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Summary of Consolidated Financial Results for the Fiscal Year ended March 31, 2025 (Japanese GAAP)

May 13, 2025

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 24, 2025

Scheduled date of filing Securities Report: June 23, 2025

Scheduled date of payment of cash dividends: -

Supplementary materials for the financial results: Yes

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, 2025 (April 1, 2024 through March 31, 2025)

(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, 2025 | 3,077 | 2.0 | 265 | -19.2 | 271 | -17.8 | 157 | -52.6 |
| Fiscal year ended March 31, 2024 | 3,016 | 29.9 | 328 | - | 330 | - | 331 | - |

Reference) Comprehensive income: 153 million yen (-54.0%) as of March 31, 2025; 333 million yen (-%) as of March 31, 2024

| | Net income per share | | Net income per share-diluted | | Return on equity | Return on assets | Operating margin |
|----------------------------------|----------------------|--|------------------------------|--|------------------|------------------|------------------|
| | yen | | yen | | % | % | % |
| Fiscal year ended March 31, 2025 | 49.96 | | - | | 4.4 | 6.8 | 8.6 |
| Fiscal year ended March 31, 2024 | 105.33 | | - | | 10.1 | 8.5 | 10.9 |

Reference) Equity in earnings (losses) of affiliates: - million yen as of March 31, 2025; - million yen as of March 31, 2024

(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, 2025 | 4,092 | 3,611 | 88.2 | 1,148.27 |
| As of March 31, 2024 | 3,919 | 3,457 | 88.2 | 1,099.42 |

Reference) Shareholders' equity: 3,611 million yen as of March 31, 2025; 3,457 million yen as of March 31, 2024

(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, 2025 | 93 | -167 | - | 2,529 |
| Fiscal year ended March 31, 2024 | 660 | -500 | -0 | 2,603 |

2. Cash dividends

| | Annual dividends per share | | | | | Total Dividends | Payout ratio | Dividends on equity |
|-----------------------------------|----------------------------|--------|--------|----------|-------|-----------------|--------------|---------------------|
| | 1Q-end | 2Q-end | 3Q-end | Year-end | Total | | | |
| | yen | yen | yen | yen | yen | Millions of yen | % | % |
| Year ended March 2024 | - | 0.00 | - | 0.00 | 0.00 | - | - | - |
| Year ended March 2025 | - | 0.00 | - | 0.00 | 0.00 | - | - | - |
| Year ending March 2026 (Forecast) | - | 0.00 | - | 0.00 | 0.00 | - | - | - |

3. Forecasts of consolidated operating results for the year ending March 31, 2026 (April 1, 2025 through March 31, 2026)

(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 | 3,250 | 5.6 | 20 | -92.5 | 25 | -90.8 | 20 | -87.3 | 6.36 |

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: Yes
 - (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, 2025 | 3,152,400 shares | As of March 31, 2024 | 3,152,400 shares |
|----------------------|------------------|----------------------|------------------|

(2) Number of treasury shares at the end of the period

| | | | |
|----------------------|--------------|----------------------|--------------|
| As of March 31, 2025 | 7,240 shares | As of March 31, 2024 | 7,240 shares |
|----------------------|--------------|----------------------|--------------|

(3) Average number of shares issued during the period

| | | | |
|---------------------------|------------------|---------------------------|------------------|
| Year ended March 31, 2025 | 3,145,160 shares | Year ended March 31, 2024 | 3,145,185 shares |
|---------------------------|------------------|---------------------------|------------------|

(Reference)

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (April 1, 2024 through March 31, 2025)

(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, 2025 | 3,077 | 2.0 | 261 | -19.7 | 267 | -18.3 | 153 | -53.3 |
| Fiscal year ended March 31, 2024 | 3,016 | 29.9 | 325 | - | 327 | - | 328 | - |

| | Net income per share | Net income per share-diluted |
|----------------------------------|----------------------|------------------------------|
| | yen | yen |
| Fiscal year ended March 31, 2025 | 48.81 | - |
| Fiscal year ended March 31, 2024 | 104.49 | - |

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of March 31, 2025 | 4,078 | 3,594 | 88.1 | 1,142.98 |
| As of March 31, 2024 | 3,911 | 3,445 | 88.1 | 1,095.36 |

Reference) Shareholders' equity: 3,594 million yen as of March 31, 2025; 3,445 million yen as of March 31, 2024

2. The non-consolidated earnings forecast for the fiscal year ending March 31, 2026 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, supported by moderate improvements in employment, increases in nominal wages, and steady corporate sector performance. However, the impacts of the continued weak yen and rising prices and energy costs on the economy and people's lives became apparent. The global economy also showed signs of recovery in general, but downside risks need to be kept in mind such as the effects of monetary tightening, concerns about the future of the Chinese economy, and increasing geopolitical risks.

In the semiconductor industry, to which our group belongs, demand for generative AI (Artificial Intelligence) is driving the market, which bottomed out in 2023. 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 and climate change, and in realizing a safe and secure society.

In this environment, our group strives to create innovative products and services that drive value to our stakeholders and solve real-world problems through the power of image intelligence, which has been our strength since our founding, under the Purpose of "Making the Image Intelligent." With a solid business foundation of stable growth in the amusement and IP fields, we support the entire development lifecycle of customer products and services, from planning to mass production, in the robotics and safety fields and their applied areas, such as video inspection and semiconductor manufacturing equipment. We are striving to maximize LTV (customer lifetime value) by providing added value, through deploying IP core license business, product business, and professional service business with our integrated development system from algorithm and software to hardware, which is our strength.

As for specific initiatives and achievements in our focused fields during the current consolidated fiscal year, firstly, in the safety field, we secured recurring revenue from existing projects spanning edge to cloud for driver assistance, while providing professional services mainly for a wider range of safety fields.

In the robotics field, in addition to providing ZIA MOVE licenses for autonomous mobile robots (AMR), we provided professional services in areas such as AMR, semiconductor manufacturing equipment, video inspection, and construction machinery related to RTMaps, a model-based development tool. In the business of vision systems for picking robots by Cambrian Inc., a capital and business partner, our competitive advantage in recognition accuracy of transparent and shiny parts and robustness against environmental changes such as ambient light was highly evaluated, resulting in progress in product shipments including full-scale introduction to manufacturing inline and business projects. In addition, we have promoted the acquisition of leads by exhibiting at various trade shows. Furthermore, we have signed distribution agreements with three leading Chinese robotics companies and will begin providing robots such as AMR and AGF (Automated Guided Forklift), controllers, sensors, motors, and other key components and software for robots starting in April 2025. In addition to our proprietary Visual SLAM technology, we will offer LiDAR-based products to provide a one-stop solution for AMR.

In the amusement field, we continued mass production shipments of our image processing semiconductor, RS1, for pachislot machines, including smart pachislots, and aimed to expand our share in the market segment where we can demonstrate the superiority of this unique 2D/3D integrated chip.

Additionally, as announced in the "Notice Concerning Commencement of New Business" disclosed on February 13,

2025, we have decided to launch a next-generation edge AI semiconductor business for the rapidly growing edge AI market, in strategic partnership with iCatch Technology in Taiwan, which possesses advanced image processing capabilities. By developing innovative edge AI semiconductors that meet the demands for low power consumption, high performance, and robust security, we aim to address the rapidly expanding global edge AI needs and establish this business as our long-term business foundation and growth engine, alongside the amusement business. The development is progressing smoothly, and the business (sales) is scheduled to commence in the fourth quarter of the fiscal year ending March 2026.

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 Cambrian Vision Systems. In the IP core license business, we recorded initial license revenues for GPU and robotics fields, AI/GPU running royalty income, recurring revenue in the safety and robotics fields, and maintenance/support revenues. In the professional service business, we provided AI/GPU contracted development services.

As a result, for the current consolidated fiscal year, we recorded net sales of 3,077 million yen (up 2.0% from the same period of the previous year), operating income of 265 million yen (down 19.2% from the same period of the previous year), ordinary income of 271 million yen (down 17.8% from the same period of the previous year) and net income attributable to owners of the parent of 157 million yen (down 52.6% from the same period of the previous year).

During the third quarter of the current consolidated fiscal year, we recorded development expenses of 79 million yen for edge AI semiconductors. Additionally, during the fourth quarter of the current consolidated fiscal year, we recorded a loss on investment securities of 42 million yen as an extraordinary loss. Furthermore, after carefully reviewing the recoverability of deferred tax assets, we decided to write off 45 million yen of deferred tax assets and recorded this amount as income taxes deferred.

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 124 million yen (170 million yen in the same period of the previous fiscal year), mainly due to the recording of recurring revenue in the safety and robotics fields, initial licenses for GPU and robotics fields, and maintenance/support revenues 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 2,855 million yen (2,758 million yen in the same period of the previous fiscal year) due to sales from Cambrian Vision Systems in addition to the steady mass production shipments of the RS1.

c) Professional service business

Net sales amounted to 97 million yen (87 million yen in the same period of the previous fiscal year) for providing AI contracted development services in the safety and robotics fields and contracted development services in the amusement field.

A summary of results by field is as follows.

a) Safety field

Net sales amounted to 38 million yen (71 million yen in the same period of the previous year), mainly due to the

recording of recurring income in the IP core license business and providing professional services for broader safety fields.

b) Robotics field

Net sales amounted to 168 million yen (168 million yen in the same period of the previous fiscal year) mainly due to the provision of initial licenses for AMR, the recording of sales of Cambrian Vision Systems in the product business, and the provision of professional services for AMR, semiconductor manufacturing equipment, and video inspection areas.

c) Amusement field

Net sales amounted to 2,779 million yen (2,642 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 90 million yen (134 million yen in the same period of the previous fiscal year), mainly due to the recording of GPU initial license revenues, AI/GPU running royalty income for digital equipment, and maintenance/support revenues.

(2) Financial position

(Assets)

Total assets at the end of the current consolidated fiscal year amounted to 4,092 million yen, up 172 million yen from the end of the previous consolidated fiscal year, mainly due to increases in software in progress (up 158 million yen) and a increase in accounts receivable and contract assets (up 165 million yen), and a decrease in cash and deposits (down 73 million yen).

(Liabilities)

Current liabilities and non-current liabilities at the end of the current consolidated fiscal year totaled 480 million yen, up 18 million yen from the end of the previous consolidated fiscal year, mainly due to increases in accounts payable (up 114 million yen) and decreases in Income taxes payable (down 32 million yen) and accrued consumption taxes (down 47 million yen).

(Net assets)

Total net assets at the end of the current consolidated fiscal year amounted to 3,611 million yen, up 153 million yen from the end of the previous consolidated fiscal year, mainly due to an increase in retained earnings (up 157 million yen) resulting from the posting of net income attributable to owners of the parent.

As a result, the net equity ratio was 88.2%.

(3) Overview of Cash Flows

The balance of cash and cash equivalents at the end of the current consolidated fiscal year was 2,529 million yen.

Net cash provided by operating activities was 93 million yen mainly attributable to positive factors such as depreciation of 27 million yen, income before income taxes of 229 million yen and an increase in accounts payable of 114 million yen, and negative factors such as an increase in accounts receivable and contract assets of 165 million yen.

Net cash used in investing activities was 167 million yen mainly attributable to negative factors such as purchases of investment securities of 100 million yen.

There was no net cash flow by financing activities.

(Reference) Changes in cash flow indicators

| | March 2021 | March 2022 | March 2023 | March 2024 | March 2025 |
|--|------------|------------|------------|------------|------------|
| Equity ratio (%) | 93.5 | 89.2 | 81.3 | 88.2 | 88.2 |
| Equity ratio on market value (%) | 250.2 | 128.5 | 225.1 | 308.5 | 134.9 |
| 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: $\text{Equity} / \text{Total assets}$

Equity ratio on market value: $\text{Market value} / \text{Total assets}$

Interest-bearing debt to cash flows ratio: $\text{Interest-bearing debt} / \text{Cash flows}$

Interest coverage ratio: $\text{Cash flows} / \text{Interest payment}$

(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

For the fiscal year ending March 2026, we plan to actively pursue aggressive strategic investments focused on the development of next-generation edge AI semiconductors to drive future growth. In addition to steady shipments of image processing semiconductors for the amusement industry, sales from our new businesses, including next-generation edge AI semiconductors and FA, are expected to contribute to a limited extent, resulting in an overall increase in net sales. In terms of profits, we will prioritize investments in semiconductor development to strengthen our future earnings base. We believe that this upfront investment will further strengthen the competitive advantages we have cultivated in the design, development, and sales of GPUs and AI processors, and will significantly contribute to the enhancement of our corporate value over the medium to long term.

In the medium term, we aim to further expand our earnings by capturing a larger share of the amusement market and leveraging the dual growth engines of our edge AI semiconductor business and FA business.

We will expand our earnings by introducing innovative edge AI semiconductors that simultaneously meet the requirements of low power consumption, high performance, and high security to growing markets such as mobility, smart factories, drones, and smart cameras.

In the FA business, we will capture the growing demand for smart logistics and manufacturing by providing key components and software for robots, such as AMR and AGF robots, controllers, sensors, and motors, on a one-stop basis. In addition, we will strengthen our competitiveness and aim to expand our market share by integrating our image recognition technology, AI technology, and image semiconductor technology with our partner products.

We will make these two businesses the second and third pillars of our business following the amusement business, and strive to dramatically increase our corporate value.

Based on the above, for the fiscal year ending March 31, 2026, we forecast consolidated net sales of 3,250 million yen, operating income of 20 million yen, ordinary income of 25 million yen, and net income attributable to owners of the parent of 20 million yen.

Please note that the above performance forecasts, including the medium-term outlook, are based on our judgment as of the date of this announcement, using information available at that time, and actual results may differ from these forecasts due to various factors.

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, 2024) | Current year (As of Mar 31, 2025) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 2,603,750 | 2,529,833 |
| Accounts receivable - trade, and contract assets | 246,332 | 411,881 |
| Securities | 300,000 | 200,000 |
| Merchandise and finished goods | 35,585 | 45,490 |
| Work in process | 2,817 | 2,585 |
| Raw materials and supplies | 44,266 | 51,365 |
| Prepaid expenses | 28,896 | 31,265 |
| Consumption taxes refund receivable | 5,750 | 7,303 |
| Other | 5,385 | 18,107 |
| Total current assets | 3,272,786 | 3,297,832 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 51,243 | 51,243 |
| Accumulated depreciation | -44,181 | -46,111 |
| Buildings, net | 7,061 | 5,131 |
| Tools, furniture and fixtures | 205,038 | 190,079 |
| Accumulated depreciation | -158,035 | -154,839 |
| Tools, furniture and fixtures, net | 47,002 | 35,240 |
| Total property, plant and equipment | 54,063 | 40,371 |
| Intangible assets | | |
| Software | 9,298 | 4,220 |
| Software in progress | - | 158,170 |
| Other | 25 | 25 |
| Total intangible assets | 9,324 | 162,416 |
| Investments and other assets | | |
| Investment securities | 483,227 | 536,318 |
| Long-term prepaid expenses | 1,227 | 986 |
| Leasehold deposits | 54,455 | 54,455 |
| Deferred tax asset | 44,712 | 47 |
| Total investments and other assets | 583,622 | 591,807 |
| Total non-current assets | 647,010 | 794,595 |
| Total assets | 3,919,796 | 4,092,428 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 196,241 | 310,566 |
| Accounts payable - other | 98,965 | 89,715 |
| Accrued expenses | 2,033 | 1,762 |
| Income taxes payable | 51,667 | 19,076 |
| Accrued consumption taxes | 54,686 | 6,736 |
| Deposits received | 12,204 | 10,132 |
| Contract liabilities | 19,420 | 23,542 |
| Provision for product warranties | 8,540 | 319 |
| Total current liabilities | 443,761 | 461,851 |
| Non-current liabilities | | |
| Asset retirement obligations | 18,191 | 18,460 |
| Deferred tax liabilities | - | 633 |
| Total non-current liabilities | 18,191 | 19,093 |
| Total liabilities | 461,952 | 480,945 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 1,838,882 | 1,838,882 |
| Capital surplus | 1,858,093 | 1,858,093 |
| Retained earnings | -243,821 | -86,698 |
| Treasury shares | -2,016 | -2,016 |
| Total shareholders' equity | 3,451,138 | 3,608,261 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,726 | - |
| Foreign currency translation adjustment | 2,978 | 3,221 |
| Total accumulated other comprehensive income | 6,705 | 3,221 |
| Total net assets | 3,457,844 | 3,611,482 |
| Total liabilities and net assets | 3,919,796 | 4,092,428 |

(2) Consolidated statements of income and comprehensive income

Consolidated statements of income

| | (Yen thousand) | |
|--|--|---|
| | Previous year (From Apr 1, 2023 To Mar 31, 2024) | Current year (From Apr 1, 2024 To Mar 31, 2025) |
| Net sales | 3,016,061 | 3,077,721 |
| Cost of sales | 1,742,211 | 1,754,437 |
| Gross profit | 1,273,849 | 1,323,284 |
| Selling, general and administrative expenses | 945,277 | 1,057,729 |
| Operating income | 328,572 | 265,555 |
| Non-operating income | | |
| Interest income | 251 | 1,933 |
| Interest on securities | 1,263 | 6,177 |
| Foreign exchange gains | 716 | - |
| Miscellaneous income | 0 | 179 |
| Total non-operating income | 2,231 | 8,291 |
| Non-operating expenses | | |
| Interest expenses | 317 | - |
| Foreign exchange losses | - | 2,092 |
| Miscellaneous losses | 9 | 24 |
| Total non-operating expenses | 326 | 2,117 |
| Ordinary income | 330,477 | 271,729 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | - | 42,546 |
| Total extraordinary losses | - | 42,546 |
| Income before income taxes | 330,477 | 229,182 |
| Income taxes - current | 40,290 | 26,760 |
| Income taxes - deferred | -41,082 | 45,298 |
| Total income taxes | -791 | 72,059 |
| Income | 331,268 | 157,122 |
| Net income attributable to owners of parent | 331,268 | 157,122 |

Consolidated statements of comprehensive income

| | (Yen thousand) | (Yen thousand) |
|--|--|---|
| | Previous year (From Apr 1, 2023 To Mar 31, 2024) | Current year (From Apr 1, 2024 To Mar 31, 2025) |
| Income | 331,268 | 157,122 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 3,080 | -3,726 |
| Foreign currency translation adjustment | -365 | 242 |
| Total other comprehensive income | 2,715 | -3,484 |
| Comprehensive income | 333,983 | 153,638 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 333,983 | 153,638 |
| Comprehensive income attributable to non-controlling interests | - | - |

(3) Consolidated statements of shareholders' equity

Previous consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(Yen thousand)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,838,882 | 1,858,093 | -575,090 | -1,724 | 3,120,161 |
| Changes during period | | | | | |
| Loss attributable to owners of parent | | | 331,268 | | 331,268 |
| Purchase of treasury shares | | | | -291 | -291 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 331,268 | -291 | 330,977 |
| Balance at end of period | 1,838,882 | 1,858,093 | -243,821 | -2,016 | 3,451,138 |

| | 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 | 645 | 3,344 | 3,990 | 3,124,151 |
| Changes during period | | | | |
| Loss attributable to owners of parent | | | | 331,268 |
| Purchase of treasury shares | | | | -291 |
| Net changes in items other than shareholders' equity | 3,080 | -365 | 2,715 | 2,715 |
| Total changes during period | 3,080 | -365 | 2,715 | 333,692 |
| Balance at end of period | 3,726 | 2,978 | 6,705 | 3,457,844 |

Current consolidated fiscal year (from April 1, 2024 to March 31, 2025)

(Yen thousand)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 1,838,882 | 1,858,093 | -243,821 | -2,016 | 3,451,138 |
| Changes during period | | | | | |
| Loss attributable to owners of parent | | | 157,122 | | 157,122 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 157,122 | - | 157,122 |
| Balance at end of period | 1,838,882 | 1,858,093 | -86,698 | -2,016 | 3,608,261 |

| | 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 | 3,726 | 2,978 | 6,705 | 3,457,844 |
| Changes during period | | | | |
| Loss attributable to owners of parent | | | | 157,122 |
| Net changes in items other than shareholders' equity | -3,726 | 242 | -3,484 | -3,484 |
| Total changes during period | -3,726 | 242 | -3,484 | 153,638 |
| Balance at end of period | - | 3,221 | 3,221 | 3,611,482 |

(4) Consolidated statement of cash flows

| | (Yen thousand) | |
|---|--|---|
| | Previous year (From Apr 1, 2023 To Mar 31, 2024) | Current year (From Apr 1, 2024 To Mar 31, 2025) |
| Cash flows from operating activities | | |
| Income before income taxes | 330,477 | 229,182 |
| Depreciation | 41,293 | 27,708 |
| Share-based payment expenses | 6,504 | - |
| Increase (decrease) in provision for product warranties | -8,810 | -8,221 |
| Interest and dividend income | -1,514 | -8,111 |
| Loss (gain) on valuation of investment securities | - | 42,546 |
| Foreign exchange losses (gains) | -7,098 | 360 |
| Decrease (increase) in trade receivables | 587,185 | -165,548 |
| Decrease (increase) in inventories | -16,803 | -16,771 |
| Increase (decrease) in trade payables | -356,999 | 114,324 |
| Decrease (increase) in consumption taxes refund receivable | -1,179 | -1,553 |
| Increase (decrease) in accrued consumption taxes | 26,292 | -47,949 |
| Other, net | 75,826 | -23,547 |
| Subtotal | 675,172 | 142,419 |
| Interest and dividends received | 1,012 | 8,487 |
| Income taxes paid | -15,208 | -57,658 |
| Net cash provided by (used in) operating activities | 660,976 | 93,247 |
| Cash flows from investing activities | | |
| Purchase of securities | -600,000 | -400,000 |
| Proceeds from redemption of securities | 600,000 | 500,000 |
| Purchase of property, plant and equipment | -26,040 | -8,537 |
| Purchase of investment securities | -472,749 | -100,000 |
| Purchase of intangible assets | -1,240 | -158,570 |
| Net cash provided by (used in) investing activities | -500,029 | -167,107 |
| Cash flows from financing activities | | |
| Purchase of treasury shares | -291 | - |
| Net cash provided by (used in) financing activities | -291 | - |
| Effect of exchange rate change on cash and cash equivalents | 7,098 | -57 |
| Net increase (decrease) in cash and cash equivalents | 167,753 | -73,917 |
| Cash and cash equivalents at beginning of period | 2,435,996 | 2,603,750 |
| Cash and cash equivalents at end of period | 2,603,750 | 2,529,833 |

(5) Notes to consolidated financial statements

(Notes on going-concern assumption)

Not applicable

(Change in accounting policy)

(Application of "Accounting Standard for Current Income Taxes" etc.)

The "Accounting Standard for Current Income Taxes" (Accounting Standards Board of Japan ("ASBJ") Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022"), etc. have been applied from the beginning of the current consolidated fiscal year. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "Revised Guidance 2022"). This change in accounting policies has no impact on the consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Guidance 2022 has been applied from the beginning of the current consolidated fiscal year. Although this change in the accounting policies is applied retrospectively, there were no applicable events, hence there is no impact on the consolidated financial statements for the previous consolidated fiscal year.

(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, 2023 To Mar 31, 2024) | Current year (From Apr 1, 2024 To Mar 31, 2025) |
|----------------------|---|--|
| Net assets per share | 1,099.42 yen | 1,148.27 yen |
| Net income per share | 105.33 yen | 49.96 yen |

(Notes)

1. 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, 2024) | Current year (Mar 31, 2025) |
|--|------------------------------|-----------------------------|
| Total net assets (thousand yen) | 3,457,844 | 3,611,482 |
| Amount deducted from total net assets (thousand yen) | - | - |
| Net assets related to common stock at the end of the period (thousand yen) | 3,457,844 | 3,611,482 |
| Number of common shares used for calculation of net assets per share at the end of the period (Shares) | 3,145,160 | 3,145,160 |

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

| | Previous year (From Apr 1, 2023 To Mar 31, 2024) | Current year (From Apr 1, 2024 To Mar 31, 2025) |
|---|---|--|
| Net income per share | | |
| Net income attributable to owners of the parent (thousand yen) | 331,268 | 157,122 |
| Amount not attributable to common stock (thousand yen) | - | - |
| Net income attributable to owners of the parent on common stock | 331,268 | 157,122 |
| Average number of shares of common stock during the period (shares) | 3,145,185 | 3,145,160 |

(Significant subsequent events)

Not applicable

4. Other

(1) Recent quarterly business performance

Fiscal year ended March 31, 2025

| (thousand yen) | First Quarter Apr 2024 - Jun 2024 | Second Quarter Jul 2024 - Sep 2024 | Third Quarter Oct 2024 - Dec 2024 | Fourth Quarter Jan 2025 - Mar 2025 |
|--|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| Net sales | 740,262 | 794,976 | 671,629 | 870,852 |
| Gross profit | 318,359 | 332,321 | 288,327 | 384,275 |
| Operating income/loss (-) | 64,742 | 79,826 | -22,790 | 143,776 |
| Ordinary income/loss (-) | 63,493 | 79,793 | -21,522 | 149,965 |
| Income/loss (-) before income taxes | 63,493 | 79,793 | -21,522 | 107,418 |
| Net income/loss (-) | 59,172 | 62,217 | -20,617 | 56,350 |
| Net income/loss (-) attributable to owners of the parent | 59,172 | 62,217 | -20,617 | 56,350 |
| Comprehensive income | 64,114 | 53,038 | -12,927 | 49,411 |
| Net income/loss (-) per share | 18.81 yen | 19.78 yen | -6.56 yen | 17.92 yen |
| | End of 1st Quarter | End of 2nd Quarter | End of 3rd Quarter | End of 4th Quarter |
| Total assets | 3,929,870 | 4,022,238 | 4,153,158 | 4,092,428 |
| Net assets | 3,521,958 | 3,574,997 | 3,562,070 | 3,611,482 |
| Net assets per share | 1,119.80 yen | 1,136.67 yen | 1,132.56 yen | 1,148.27 yen |

Fiscal year ended March 31, 2024

| (thousand yen) | First Quarter Apr 2023 - Jun 2023 | Second Quarter Jul 2023 - Sep 2023 | Third Quarter Oct 2023 - Dec 2023 | Fourth Quarter Jan 2024 - Mar 2024 |
|--|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|
| Net sales | 699,165 | 742,931 | 850,573 | 723,392 |
| Gross profit | 256,344 | 342,473 | 351,584 | 319,932 |
| Operating income | 30,196 | 104,590 | 126,578 | 67,207 |
| Ordinary income | 32,833 | 107,336 | 124,045 | 66,262 |
| Income before income taxes | 32,833 | 107,336 | 124,045 | 66,262 |
| Net income | 26,411 | 94,614 | 100,972 | 109,271 |
| Net income attributable to owners of the parent | 26,411 | 94,614 | 100,972 | 109,271 |
| Comprehensive income | 26,658 | 94,710 | 98,255 | 114,358 |
| Net income per share | 8.40 yen | 30.08 yen | 32.10 yen | 34.74 yen |
| | End of 1st Quarter | End of 2nd Quarter | End of 3rd Quarter | End of 4th Quarter |
| Total assets | 3,684,722 | 3,691,464 | 3,893,835 | 3,919,796 |
| Net assets | 3,150,810 | 3,245,229 | 3,343,485 | 3,457,844 |
| Net assets per share | 1,001.77 yen | 1,031.82 yen | 1,063.06 yen | 1,099.42 yen |