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MAKING THE IMAGE INTELLIGENT



2nd Quarter ended September 30, 2024

Results Briefing

Digital Media Professionals Inc.

November 12, 2024

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, 2024**
- 2 Full-Year Business Forecast, Fiscal Year Ending March 31, 2025**
- 3 Challenges and Initiatives**



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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 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 March 31, 2024)
Number of patents	35 cases
Consolidated subsidiary	Digital Media Professionals Vietnam Company Limited

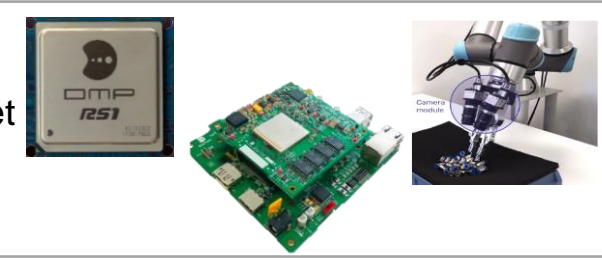
IP core license business

- AI/GPU IP core license
- AI software license



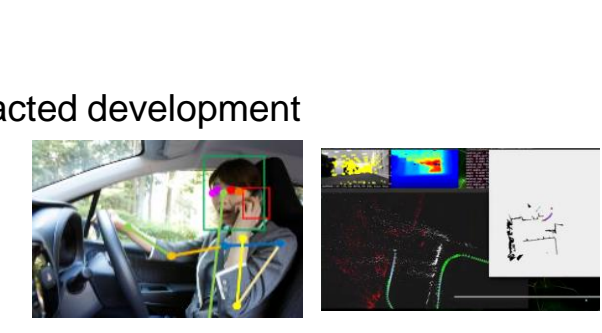
Product business

- 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



- Six-month sales reached a record high. Operating income, ordinary income, and net income attributable to owners of the parent grew compared to the same period of the previous fiscal year.
- 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.

Overall	Sales by business	Sales by field	
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Net sales	IP Core License	Safety	Robotics
¥ 1,535M (YoY* +6.5%)	¥ 48M (YoY -48%)	¥ 20M (YoY -39%)	¥ 62M (YoY -10%)
Ordinary income	Product	Amusement	Other
¥ 143M (YoY ¥ +2.2%)	¥ 1,431M (YoY +10%)	¥ 1,420M (YoY +13%)	¥ 30M (YoY -62%)
	Professional service		
	¥ 55M (YoY +16%)		

* YoY :Year on Year

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

(Unit: million yen)	2 nd Quarter ended Sept. 30, 2023	2 nd Quarter ended Sept. 30, 2024	Amount change
Net sales	1,442	1,535	+93
Operating income	134	144	+9
Ordinary income	140	143	+3
Net income attributable to owners of parent	121	121	+0

- Net sales increased by 6.5% 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 7.3%, 2.2%, and 0.3% respectively

Results Highlights: Net Sales by Business and Field



● Sales by business

IP core license business	¥48 million	Same period last year	¥94 million
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- 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	¥1,431 million	Same period last year	¥1,301 million
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- Recorded sales from volume shipments of RS1 and Cambrian Vision Systems

Professional service business	¥55 million	Same period last year	¥46 million
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- Recorded revenues from contracted development services in AI and amusement fields
- Provided professional services for broader safety field and for semiconductor manufacturing equipment/construction machinery in the robotics field.

● Sales by field

Safety field	¥20 million	Same period last year	¥34 million
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- Recorded dashcam-related recurring revenues (running royalties and subscription fees), maintenance/support revenues and professional service revenue

Robotics field	¥62 million	Same period last year	¥69 million
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- Recorded sales of professional services and products such as Cambrian Vision Systems

Amusement field	¥1,420 million	Same period last year	¥1,257 million
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- Recorded sales of RS1 for mass production

Other	¥30 million	Same period last year	¥80 million
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- 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 88.9%

(Unit: million yen)	End of March 2024	End of Sep 2024	Amount change	Major increases/decreases
Current assets	3,272	3,291	+18	Accounts receivable - trade and contract assets +63, Inventories +51, Securities -100
Non-current assets	647	730	+83	Investment securities +95, Fixed assets -11
Total assets	3,919	4,022	+102	
Current liabilities	443	428	△14	Account payable – other -47, Consumption taxes payable -40, Income taxes payable -14, Accounts payable - trade +95
Non-current liabilities	18	18	+0	
Total liabilities	461	447	△14	
Total net assets	3,457	3,574	+117	Retained earnings +121
Total liabilities and net assets	3,919	4,022	+102	

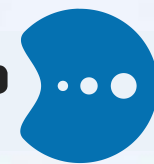


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No change in the full-year earnings forecast announced on May 14, 2024

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

- In the second quarter, net sales reached a record-high, and 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 third 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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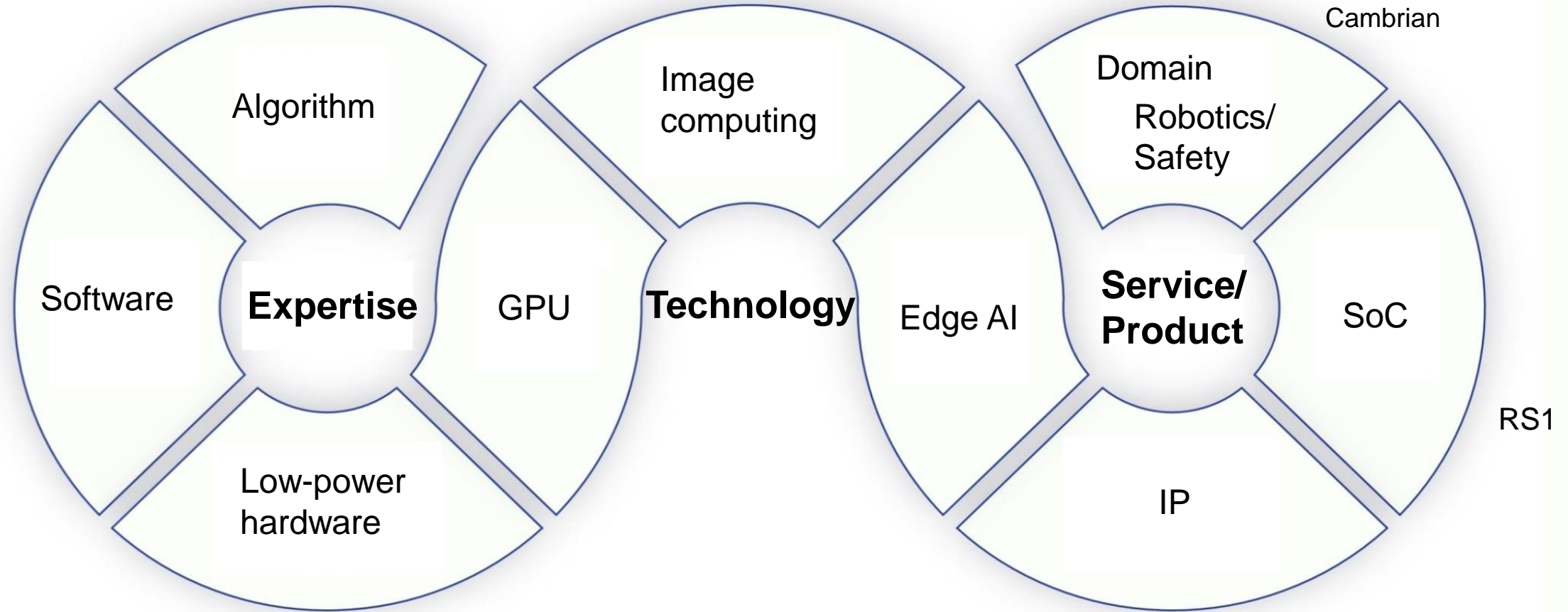
Making the Image Intelligent

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



Expertise and Technologies Enabling Domain Optimization

ZIA SAFE
ZIA MOVE
Cambrian



GPU/AI
(180 million customer products)

- Continued strong shipments of RS1
- Strategic partnership with iCatch to develop edge AI solutions
- Launch of next generation AI IP A3000 V2
- Strengthened partner collaboration for Cambrian Vision System

Amusement Market

- Steady utilization of smart pachislot continues in response to halls' expectations; market environment is favorable

RS1

- Strong shipments continued, with sales up 13% year-on-year
- Expanding RS1 share mainly through ZEEG's common chassis, adopted by 7 pachislot manufacturers; 9 models adopted in 2024*
- Continuous function enhancement through software update
- Proposing total solution including that for peripheral equipment

* As of November 11, 2024 (<https://www.zeeg.jp/product/>)



Amusement SoC RS1

Industry's first real-time 3D engine and high-performance, high-compression video engine on a single chip



DMP × iCatch: エッジAIカメラ開発を加速する ハードウェアとソフトウェアをワンストップで提 供、開発者の負担を大幅削減

デジタルメディアプロフェッショナル（DMP）と台湾iCatch TechnologyはエッジAIカメラソリューションで協業を開始した。DMPのAI認識モデルとiCatchのイメージングSoCを組み合わせ、ハードウェアとソフトウェアをワンストップで提供する。これにより、開発者はハードとソフトの個別調達や動作検証の手間を大幅に削減でき、開発期間の短縮とコスト削減が可能になる。自動車、セキュリティカメラ、ロボティクスなど幅広い分野での活用が期待される。

PR/ITmedia | 2024年10月01日 10時00分 公開

- Founded in 2009, a fabless semiconductor vendor headquartered in Hsinchu, Taiwan
- Provides high-performance imaging SoCs and image signal processing (ISP) chips for a wide range of applications including automotive cameras, security cameras, drones and action cameras
- Complies with automotive safety standards ISO 26262, AEC100 and ASIL
- Shipping imaging SoCs with DMP GPU IP (cumulative shipments of approx. 3 million units)



Automotive

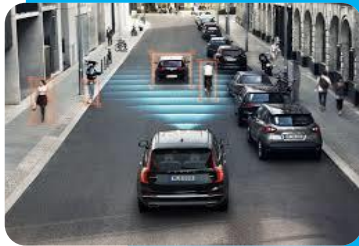


Home Security

Security



Automotive (ADAS/DMS)



Robotics



OEM/System integrator



DMP

- AI Software
- Hardware module
- Professional service



AI Imaging SoC
ISP (Compliant with automotive safety standards)

Advanced Driver Assistance

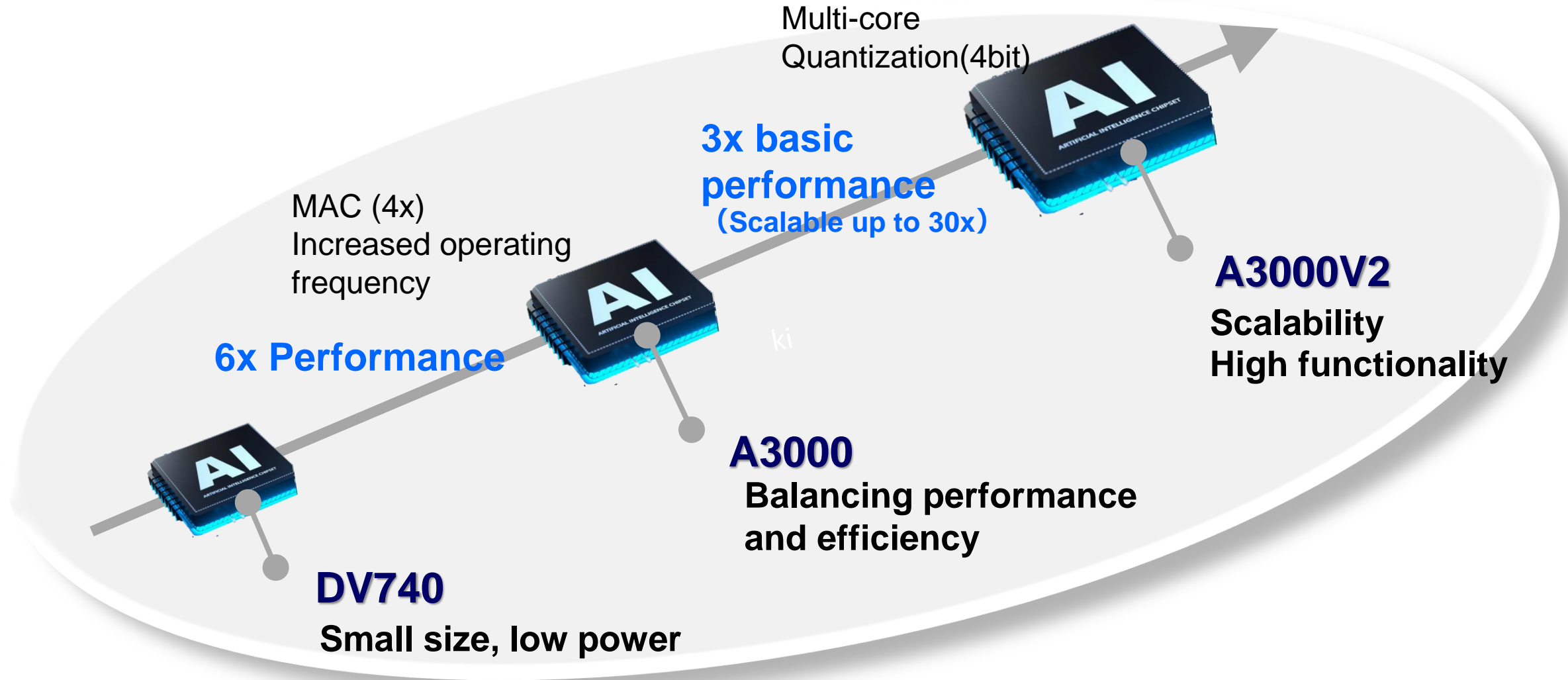
- Vehicle/Pedestrian Distance Detection
- Traffic Light/Signal Detection
- Traffic and Guardrail Detection



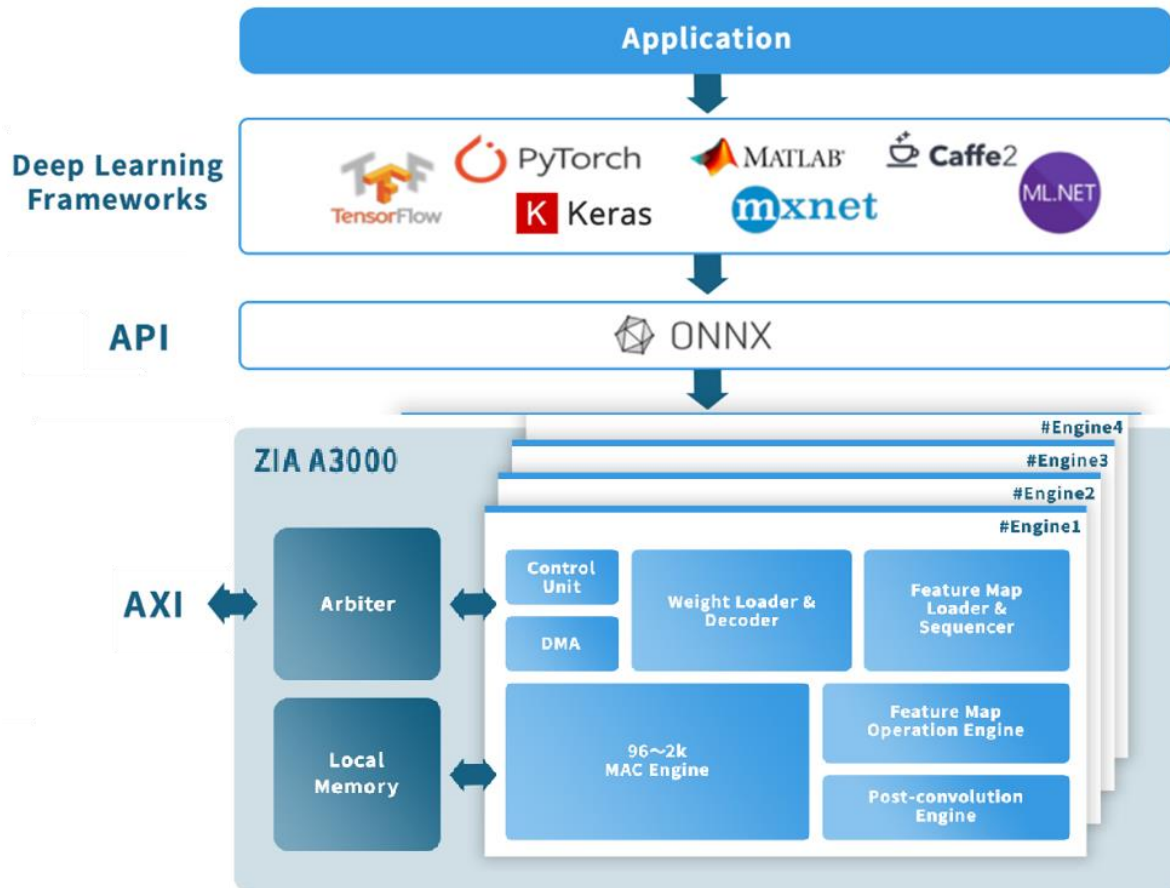
Driver Monitoring

- Line of Sight Detection
- Dozing, Smoking, Smartphone
- Inattention





Scalable, balancing ease of use with functionality, performance, and efficiency



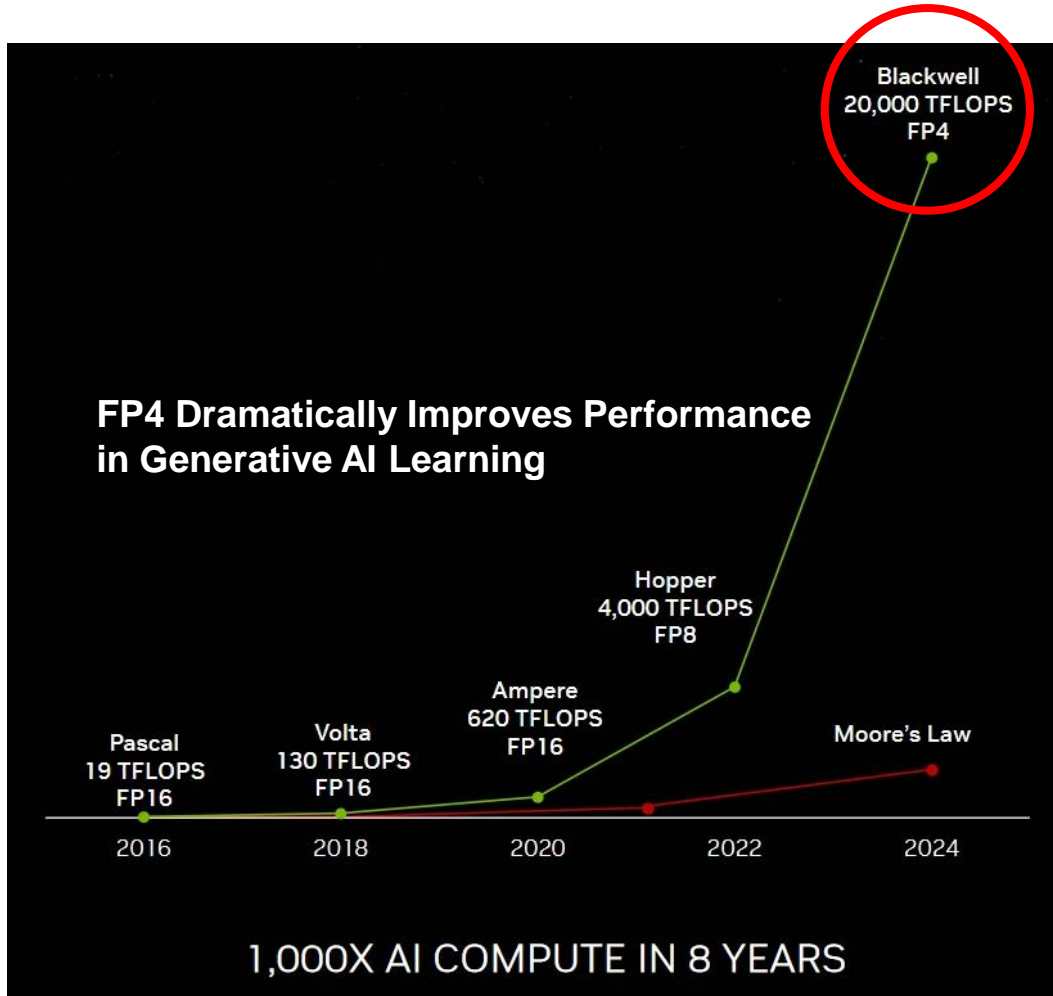
Scalable with MAC units and multi-core configurations
Achieves 2-40 TOPS, approximately 30 times the performance of DV740

Optimizes performance with quantization and mixed precision through wide data format support (FP16/INT8/INT4/FP4)

Supports PyTorch, TensorFlow, and ONNX; accommodates a wide range of models with increased layers

High-speed inference processing through hardware acceleration; fast, low-power processing with active power management

Improved usability with abundant sample source code and profiling tool development



Source: 2024 Nvidia GTC Conference

Industry's first*¹ implementation of FP4*² used in Nvidia's latest AI processor, Blackwell, in an edge AI inference processor

- Significant improvement in processing performance
- Achieves high-speed inference while reducing memory bandwidth and power consumption
- Substantial reduction in model size
- Maintains high accuracy through optimization techniques

*1: According to our survey

*2: 4-bit floating point operations

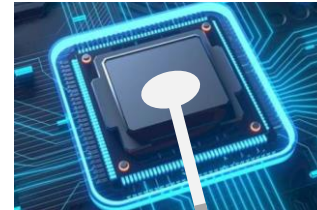
Automotive

- Advanced Driver-Assistance
- Drive Monitoring

Consumer

- Home Appliance
- AR/VR Headset
- Smart Home Device

Customer Edge AI Chip



A3000 V2 Inference AI Processor

High-performance AI Camara System

- Surveillance/Security Camera
- Smart City

Robotics

- Industrial Robot
- Service Robot
- Autonomous Mobile Robot

Cambrian vision system

**AI-based high-performance
vision system mounted on
a robot arm**

Recognizes translucent/
shiny workpieces at high
speed

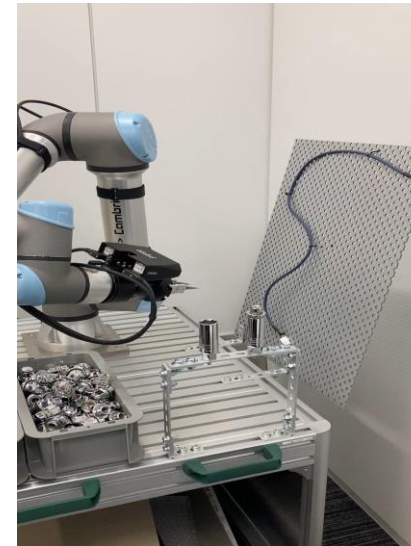


Partners exhibited Cambrian Vision systems at Robot Technology Japan 2024

産業用ロボット・自動化システムの専門展
ROBOT TECHNOLOGY JAPAN 2024
ロボットテクノロジージャパン
July 4-6, 2024



Transparent/Mirrored Object Picking



Cable Handling



Small/Transparent/Shiny Work Picking

- Collaboration with major manufacturers for the deployment of ZIA MOVE-based autonomous mobile robots
- Promoting contract development for major semiconductor manufacturing equipment company
- Collaborative development of automation solutions with major machine tool manufacturer



Manufacturing Line



Machine Tools



Warehouse Logistics



**Semiconductor
Manufacturing Line**

Accelerating our business with the Purpose of Making the Image Intelligent

- Promote RS1 and Cambrian vision system product businesses
- Focus on the development of core technologies and solutions for edge AI
- Strengthen professional service business through collaborations, such as with iCatch Technology
- Tap growth areas with new AI image recognition technologies
- Focus on priority areas in robotics and find related products

<Inquiries>

Digital Media Professionals Inc. Corporate Planning Department

Tel. +81-3-6454-0450

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

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