIA SAFE series, which support from edge to cloud, and aim to scale up from a focus on PoC for a broader range of safety applications.
- Robotics: Capture the autonomous and collaborative robotics market by leveraging the strength of ZIA MOVE/SV, Cambrian vision system, etc.
- Other (IP): Acquire new IP business in addition to stable business base such as GPU IP running royalties

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Our Purpose

Making the Image Intelligent

"To create innovative products and services that harness the power of image intelligence to solve real-world problems and drive value for our stakeholders.“

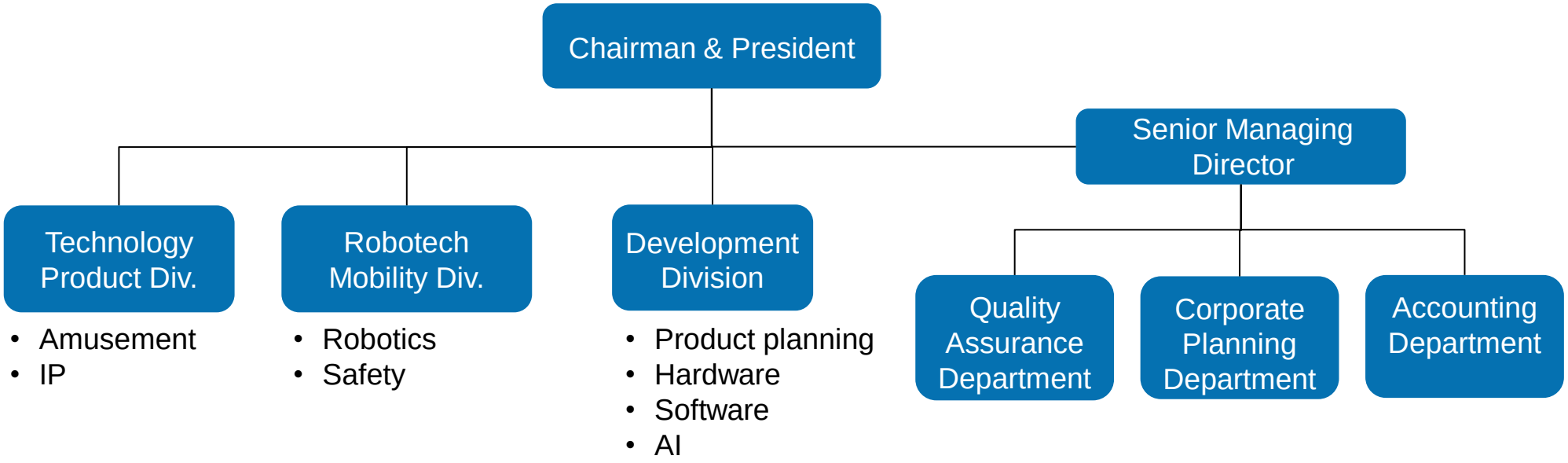
Image Intelligence

Since its founding, DMP has consistently worked on image-related technologies through GPUs, computing, and edge AI. We will continue to contribute to society through image intelligence.

- New AI technologies such as GPT4 will be able to understand not only text, but also images, and extract valuable insights and patterns from the vast amount of images produced every day.
- Image understanding will create new value in various fields, improve people's lives, and contribute to the realization of a safe and secure society.
  - Prevention of crime and terrorism through surveillance camera images
  - Realization of safe driving in self-driving vehicles by monitoring both inside and outside the vehicle
  - Safe operation of autonomous robots and safe interaction with humans
  - Early detection of diseases and anomalies through image analysis in the medical field
- Edge AI will solve important problems such as privacy issues in the use of images

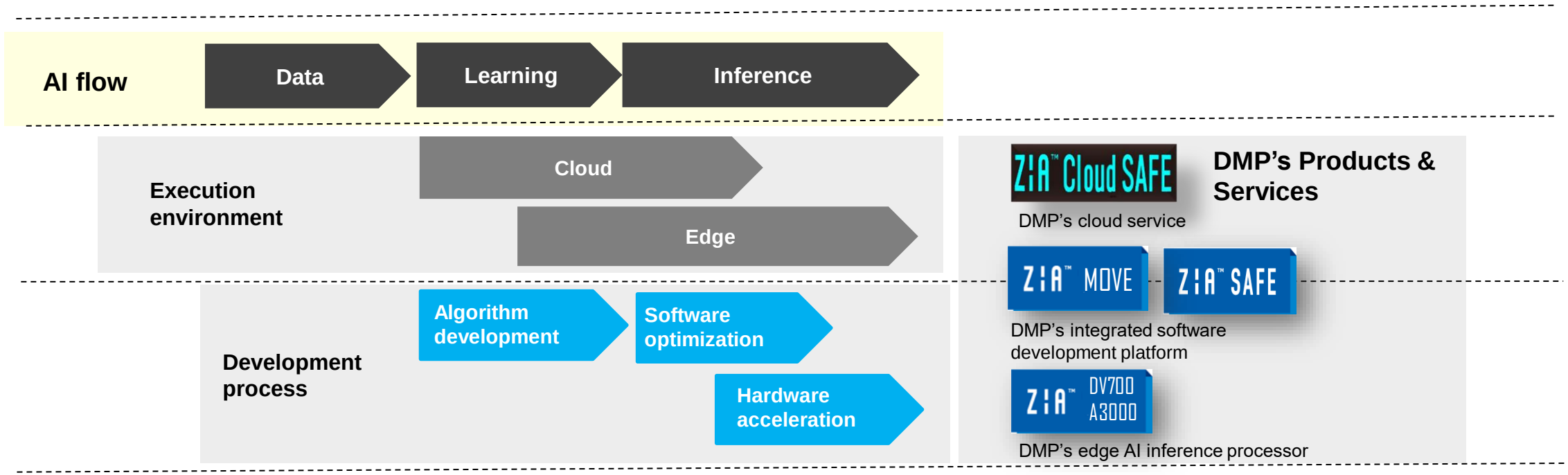
Aim for balanced growth in existing and new areas

- Established Technology Product Division and Robotech Mobility Division, focusing on respectively LSI/IP business and new robotics/safety related business
- Integrated hardware, software, and AI development into the Development Division to optimize resources and share design assets
- Established the Product Planning Group within the Development Division to better respond to market demands



DMP's Strengths - Technologies Enabling Domain Optimization

DMP can optimize AI processing for the domain, including hardware



DMP → Support customers' smooth transition from prototype (PoC) to deployment by understanding the domain and developing with final implementation in mind

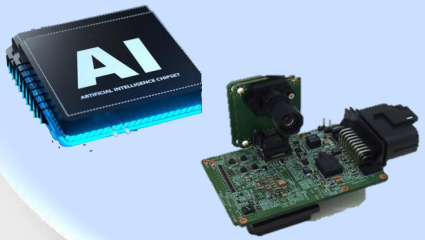
Competitions → Almost no AI development company understands the execution environment, resulting in a lot of rework in the process of deployment

DMP's Focused Fields

Amusement

Amusement SoC RS1
Graphics module

Robotics



AI inference processor IP
Camera IP (ISP & Stereo)
GPU IP
Camera module

Autonomous driving technologies
Visual SLAM
Picking system

Safety

Safe driving assistance system
DMS/ADAS
Cloud service

Edge & Cloud Computing

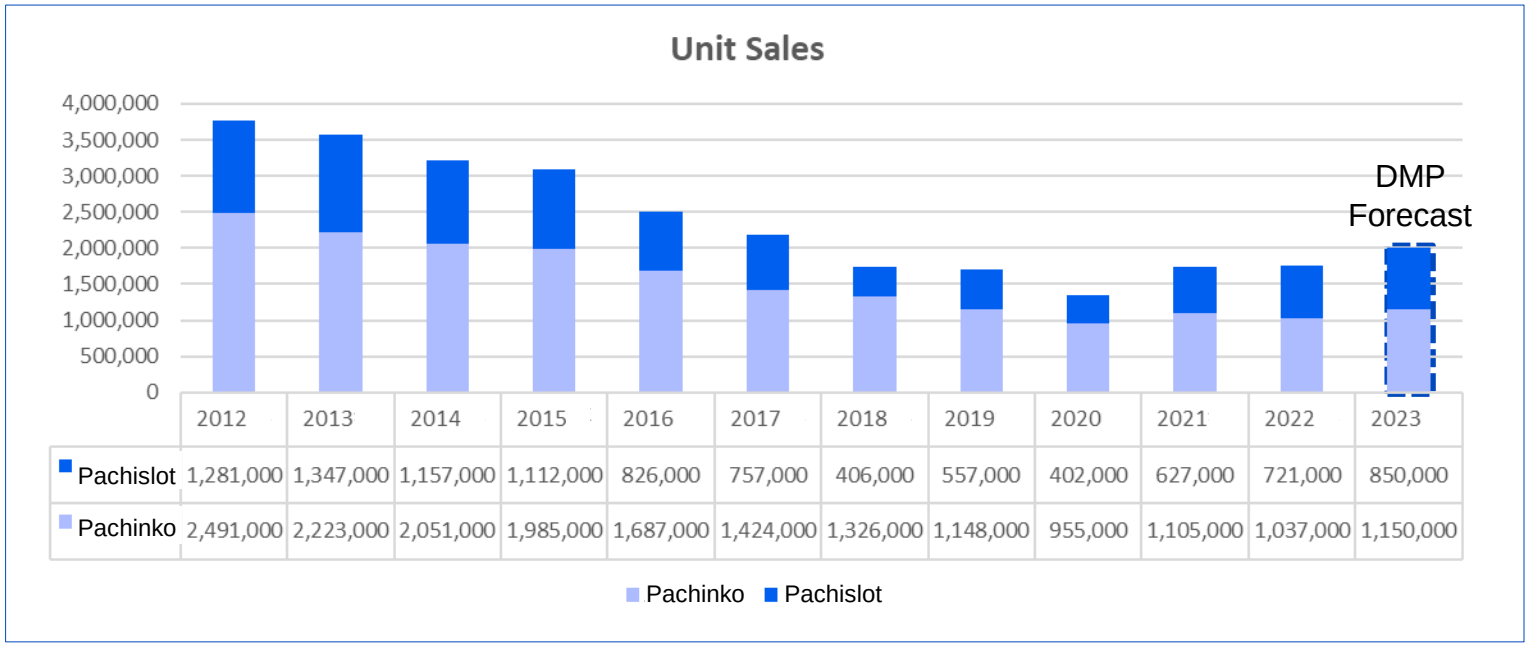
Computer Vision

Low-power IP

GPU

Amusement Fleld

- Market size is bottoming out. Pachislot, the main market for RS1, has recovered to over 700,000 units for the first time in five years, driving the market
  - Pachislot machines are being replaced by new 6.5 model and smart-pachislot machines
  - Despite the high evaluation of both pachinko and pachislot machines after their introduction, some models failed to sell as expected due to a shortage of parts and materials
- RS1
  - Expanding market share by leveraging its strength as the industry's only LSI with both 2D and 3D graphics
  - Expect further increase in sales in the future as several customers other than SEGA SAMMY have started shipping models equipped with RS1
  - Expect to increase the number of customers through spread of the use of ZEEG's common chassis in the industry



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Pachislot	1,281,000	1,347,000	1,157,000	1,112,000	826,000	757,000	406,000	557,000	402,000	627,000	721,000	850,000
Pachinko	2,491,000	2,223,000	2,051,000	1,985,000	1,687,000	1,424,000	1,326,000	1,148,000	955,000	1,105,000	1,037,000	1,150,000

RS1: Industry's only LSI with 2D/3D graphics

Source: Pachinko and Pachislot Sales Results 2022 (pachinkovillage.com)

Robotics and Smart Mobility Initiatives

ZIA MOVE :

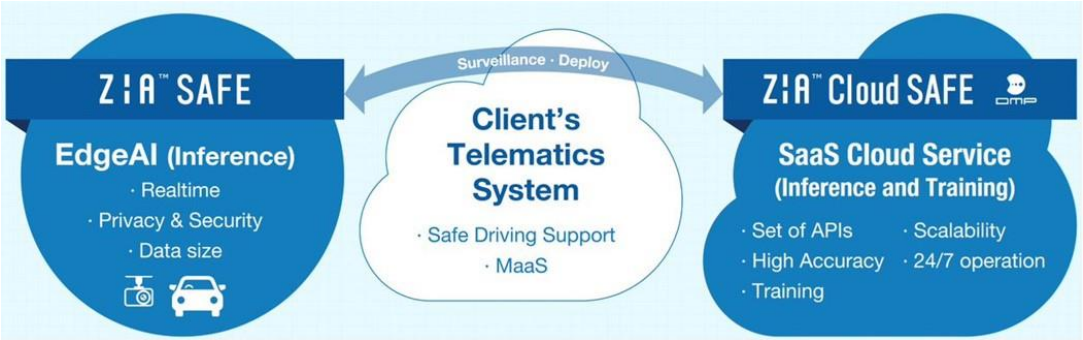
Point of differentiation: Full pipeline of autonomous driving based on low-cost, environmentally variable VSLAM (Visual SLAM)

Leveraging VSLAM capabilities, collaborate with AMR/AGV vendors for service robots for logistics, manufacturing, and construction industries

ZIA SAFE / ZIA Cloud SAFE :

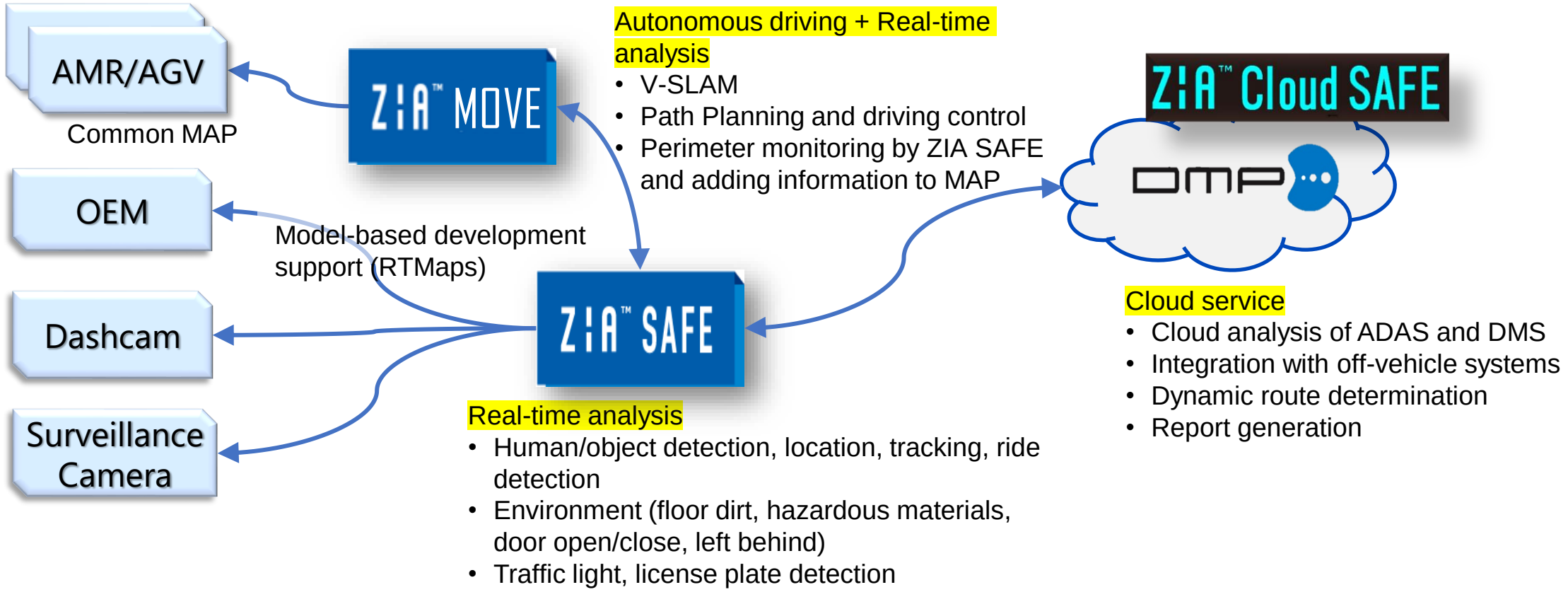
Point of differentiation: High recognition performance and flexible and scalable system configuration by combining edge and cloud

- Develop non-dashcam safety markets for surveillance cameras, public transportation vehicles, buildings, schools, daycare centers
- ZIA SAFE to support model-based development (RTMaps) to be introduced to automotive OEMs, Tier 1s, and the construction machinery industry.



Integration of Robotics and Safety

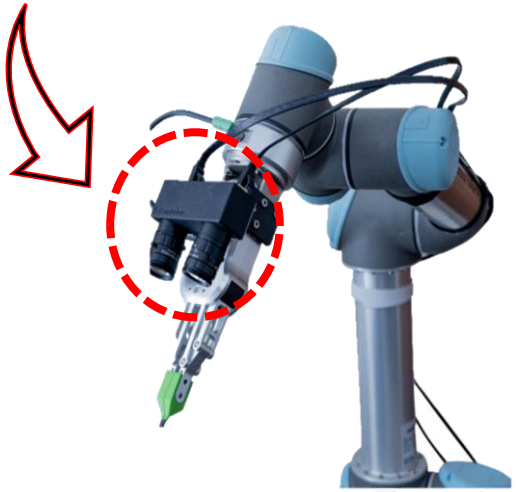
- Image analysis during autonomous driving by ZIA SAFE and ZIA MOVE cooperative operation, and visualization of image analysis position by MAP
- Trend analysis based on BIG DATA analysis by ZIA Cloud SAFE service, and provision of integrated services with external systems



Cambrian Vision System

- **Several customers have begun to install the system on their assembly lines. Major automakers and Tier 1s have also begun trial installations, and inline installations are expected to accelerate from now on.**
- **Strengthened cooperation with major robot arm vendors, newly supporting Doosan, Fanuc, and Denso Wave**
- **Utilize established dealer network and support strengthening dealer's own demonstration and sales promotion capabilities**

Attaching a camera to a commercially available robot arm enables various tasks such as picking, assembly, insertion, and operation



UNIVERSAL ROBOTS

DOOSAN

DENSO
DENSO WAVE

FANUC

NEW

KUKA

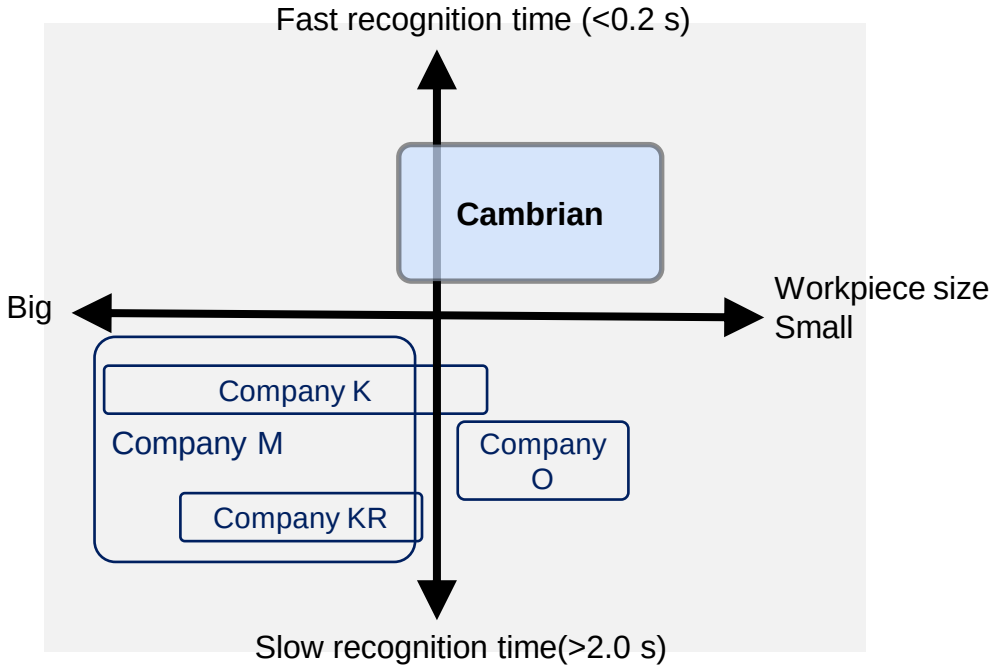
ABB

Cambrian Vision System

Develop new market segments with a clear competitive advantage (e.g., picking plastic bottles)

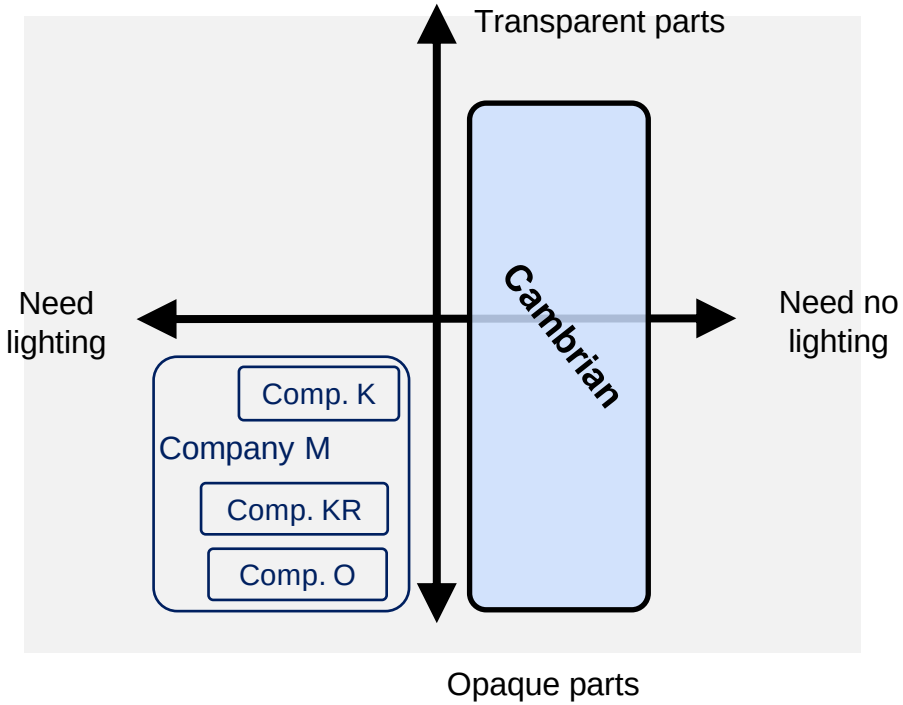
Processing speed and workpiece size

Cambrian can recognize small workpieces of 1 mm or less in less than 0.2 seconds



Workpiece color and external lighting

Cambrian requires no lighting and can detect transparent and opaque workpieces.



Cambrian Vision System

Detect the correct posture of transparent bottles and feed them to the following process

- Perform up-and-down judgment
- Pick by considering the posture of the bottle and feed it to the following process

AI Inference Processor IP

Factory automation

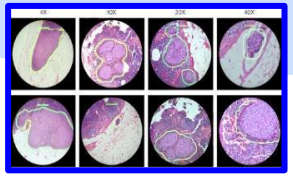
DMP AI Inference Processor IP

- ZIA DV740
- A3000

Consumer

Construction/Farm machinery

Surveillance camera
Smart city
Facility management



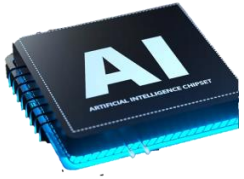
Medical

Robotics

Mobility

FPGA

ASIC



AI Inference Processor IP A3000

DV700 series adopted in REGZA and other high-volume products

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

Image enhancement for the Net bandwidth

Beautiful skin effect

Noise reduction

Next-gen AI inference processor IP A3000

6x performance over DV740 (4TOPS)

Start licensing in the second quarter of fiscal year 2023

Future Growth

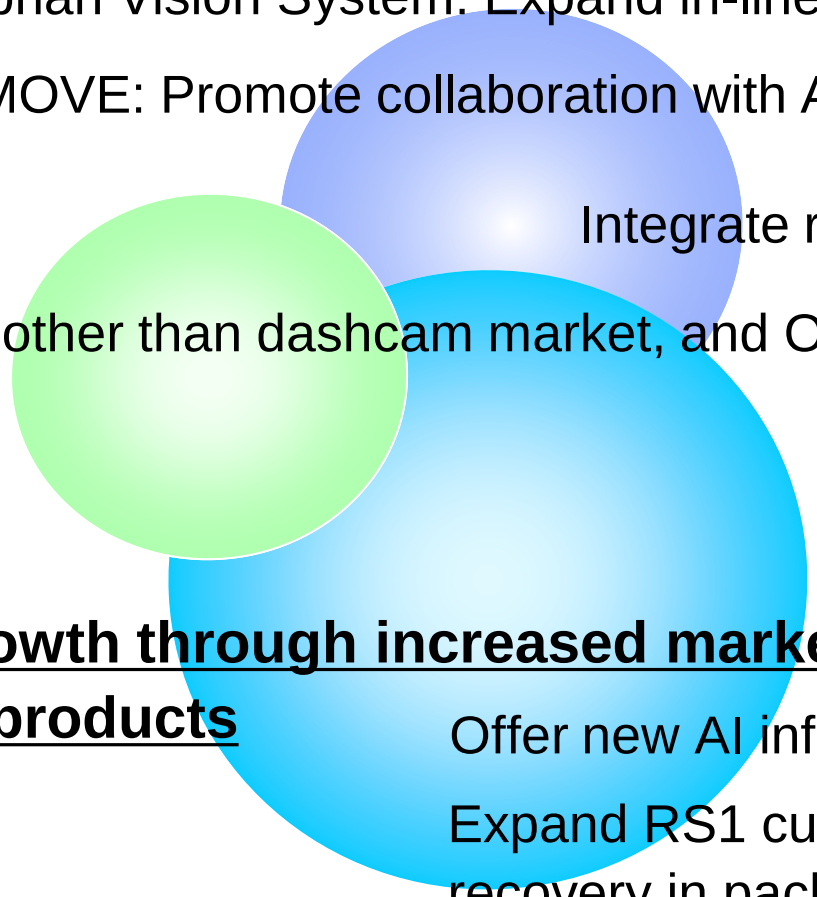
Strengthen ZIA platform, and AI product business centered on Cambrian Vision System

Cambrian Vision System: Expand in-line installation

ZIA MOVE: Promote collaboration with AMR/AGV vendors

Integrate robotics and safety

ZIA SAFE: Expand into markets other than dashcam market, and OEMs



Continue strong growth through increased market share and added value in amusement and IP products

Offer new AI inference processor IP A3000 License

Expand RS1 customer base and take advantage of recovery in pachislot market

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