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Summary of Consolidated Financial Results for the Fiscal Year ended March 31, 2023 (Japanese GAAP)

May 12, 2023

Company name: Digital Media Professionals Inc.

Listing: Tokyo Stock Exchange

Code number: 3652

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

Representative: Tatsuo Yamamoto, Chairman, President and CEO

Contact person: Tsuyoshi Osawa, Senior Managing Director, General Manager of Corporate Planning Dept.

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Scheduled date of General Meeting of Shareholders: June 27, 2023

Scheduled date of filing Securities Report: June 27, 2023

Scheduled date of payment of cash dividends: -

Supplementary materials for the financial results: No

Briefing session on the financial results: Yes (for institutional investors and analysts)

(Round down to the nearest million yen)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 through March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	2,322	39.2	27	—	28	—	22	—
Fiscal year ended March 31, 2022	1,667	65.2	-126	—	-122	—	-157	—

Reference) Comprehensive income: 28 million yen (-%) as of March 31, 2023; -154 million yen (-%) as of March 31, 2022

	Net income per share	Net income per share-diluted	Return on equity	Return on assets	Operating margin
	yen	yen	%	%	%
Fiscal year ended March 31, 2023	7.17	—	0.7	0.8	1.2
Fiscal year ended March 31, 2022	-49.93	—	-5.0	-3.5	-7.6

Reference) Equity in earnings (losses) of affiliates: - million yen as of March 31, 2022; - million yen as of March 31, 2021

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	3,842	3,124	81.3	993.30
As of March 31, 2022	3,472	3,095	89.2	983.23

Reference) Shareholders' equity: 3,124 million yen as of March 31, 2023; 3,095 million yen as of March 31, 2022

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2023	-37	465	-0	2,435
Fiscal year ended March 31, 2022	-39	-77	-0	2,002

2. Cash dividends

	Annual dividends per share					Total Dividends	Payout ratio	Dividends on equity
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Year ended March 2022	yen	yen	yen	yen	yen	Millions of yen	%	%
Year ended March 2022	-	0.00	-	0.00	0.00	-	-	-
Year ended March 2023	-	0.00	-	0.00	0.00	-	-	-
Year ending March 2024 (Forecast)	-	0.00	-	0.00	0.00	-	-	-

3. Forecasts of consolidated operating results for the year ending March 31, 2024 (April 1, 2023 through March 31, 2024)

(Percentages indicate year-on-year changes.)

	Net Sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,600	12.0	150	454.3	150	420.6	120	431.7	38.15

Notes:

1. Changes in significant subsidiaries during the current consolidated cumulative period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None
2. Changes in accounting policies
  - (1) Changes in accounting policies resulting from revisions of accounting standards: None
  - (2) Changes in accounting policies except (1): None
  - (3) Changes in accounting estimation: None
  - (4) Restatement: None
3. Number of shares issued

(1) Number of shares issued at the end of the period (including treasury shares)

As of March 31, 2023	3,152,400 shares	As of March 31, 2022	3,152,400 shares
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(2) Number of treasury shares at the end of the period

As of March 31, 2023	7,166 shares	As of March 31, 2022	4,122 shares
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(3) Average number of shares issued during the period

Year ended March 31, 2023	3,146,773 shares	Year ended March 31, 2022	3,148,584 shares
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(Reference)

1. Non-consolidated financial results for the fiscal year ended March 31, 2023 (April 1, 2022 through March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	2,322	39.2	23	-	25	-	19	-
Fiscal year ended March 31, 2022	1,667	65.2	-130	-	-126	-	-160	-

	Net income per share	Net income per share-diluted
	yen	yen
Fiscal year ended March 31, 2023	6.05	—
Fiscal year ended March 31, 2022	-51.01	—

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	Net assets per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	3,834	3,133	3,133	3,133	81.2	989.95
As of March 31, 2022	3,472	3,092	3,092	3,092	89.0	982.19

Reference) Shareholders' equity: 3,133 million yen as of March 31, 2023; 3,092 million yen as of March 31, 2022

2. The non-consolidated earnings forecast for the fiscal year ending March 31, 2024 has been omitted considering the materiality of the non-consolidated information.

\*Summary of the financial results is not subject to audit by a certified public accountant or auditing firm.

\*Explanation regarding the appropriate use of business forecasts and other special notes

The forward-looking statements such as business forecast in this document are based on information currently available to the Company and on certain assumptions deemed to be reasonable. The Company does not guarantee the achievement of the forecasts. Actual results may differ significantly for a number of reasons.

For the conditions and notes on the use of business forecast, please refer to

"1. Qualitative information on financial results (4) Consolidated financial forecasts and other forward-looking statements."

## Qualitative information on financial results

### (1) Operating results

During the current consolidated fiscal year, the Japanese economy showed signs of a gradual recovery due to efforts to ease behavioral restrictions and revitalize socioeconomic activities although the outbreak of COVID-19 continued in cycles from the sixth to the eighth wave. At present, however, the impact of the rapid depreciation of the yen and the sharp rise in prices and energy costs on the economy and people's lives has become apparent. Looking ahead, with the shift in the classification of new coronavirus infections from category 2 equivalent to category 5 on May 8, 2023, Japan takes a major step toward normalizing socioeconomic activities, but challenges remain, such as managing the risk of periodic outbreaks. In the world, the risk of economic recession has become apparent due to high raw material and food prices and supply-side constraints caused by the situation in Ukraine in addition to the effects of monetary tightening.

In the semiconductor industry to which our group belongs, the continued shortage of semiconductor supplies due to strong demand in various industries has affected the production of electronic equipment including automobiles that uses semiconductors. In the medium term, demand is also expected to grow for IoT where all things are connected to the Internet, artificial intelligence (AI), big data, next-generation high-speed communication standards, and automatic driving.

In the field of AI/visual computing, which is the business domain of our group, the acceleration of innovation and the increasing roles of AI are expected in solving social and environmental issues, including a decrease in the working population due to declining birthrate and aging population, COVID-19 pandemic and climate change, and in realizing a safe and secure society.

In this environment, the basic policy of our group's medium-term business plan is to achieve Creating Shared Value (CSV) management that will enhance corporate value by contributing to the resolution of social and environmental issues and earning revenue and profits at the same time. In the core fields of safe driving assistance and robotics, we will maximize customer lifetime value (LTV) by providing added value through the development of IP core license business, product business, and professional service business, based on our integrated development system from algorithms and software to our strength, hardware, throughout the development lifecycle of customer products and services from the planning stage to mass production.

As for specific initiatives and achievements in our focused fields during the current consolidated fiscal year, firstly, in the safety field, we earned recurring revenue from existing projects from the edge to the cloud, as well as new licenses and professional services for new customers and new projects of existing customers including an OTA (Over the Air) project to wirelessly implement our software in dashcams already installed in end-user vehicles. In addition, we shipped ZIA C3 kits for volume production for peripheral monitoring of commercial vehicles.

In the robotics field, while identifying and promoting PoC projects for customers, and improving product robustness, we have launched the Stereo Vision IP "ZIA SV" for high-speed and high-accuracy distance measurement in applications such as autonomous robots and cooperative robots. In addition, with regard to the business of the vision system for cooperative robots by Cambrian Inc., a capital and business partner, we have made progress in business projects aimed at reducing labor and improving productivity for end customers in the manufacturing industry, particularly the automobile industry, and are also working to connect to cooperative robots in Japan and overseas in order to expand the ecosystem.

In the amusement field, we continued shipping our image processing semiconductors, "RS1," for mass production in response to the large-scale order, and the sales of chassis of ZEEG Corporation, a joint venture between Sammy

Corporation and Universal Entertainment Corporation, equipped with "RS1" exceeded 100,000 units for 10 models. We continue to seek to expand our market share in market segments where we can leverage the advantages of this unique 2D/3D integrated chip.

As other initiatives and results, the high-definition edge AI processor "ZIA DV720" has been adopted in two new series of TVS REGZA's "REGZA" TVs, and running royalty income has been recorded since the current fiscal year. In addition, we are developing an AI IP processor that significantly outperforms current products.

Regarding the business results for the current consolidated fiscal year, in the product business, we continued mass production shipments of the RS1 image processing semiconductor and shipped ZIA C3 kits for volume production, camera modules for drone mass production, and Cambrian vision systems. In the IP core license business, we recorded recurring revenue in the fields of safety and robotics in addition to AI/GPU running royalty income. In the professional service business, we provided contracted AI/GPU contracted development services.

As a result, for the current consolidated fiscal year, we recorded net sales of 2,322 million yen (up 39.2% year on year), operating income of 27 million yen (operating loss of 126 million yen in the same period of the previous fiscal year), ordinary income of 28 million yen (ordinary loss of 122 million yen in the same period of the previous fiscal year), and net income attributable to owners of the parent of 22 million yen (net loss attributable to owners of the parent of 157 million yen in the same period of the previous fiscal year).

As our group operates in a single segment, segment information is not provided, but a summary of results by business is as follows.

a) IP core license business

Net sales amounted to 261 million yen (173 million yen in the same period of the previous fiscal year), mainly due to the recording of new IP licenses and recurring revenue in the fields of safety including OTA, and robotics in addition to AI/GPU running royalty income for digital equipment such as digital still cameras, 4K TVs and office automation equipment.

b) Product business

Net sales amounted to 1,956 million yen (1,199 million yen in the same period of the previous fiscal year) due to strong sales from mass production shipments of the RS1, volume shipments of the ZIA C3 kit for peripheral monitoring of commercial vehicles, camera modules for drone mass production, and Cambrian vision systems.

c) Professional service business

Net sales amounted to 104 million yen (295 million yen in the same period of the previous fiscal year) due to a decrease in customers' development projects.

A summary of results by field is as follows.

a) Safety field

Net sales amounted to 170 million yen (163 million yen in the same period of the previous year), mainly due to sales from volume shipments of the ZIA C3 kit for peripheral monitoring of commercial vehicles, professional services income, and recurring income including OTA.

b) Robotics field

Net sales amounted to 185 million yen (236 million yen in the same period of the previous fiscal year) due to a decrease in customers' development projects in the professional service business, despite the recording of revenue mainly from

the IP core license business, Cambrian vision systems, and camera modules for drone mass production.

c) Amusement field

Net sales amounted to 1,821 million yen (1,155 million yen in the same period of the previous year), mainly due to the mass production shipments of RS1.

d) Other

Net sales amounted to 144 million yen (111 million yen in the same period of the previous fiscal year), mainly due to the recording of GPU IP license revenue and AI/GPU running royalty income for digital equipment.

(2) Financial position

(Assets)

Total assets at the end of the current consolidated fiscal year amounted to 3,842 million yen, up 369 million yen from the end of the previous consolidated fiscal year, mainly due to increases in accounts receivable and contract assets (up 444 million yen) and cash and deposits (up 433 million yen) and a decrease in investment securities (down 499 million yen) resulting from an early redemption.

(Liabilities)

Current liabilities and non-current liabilities at the end of the current consolidated fiscal year totaled 717 million yen, up 341 million yen from the end of the previous consolidated fiscal year, mainly due to increases in accounts payable (up 292 million yen) and contract liabilities (up 29 million yen).

(Net assets)

Total net assets at the end of the current consolidated fiscal year amounted to 3,124 million yen, up 28 million yen from the end of the previous consolidated fiscal year, mainly due to an increase in retained earnings (up 22 million yen) resulting from the posting of net income attributable to owners of the parent.

As a result, the net equity ratio was 81.3%.

(3) Overview of Cash Flows

The balance of cash and cash equivalents at the end of the current consolidated fiscal year was 2,435 million yen.

Net cash used by operating activities was 37 million yen mainly attributable to positive factors such as an increase in accounts payable of 292 million yen, depreciation of 71 million yen and income before income taxes of 28 million yen, and negative factors such as an increase in accounts receivable and contract assets of 444 million yen.

Net cash provided in investing activities was 465 million yen mainly attributable to a positive factor of redemption of investment securities of 500 million yen.

Net cash used by financing activities was 0 million yen attributable to the purchase of treasury shares.

(Reference) Changes in cash flow indicators

	March 2019	March 2020	March 2021	March 2022	March 2023
Equity ratio (%)	83.8	92.2	93.5	89.2	81.3
Equity ratio on market value (%)	548.5	162.3	250.2	128.5	225.1
Interest-bearing debt to cash flows ratio (year)	-	-	-		
Interest coverage ratio (times)	-	-	-		

Calculations are based on consolidated financial figures from the fiscal year ended March 31, 2021.

Equity ratio: Equity / Total assets

Equity ratio on market value: Market value / Total assets

Interest-bearing debt to cash flows ratio: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest payment

(Note 1) Market value is calculated based on the number of issued shares excluding treasury stock.

(Note 2) Cash flows from operating activities are used for cash flows.

(Note 3) Since there is no interest-bearing debt balance or interest payment in each period, interest-bearing debt to cash flows ratio and interest coverage ratio are not stated.

#### (4) Consolidated financial forecasts and other forward-looking statements

The Japanese and global economies are expected to remain uncertain due to such factors as financial instability, persistent inflation, and increasing geopolitical risks such as the prolonged situation in Ukraine.

The semiconductor industry, to which our group belongs, is polarized with strong demand for automotive and industrial equipment and declining demand for consumer electronics equipment caused by the economic slowdown, and negative growth is forecasted mainly due to reduced demand for memory in the short term. However, demand for semiconductors for AI/IoT is expected to grow in the medium term. In addition, advances in AI and other technologies are expected to help overcome social and environmental challenges, such as the declining birthrate and aging population and climate change.

We have newly established the purpose, "Making the Image Intelligent," and are committed to creating innovative products and services that solve real-world problems and drive value for our stakeholders with the power of image intelligence, which has been our strength since the foundation.

In April, we established two new business divisions, the "Robotech Mobility Division" and the "Technology Product Division," with clear responsibilities and authority to strengthen our existing businesses and accelerate our growth businesses, aiming for balanced growth as a whole.

The Robotech Mobility Division will expand business by focusing on the robotics and safety fields, where high market growth is expected, and integrating these two fields. The "Technology Product Division" will strive to achieve stable growth in the amusement and IP fields by demonstrating the power of image intelligence.

Based on the above, for the fiscal year ending March 31, 2024, we forecast consolidated net sales of 2,600 million yen (up 12.0% from the current consolidated fiscal year), operating income of 150 million yen (up 454.3% from the current consolidated fiscal year), ordinary income of 150 million yen (up 420.6% from the current consolidated fiscal year), and net income attributable to owners of the parent of 120 million yen (up 431.7% from the current consolidated fiscal year). Actual results may differ from these forecasts due to various factors.

#### (5) Significant events regarding going-concern assumptions

Not applicable

## 2. Basic Policy on Selection of Accounting Standards

Since financial statements are also used in calculating distributable amounts under the Companies Act and taxable income under the Corporation Tax Act, we apply Japanese GAAP for accounting standards.

### 3. Consolidated financial statements and significant notes

#### (1) Consolidated balance sheets

	(Yen thousand)	
	Previous year (As of Mar 31, 2022)	Current year (As of Mar 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	2,002,540	2,435,996
Accounts receivable - trade, and contract assets	388,772	833,518
Securities	300,000	300,000
Merchandise and finished goods	11,501	22,874
Work in process	1,029	408
Raw materials and supplies	26,756	42,583
Prepaid expenses	48,415	39,872
Consumption taxes refund receivable	2,454	4,570
Other	2,580	3,985
Total current assets	2,784,051	3,683,809
Non-current assets		
Property, plant and equipment		
Buildings	51,243	51,243
Accumulated depreciation	-40,322	-42,252
Buildings, net	10,920	8,990
Tools, furniture and fixtures	148,850	189,815
Accumulated depreciation	-120,252	-133,467
Tools, furniture and fixtures, net	28,598	56,347
Work in process	-	499
Total property, plant and equipment	39,519	65,837
Intangible assets		
Software	50,383	24,094
Other	23,025	25
Total intangible assets	73,408	24,119
Investments and other assets		
Investment securities	507,481	7,747
Long-term prepaid expenses	11,634	2,509
Leasehold deposits	56,093	54,455
Deferred tax asset	-	3,630
Total investments and other assets	575,209	68,342
Total non-current assets	688,137	158,299
Total assets	3,472,189	3,842,109
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	260,342	553,241
Accounts payable - other	12,371	34,104
Accrued expenses	1,604	1,515
Income taxes payable	15,146	23,737
Accrued consumption taxes	41,137	28,394
Deposits received	6,596	7,967
Contract liabilities	4,345	33,720
Provision for product warranties	17,081	17,351
Total current liabilities	358,626	700,031
Non-current liabilities		
Deferred tax liabilities	414	-
Asset retirement obligations	17,665	17,926
Total non-current liabilities	18,079	17,926
Total liabilities	376,706	717,957
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,838,882	1,838,882
Capital surplus	1,858,093	1,858,093
Retained earnings	-597,659	-575,090
Treasury shares	-1,615	-1,724
Total shareholders' equity	3,097,700	3,120,161
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-1,835	645
Foreign currency translation adjustment	-381	3,344
Total accumulated other comprehensive income	-2,217	3,990
Total net assets	3,095,483	3,124,151
Total liabilities and net assets	3,472,189	3,842,109

## (2) Consolidated statements of income and comprehensive income

(Yen thousand)		
	Previous year (From Apr 1, 2021 To Mar 31, 2022)	Current year (From Apr 1, 2022 To Mar 31, 2023)
Net sales	1,667,991	2,322,112
Cost of sales	1,063,529	1,461,437
Gross profit	604,461	860,675
Selling, general and administrative expenses	731,082	833,616
Operating income (loss)	-126,621	27,059
Non-operating income		
Interest income	302	243
Interest on securities	1,798	962
Foreign exchange gains	1,557	2,610
Gain on sale of securities	25	-
Miscellaneous income	306	-
Total non-operating income	3,990	3,816
Non-operating expenses		
Loss on redemption of securities	-	1,980
Interest expenses	-	72
Miscellaneous losses	0	8
Total non-operating expenses	0	2,060
Ordinary income (loss)	-122,631	28,814
Extraordinary income		
Gain on liquidation of subsidiaries	328	-
Total extraordinary income	328	-
Extraordinary losses		
Loss on valuation of investment securities	33,642	-
Total extraordinary losses	33,642	-
Income (loss) before income taxes	-155,945	28,814
Income taxes - current	2,290	10,290
Income taxes - deferred	-1,038	-4,044
Total income taxes	1,251	6,245
Income (loss)	-157,197	22,569
Net income (loss) attributable to owners of parent	-157,197	22,569

## Consolidated statements of comprehensive income

(Yen thousand)		
	Previous year (From Apr 1, 2021 To Mar 31, 2022)	Current year (From Apr 1, 2022 To Mar 31, 2023)
Income (loss)	-157,197	22,569
Other comprehensive income		
Valuation difference on available-for-sale securities	2,841	2,481
Foreign currency translation adjustment	-279	3,726
Total other comprehensive income	2,562	6,207
Comprehensive income	-154,635	28,777
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-154,635	28,777
Comprehensive income attributable to non-controlling interests	-	-



## (3) Consolidated statements of shareholders' equity

Previous consolidated fiscal year (from April 1, 2021 to March 31, 2022)

(Yen thousand)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	1,838,882	1,858,093	-440,462	-1,525	3,254,988
Changes during period					
Loss attributable to owners of parent			-157,197		-157,197
Purchase of treasury shares				-90	-90
Net changes in items other than shareholders' equity					
Total changes during period	-	-	-157,197	-90	-157,287
Balance at end of period	1,838,882	1,858,093	-597,659	-1,615	3,097,700

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	-4,677	-102	-4,779	3,250,208
Changes during period				
Loss attributable to owners of parent				-157,197
Purchase of treasury shares				-90
Net changes in items other than shareholders' equity	2,841	-279	2,562	2,562
Total changes during period	2,841	-279	2,562	-154,725
Balance at end of period	-1,835	-381	-2,217	3,095,483

Current consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(Yen thousand)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	1,838,882	1,858,093	-597,659	-1,615	3,097,700
Changes during period					
Income attributable to owners of parent			22,569		22,569
Purchase of treasury shares				-108	-108
Net changes in items other than shareholders' equity					
Total changes during period	-	-	22,569	-108	22,460
Balance at end of period	1,838,882	1,858,093	-575,090	-1,724	3,120,161

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	-1,835	-381	-2,217	3,095,483
Changes during period				
Income attributable to owners of parent				22,569
Purchase of treasury shares				-108
Net changes in items other than shareholders' equity	2,481	3,726	6,207	6,207
Total changes during period	2,481	3,726	6,207	28,668
Balance at end of period	645	3,344	3,990	3,124,151

## (4) Consolidated statement of cash flows

	(Yen thousand)	
	Previous year (From Apr 1, 2021 To Mar 31, 2022)	Current year (From Apr 1, 2022 To Mar 31, 2023)
<b>Cash flows from operating activities</b>		
Income (loss) before income taxes	-155,945	28,814
Depreciation	71,777	71,824
Share-based payment expenses	32,928	23,232
Increase (decrease) in provision for product warranties	17,081	270
Interest and dividend income	-2,096	-1,205
Loss (gain) on valuation of investment securities	33,642	-
Foreign exchange losses (gains)	-4,851	-5,228
Decrease (increase) in trade receivables	-231,166	-444,745
Decrease (increase) in inventories	12,780	-26,578
Increase (decrease) in trade payables	128,008	292,898
Decrease (increase) in consumption taxes refund receivable	32,823	-2,116
Increase (decrease) in accrued consumption taxes	41,137	-12,743
Other, net	-34,968	38,146
<b>Subtotal</b>	<b>-58,849</b>	<b>-37,430</b>
Interest and dividends received	2,490	1,983
Income taxes paid	-	-2,125
Income taxes refund	9,736	-
Subsidies received	6,699	-
<b>Net cash provided by (used in) operating activities</b>	<b>-39,923</b>	<b>-37,573</b>
<b>Cash flows from investing activities</b>		
Purchase of securities	-600,000	-600,000
Proceeds from redemption of securities	600,000	600,000
Purchase of property, plant and equipment	-14,481	-29,577
Purchase of investment securities	-40,744	-
Proceeds from redemption of investment securities	-	500,000
Purchase of intangible assets	-23,000	-6,150
Payments of leasehold deposits	-1,945	-
Proceeds from refund of leasehold deposits	-	1,638
Other, net	2,822	-
<b>Net cash provided by (used in) investing activities</b>	<b>-77,348</b>	<b>465,910</b>
<b>Cash flows from financing activities</b>		
Purchase of treasury shares	-90	-108
<b>Net cash provided by (used in) financing activities</b>	<b>-90</b>	<b>-108</b>
Effect of exchange rate change on cash and cash equivalents	7,549	5,228
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-109,812</b>	<b>433,455</b>
Cash and cash equivalents at beginning of period	2,112,353	2,002,540
Cash and cash equivalents at end of period	2,002,540	2,435,996

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

Not applicable

(Change in accounting policy)

Not applicable

(Segment information, etc.)

[Segment information]

The Group's business is comprised of a single segment, the development, manufacture, and sale of IP cores and other products, as well as related operations. Therefore, this information is omitted from this report.

(Per share information)

	Previous year (From Apr 1, 2021 To Mar 31, 2022)	Current year (From Apr 1, 2022 To Mar 31, 2023)
Net assets per share	983.23 yen	993.30 yen
Net income (loss) per share	-49.93 yen	7.17 yen

(Notes)

1. Diluted net income per share for the previous consolidated fiscal year is not shown since the Company posted a net loss per share and there were no diluted shares. Diluted net income per share for the current consolidated fiscal year is not shown since there are no diluted shares.

2. The basis for calculation of net assets per share is as follows.

	Previous year (Mar 31, 2022)	Current year (Mar 31, 2023)
Total net assets (thousand yen)	3,095,483	3,124,151
Amount deducted from total net assets (thousand yen)	-	-
Net assets related to common stock at the end of the period (thousand yen)	3,095,483	3,124,151
Number of common shares used for calculation of net assets per share at the end of the period (Shares)	3,148,278	3,145,234

3. The basis for calculation of net loss per share is as follows.

	Previous year (From Apr 1, 2021 To Mar 31, 2022)	Current year (From Apr 1, 2022 To Mar 31, 2023)
Net income (loss) per share		
Net income (loss) attributable to owners of the parent (thousand yen)	-157,197	22,569
Amount not attributable to common stock (thousand yen)	-	-
Net income (loss) attributable to owners of the parent on common stock	-157,197	22,569
Average number of shares of common stock during the period (shares)	3,148,584	3,146,773

(Significant subsequent events)

Not applicable

#### 4. Other

##### (1) Recent quarterly business performance

Fiscal year ended March 31, 2023

(thousand yen)	First Quarter Apr 2022 - Jun 2022	Second Quarter Jul 2022 - Sep 2022	Third Quarter Oct 2022 - Dec 2022	Fourth Quarter Jan 2023 - Mar 2023
Net sales	387,671	537,683	654,471	742,286
Gross profit	119,257	189,660	258,820	292,576
Operating income/loss (-)	-89,267	-13,573	41,887	88,012
Ordinary income/loss (-)	-83,735	-10,570	35,813	87,307
Income/loss (-) before income taxes	-83,735	-10,570	35,813	87,307
Net income/loss (-)	-84,308	-11,143	35,240	82,780
Net income/loss (-) attributable to owners of the parent	-84,308	-11,143	35,240	82,780
Comprehensive income	-79,661	-10,990	35,057	84,372
Net income/loss (-) per share	-26.79 yen	-3.54 yen	11.20 yen	26.32 yen
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of 4th Quarter
Total assets	3,463,998	3,485,580	3,557,274	3,842,109
Net assets	3,015,821	3,004,830	3,039,888	3,124,151
Net assets per share	958.23 yen	954.74 yen	965.88 yen	993.30 yen

Fiscal year ended March 31, 2022

(thousand yen)	First Quarter Apr 2021 - Jun 2021	Second Quarter Jul 2021 - Sep 2021	Third Quarter Oct 2021 - Dec 2021	Fourth Quarter Jan 2022 - Mar 2022
Net sales	250,518	440,014	589,060	388,398
Gross profit	69,584	168,322	205,938	160,616
Operating income/loss (-)	-95,864	-14,080	18,023	-34,699
Ordinary income/loss (-)	-95,848	-13,155	18,566	-32,193
Income/loss (-) before income taxes	-95,848	-13,155	18,895	-65,836
Net income/loss (-)	-96,369	-13,675	18,374	-65,526
Net income/loss (-) attributable to owners of the parent	-96,369	-13,675	18,374	-65,526
Comprehensive income	-95,826	-12,419	20,628	-67,017
Net income/loss (-) per share	-30.60 yen	-4.34 yen	5.83 yen	-20.81 yen
	End of 1st Quarter	End of 2nd Quarter	End of 3rd Quarter	End of 4th Quarter
Total assets	3,399,847	3,432,453	3,634,784	3,472,189
Net assets	3,154,649	3,141,872	3,162,500	3,095,483
Net assets per share	1,001.85 yen	997.90 yen	1,004.45 yen	983.23 yen