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MAKING THE IMAGE INTELLIGENT



**1st Quarter ended June 30, 2024**

# **Financial Results Supplementary Information**

Digital Media Professionals Inc.

August 8, 2024

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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, President and CEO: Tatsuo Yamamoto
Capital	1,838 million yen
Number of consolidated employees	65 (as of June 1, 2024)
Number of patents	35 cases
Consolidated subsidiary	Digital Media Professionals Vietnam Company Limited

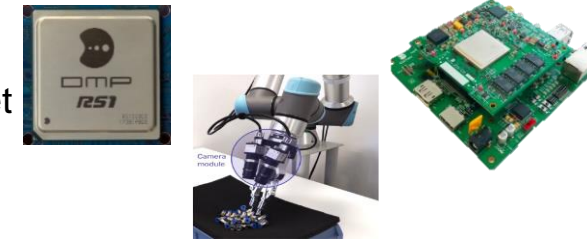
## IP core license business

- AI/GPU IP core license
- AI software license



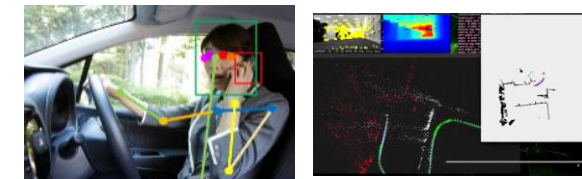
## Product business

- Image processing LSI for amusement market
- Vision system for collaborative robot
- Camera module for drone



## 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 net sales grew and reached a record high. Operating income, ordinary income, and net income attributable to owners of the parent grew year on year and reached new records since listing.
- Sales in amusement field continued to grow. Non-amusement sales decreased mainly due to a temporary decline in sales of Cambrian products and a decrease in IP maintenance/support income; recovery is expected from 2nd quarter onward.
- Focused on market development in the semiconductor manufacturing/video inspection areas where safety and robotics technologies are integrated

Overall	Sales by business	Sales by field	
Net sales	IP Core License	Safety	Robotics
¥ <b>740M</b> (YoY* +6%)	¥ <b>21M</b> (YoY -51%)	¥ <b>5M</b> (YoY -5%)	¥ <b>9M</b> (YoY -61%)
Ordinary income	Product	Amusement	Other
¥ <b>63M</b> (YoY ¥ +93%)	¥ <b>711M</b> (YoY +9%)	¥ <b>710M</b> (YoY +13%)	¥ <b>15M</b> (YoY -61%)
	Professional service		
	¥ <b>7M</b> (YoY +147%)		

\* YoY :Year on Year

## Sales and incomes grew mainly due to steady growth in the amusement field.

(Unit: million yen)	1st Quarter ended June 30, 2023	1st Quarter ended June 30, 2024	Amount change
<b>Net sales</b>	699	<b>740</b>	<b>+41</b>
<b>Operating income</b>	30	<b>64</b>	<b>+34</b>
<b>Ordinary income</b>	32	<b>63</b>	<b>+30</b>
<b>Net income attributable to owners of parent</b>	26	<b>59</b>	<b>+32</b>

- Net sales increased by 5.9% due to steady shipment of "RS1" image processing semiconductors for the amusement market
- Operating income, ordinary income, and net income attributable to owners of the parent grew by 114.4%, 93.4%, and 124.0% respectively

# Results Highlights: Net Sales by Business and Field



## ● Sales by business

**IP core license business**    **¥21 million**    Same period last year    **¥43 million**

- Recorded AI/GPU running royalties for digital equipment, recurring revenues in safety/robotics fields, maintenance/support revenues, etc.
- Large GPU IP maintenance and support project in the previous fiscal year fell off

**Product business**    **¥711 million**    Same period last year    **¥652 million**

- Recorded sales from volume shipments of RS1 and Cambrian Vision Systems

**Professional service business**    **¥7 million**    Same period last year    **¥3 million**

- Recorded revenues from contracted development services in AI and amusement fields
- Larger part of revenues from professional services for safety and robotics fields, which have been underway since the first quarter, will be recorded from the second quarter onward

## ● Sales by field

**Safety field**    **¥5 million**    Same period last year    **¥6 million**

- Recorded recurring revenues (running royalties and subscription fees) and maintenance/support revenues related to dashcams

**Robotics field**    **¥9 million**    Same period last year    **¥23 million**

- Recorded sales of products such as Cambrian Vision Systems and professional services
- Cambrian vision system shipments temporarily declined; recovery expected from 2Q

**Amusement field**    **¥710 million**    Same period last year    **¥630 million**

- Primarily recorded sales of RS1 for mass production

**Other**    **¥15 million**    Same period last year    **¥38 million**

- Recorded AI/GPU running royalties and maintenance/support revenues for digital equipment
- Large GPU IP maintenance and support project in the previous fiscal year fell off



## Equity ratio remains high at 89.6%

(Unit: million yen)		End of March 2024	End of June 2024	Amount change	Major factors
	Current assets	3,272	3,284	+11	Merchandise and finished goods +33 Accounts receivable - trade and contract assets -24
	Non-current assets	647	645	-1	Property, plant and equipment/Intangible assets -6 Investment securities +5
<b>Total assets</b>		<b>3,919</b>	<b>3,929</b>	<b>+10</b>	
	Current liabilities	443	389	-54	Accounts payable - trade +58 Income taxes payable -39, Accrued expenses -45, Accrued consumption taxes -30
	Non-current liabilities	18	18	+0	
<b>Total liabilities</b>		<b>461</b>	<b>407</b>	<b>-54</b>	
<b>Total net assets</b>		<b>3,457</b>	<b>3,521</b>	<b>+64</b>	Retained earnings +59
<b>Total liabilities and net assets</b>		<b>3,919</b>	<b>3,929</b>	<b>+10</b>	

## 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."





# Topics

## Safety

### Realize a safe and secure society



- Recurring revenues from existing projects from edge to cloud
- Professional service conducted for broader safety field; sales are expected from 2nd quarter onward

## Robotics

### Contribute to labor saving in the manufacturing and transportation industries

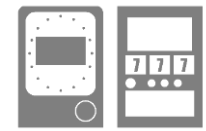


- Professional service conducted in the semiconductor manufacturing area; sales are expected from 2Q onward
- Cambrian: Progress in high-probability projects and acquisition of leads through various trade shows
- Started strategic collaboration with dSPACE Japan to expand model-based development (MBD) products and services using RTMaps. Project for construction machinery in progress, recorded revenue

Solving social/customer problems through image intelligence

## Amusement

### Realize both beautiful video expression and reduction of machine chassis cost



- Continued mass production shipments of our image processing semiconductor, RS1
- Expand our share and acquire new customers in the market segment where we can demonstrate the superiority of our unique 2D/3D integrated chip

## AI/GPU IP

### Provide small size, low power, and high-performance IPs optimized for customer SoCs



- Obtained stable running royalties from existing IPs/ customers and progressed deals for new projects
- Developing AI IP processor “ZIA A3000 V2”; clear outlook for offering the license



## No change in the full-year earnings forecast announced on May 14, 2024

(Unit: million yen)	FY 03/2024 (Actual)	FY 03/2025	
		Forecast	% Change
<b>Net sales</b>	3,016	<b>3,200</b>	+6.1%
<b>Operating income</b>	328	<b>350</b>	+6.5%
<b>Ordinary income</b>	330	<b>350</b>	+5.9%
<b>Net income attributable to owners of the parent</b>	331	<b>290</b>	-12.5%

- In the first quarter, net sales, operating income, ordinary income, and net income attributable to owners of the parent grew year on year, driven primarily by steady sales in the amusement field.
- 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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