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MAKING THE IMAGE INTELLIGENT



Business Plan and Growth Potential

Digital Media Professionals Inc.

June 23, 2025

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.

- Company overview
- Business model and competitive advantage
 - Business model / Revenue cycle
 - Competitive advantage
 - Revenue / Cost structure
- Market trend
- Growth strategy / Business plan
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Company overview



Company Profile



We are a fabless semiconductor vendor with a proven track record as one of the world's leading GPU IP vendors since the founding. In recent years, in order to become the world's leading "AI Computing Company," we are contributing to solving customer and social issues by providing end-to-end AI services from algorithm/software to hardware and from the edge to the cloud.

Company name	Digital Media Professionals Inc. (DMP)
Business content	IP license, SoC / module development & sales, and contract development services related to GPU and AI
Foundation	July 2002
Location	Nakano-ku, Tokyo, Japan
Representative	Chairman, President and CEO: Tatsuo Yamamoto
Capital	1,838 million yen
Number of consolidated employees	60 (as of April 1, 2025)
Number of patents	35 cases
Consolidated subsidiary	Digital Media Professionals Vietnam Company Limited

Month / Year	History
July 2002	Founded
July 2005	Launched ULTRAY® Visual Processor
April 2007	PICA® Graphics IP Core received the Excellence in IP Prize of 9th LSI IP Design Award
April 2009	Launched SMAPH®-F Vector Graphics IP Core
November 2009	Launched SMAPH®-S 3D Graphics IP Core
June 2011	Listed on the Mothers market of the Tokyo Stock Exchange
May 2014	Business and capital alliance with UKC Holdings Corporation (currently Restar Corporation)
August 2016	Launched the new 3D graphics IP core "M3000" series
November 2016	Launched "ZIA ", an image recognition engine using deep learning
March 2018	Started mass production and shipment of next-generation graphics processor "RS1"
May 2019	Business and capital alliance with Yamaha Motor Co., Ltd.
May 2019	ISO 9001: 2015 Certified (Certification body: Intertek Certification Japan Ltd.)
April 2020	Established Digital Media Professionals Vietnam Company Limited
April 2021	Capital and business alliance with Cambrian Inc, USA
April 2022	Transitioned to the Growth market of the Tokyo Stock Exchange
February 2025	Announced commencement of next-generation edge AI semiconductor business
April 2025	Concluded distributorship agreements with three Chinese robotics companies

Focused businesses/fields and sales (composition) (March 2025)

● Business

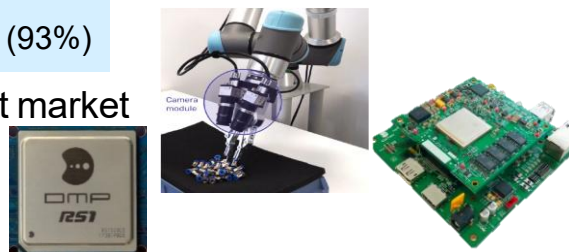
IP core license ¥124M (4%)

- AI/GPU IP core license
- AI software license
- AI/GPU IP maintenance/support



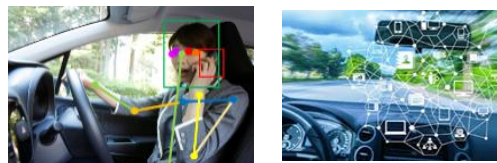
Product ¥2,855M (93%)

- Graphic processing LSI for amusement market
- Vision system for collaborative robot
- Module



Professional service ¥97M (3%)

- AI algorithm, computer-vision software contracted development
- FPGA/board contracted development
- Customer product/service development support in safe driving assistance and robotics fields



● Field

Safety ¥38M (1%)

- Provision of AI licenses, products, and professional services for advanced driver assistance systems and driver monitoring systems that utilize dashcams, etc.



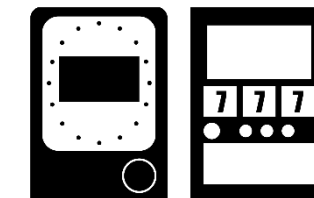
Robotics ¥168M (5%)

- Provision of AI licenses, products, and professional services for robotic products (robotic vehicles, collaborative robots)



Amusement ¥2,779M (90%)

- Provision of products and support for the amusement market (amusement machines)



Other ¥90M (3%)

- Provision of IP core licenses (initial license, running royalty) for digital devices, etc.
- GPU IP maintenance/support

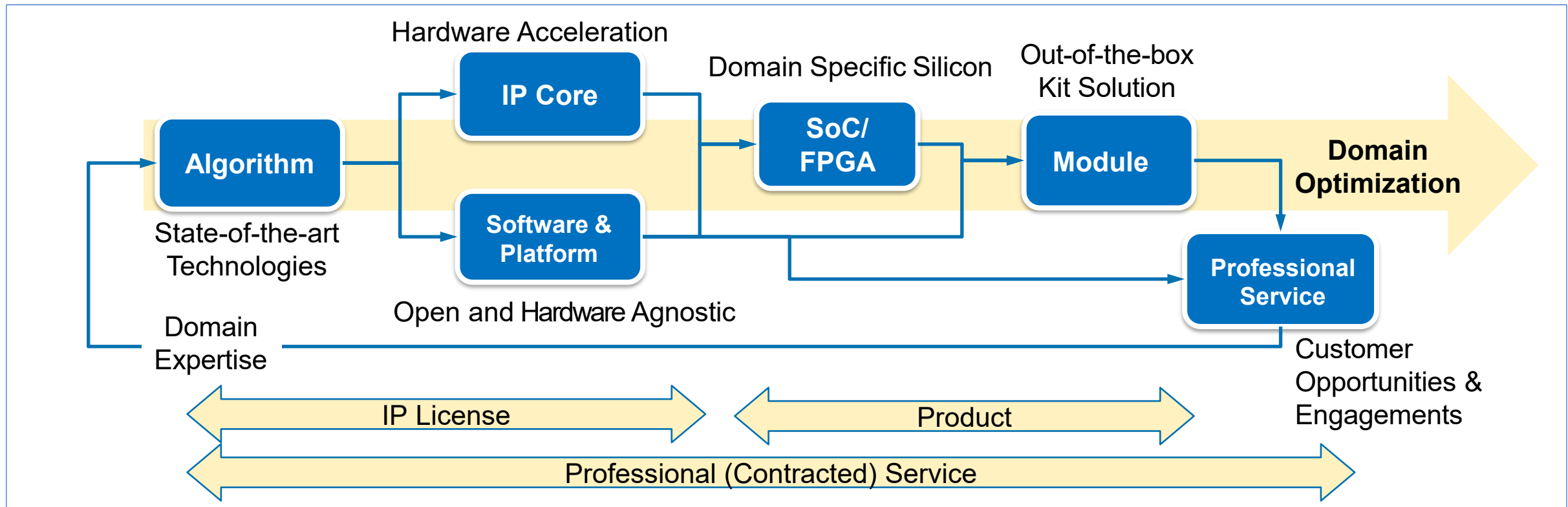


Business model and competitive advantage



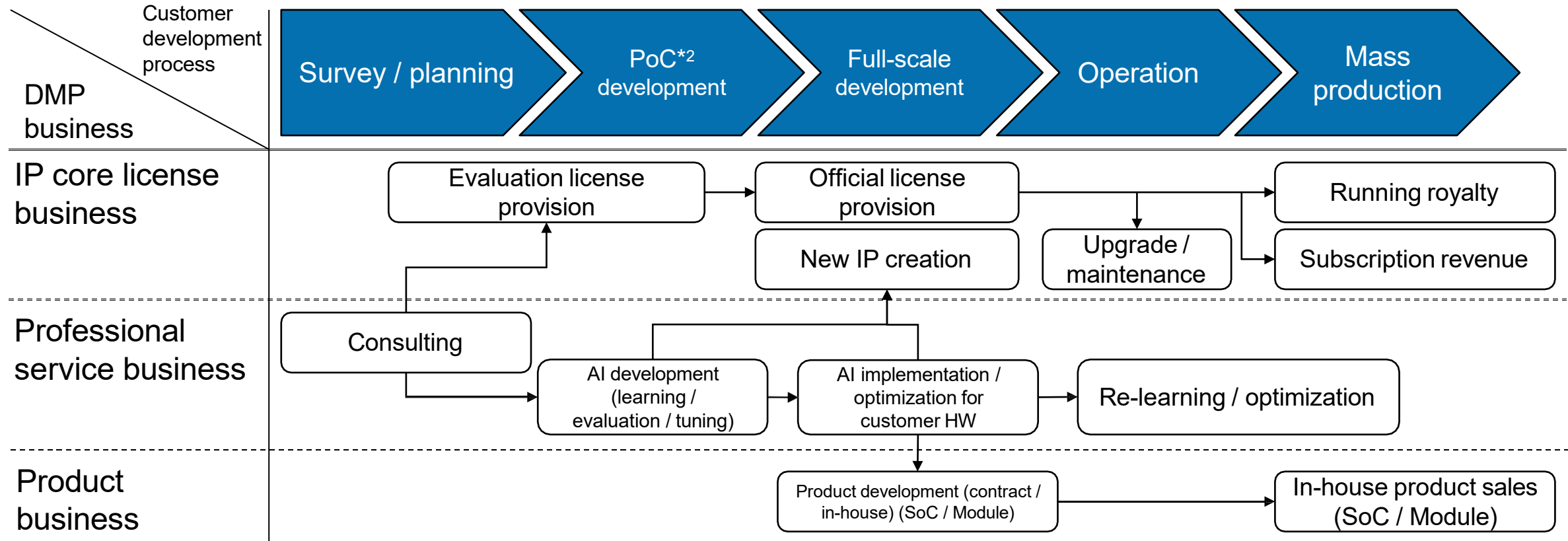
Business model

- Integrated development of algorithms, software, and hardware (domain optimization)
- Flexible value proposition and monetization model through licenses, products and professional services
- Build a well-balanced profit structure of highly profitable "IP core license business", scale-seeking "Professional service business", and "Product business"



Revenue cycle

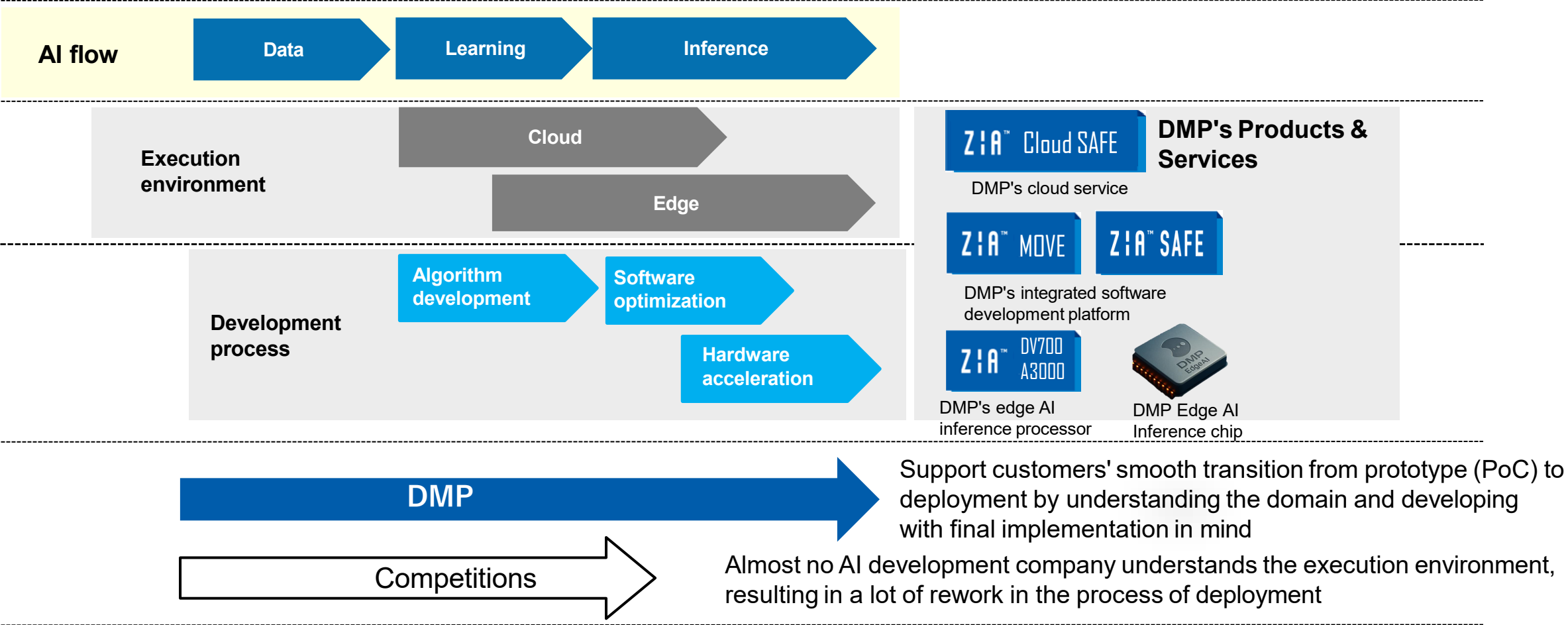
- Providing added value and maximizing LTV*¹ (Lifetime Value) of customers over the entire development life cycle (from planning to mass production) of customer products
- By developing and providing standard products and services based on the technology and know-how cultivated in customer projects, we will strive to respond flexibly and quickly to customer development and improve profitability.



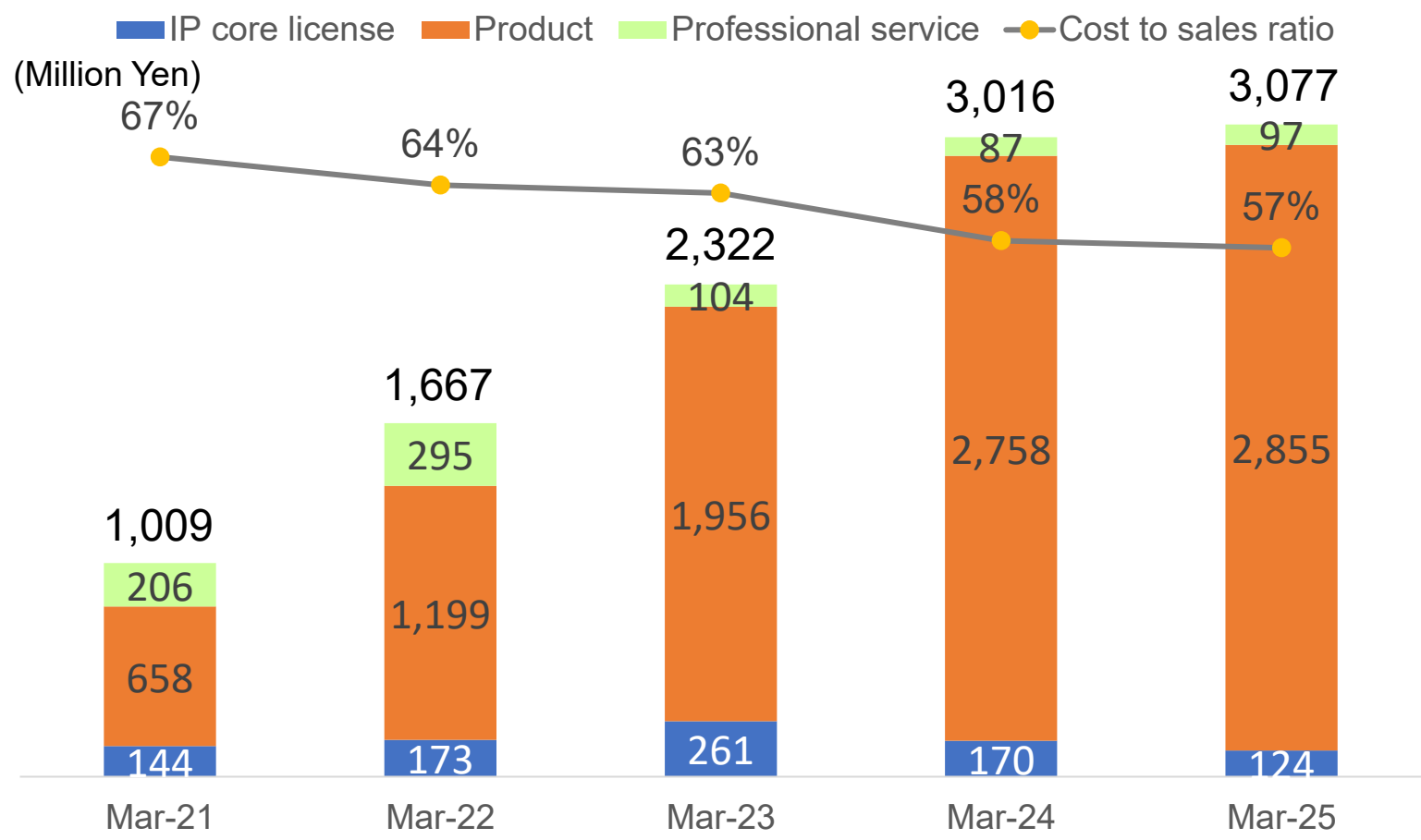
*1 LTV: Abbreviation for Lifetime Value. The profit earned from the beginning to the end of transactions with a customer (customer lifetime value)

*2 PoC: Abbreviation for Proof of Concept. Verification and trial about feasibility before introducing a new concept, theory or principle in full scale

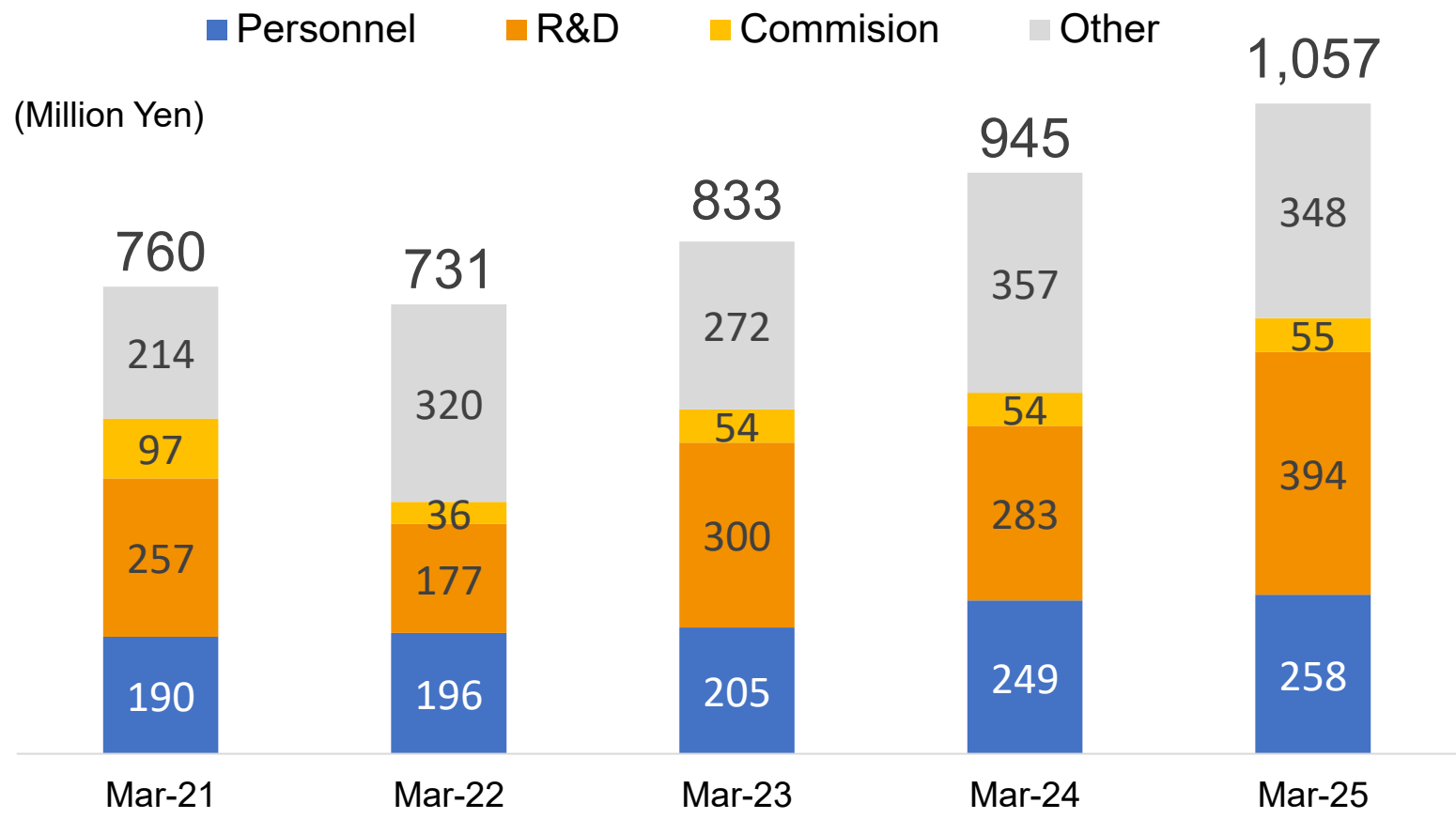
DMP can optimize AI processing for the domains, including hardware



- Cost to sales ratio tends to fall with increase in IP core license sales (ratio)
- Overall cost ratio also declined due to cost reduction in product business in March 2024/2025



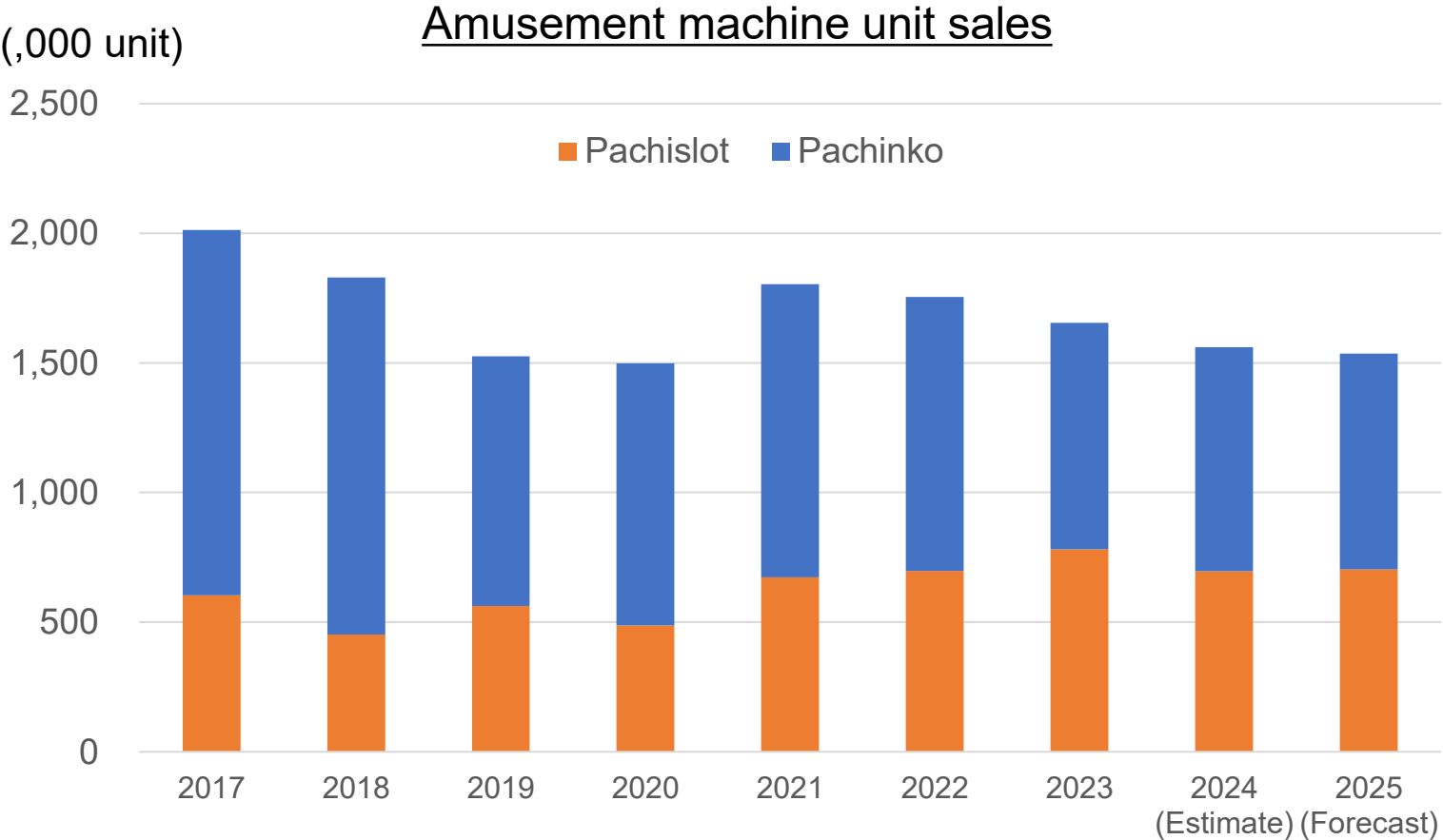
- SGA (selling, general and administrative expenses) are mainly R&D and personnel expenses.
- R&D expenses are related to the development of technologies and solutions for medium-term growth.
Increased due to development cost of edge AI semiconductor for March 2025



Market trend



- Pachislot market, our main battleground, bottomed out in FY 2018-2020 and has begun rising
- Pachislot market will remain robust in FY2025, centered on smart pachislot and type 6.5 machines



Source: Yano Research Institute; estimate and forecast are averages of those provided in the FY03/2024 financial results presentation materials of the three pachinko/pachislot machine manufacturers (SEGA SAMMY HOLDINGS, SANKYO, and Heiwa)

Robot as a solution to social issues (labor shortage)



The most promising industries for robot adoption from a workforce and labor shortage perspective are manufacturing (with the highest number of workers in food products and transportation equipment), followed by construction, transportation, and agriculture, as well as lodging, food and beverages, and medical and welfare.

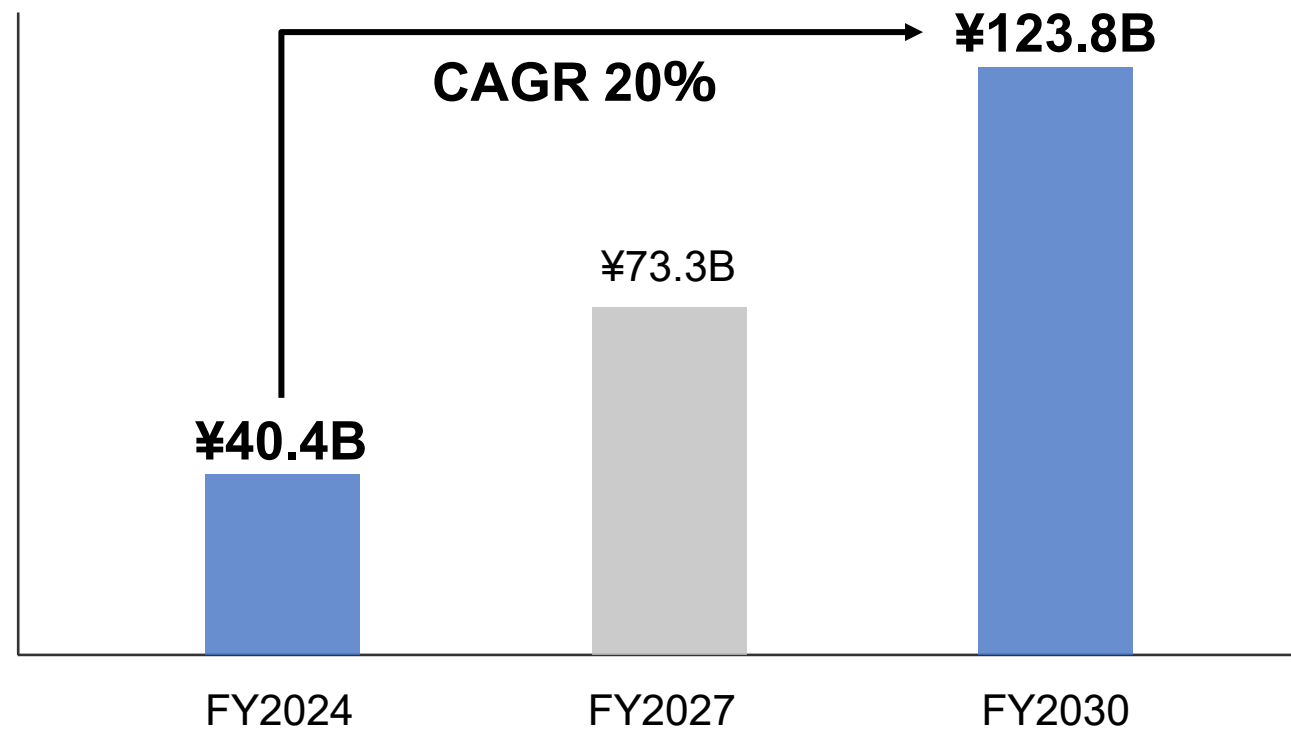
Workforce / Labor shortage rate by Industry



Source
Workforce: Of the workers by industry and occupation in the March 2025 Labor Force Survey (Statistics Bureau, Ministry of Internal Affairs and Communications), DMP counted the number of workers in the agriculture, forestry, and fishing industry, production process workers, transportation and machine operators, construction and mining workers, transportation, cleaning, and packaging workers, and care service workers, which are occupations where the introduction of robots is expected to have higher effects.
Labor shortage D.I.: D.I. (Diffusion Index) of excess/shortage of workers (shortage - excess) for transportation/machine operation, skilled workers, simple workers, and services (Lodging, Food and Beverage and Medical, Welfare) from the March 2025 Survey of Labor and Economic Trends (Ministry of Health, Labor and Welfare), weighted by the number of workers in the above occupational categories. (For agriculture, the employment situation D.I. from the January 2025 Agricultural Business Conditions Survey (Japan Finance Corporation) was used.)

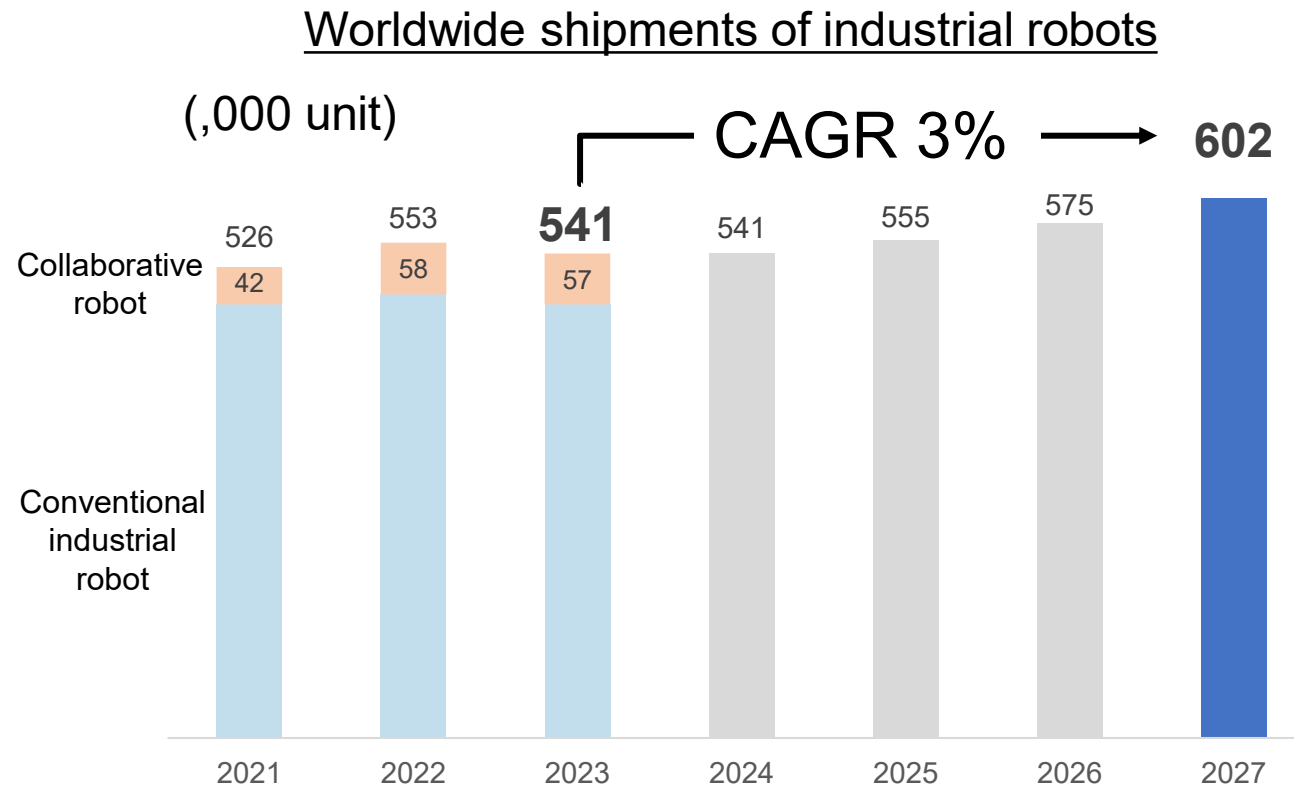
The construction of logistics centers and warehouses designed for the use of logistics robots is advancing in response to the declining workforce, and the adoption rate of robots is expected to increase.

Japanese Logistics Robotics Market Trends and Forecasts



Source: Yano Research Institute, "Logistics Robotics Market Status and Future Outlook," February 2025

- Against a backdrop of labor shortage, introduction and application of industrial robots is advancing at manufacturing and distribution sites as well as in food, pharmaceuticals, and cosmetics industries.
- The border between conventional industrial robots and collaborative robots has become blurred. The scope of application of AI vision systems that detect and recognize objects with cameras is also expanding.



Source: "World Robotics 2024" (International Federation of Robotics (IFR)), October 2024



Growth strategy / Business plan



Making the Image Intelligent

To develop cutting-edge products and services that leverage image intelligence to address practical challenges and deliver value to our stakeholders.

Approach to Sustainability Based on Purpose

Purpose

"Making the Image Intelligent"
Developing cutting-edge products and services that leverage image intelligence to address practical challenges and deliver value to our stakeholders

Long-term Sustainability Perspective

Social Issues

- Overcoming the decline in working population
- Realizing a safe and secure society
- Realizing a low-carbon society

Our Issues

Expanding revenue and profits in the robotics/safety field and IP core license business

Identification of Sustainability Material Issue

Realizing a Sustainable Society through Business Activities

Human Capital Perspective

Enhancing and Aligning Human Capital

KPI

Sales in the robotics/safety field and other fields (IP license for digital devices)

Employee engagement indicators

Mega topic

Social & environmental changes / issues

DMP's initiatives

Declining birthrate
and aging
population

- Declining working population
- Key workers' overwork
- Skill transfer issue
- Increase in elderly car accidents
- Existence of vulnerable road users
- Infrastructure aging

Climate change

- Rise in average temperature due to the greenhouse effect
- Increase in natural disasters
- Decrease in agricultural production and food

- Contributing to productivity improvement, work efficiency improvement, labor saving to complement and mitigate the decrease in the working population and hard work by making efforts for automation and autonomy in the field of robotics
- Contributing to real-time accident prevention and safe driving education based on near-miss events by providing safe driving assistance services
- Contributing to MaaS promotion through autonomous driving technology
- Contributing to a global low-carbon society by reducing the power consumption of hardware (IP)
- Contributing to infrastructure inspection by utilizing AI image recognition technology

Contribution to SDGs



Focused field

Focusing on fields where we can leverage our common technology bases, as our strength

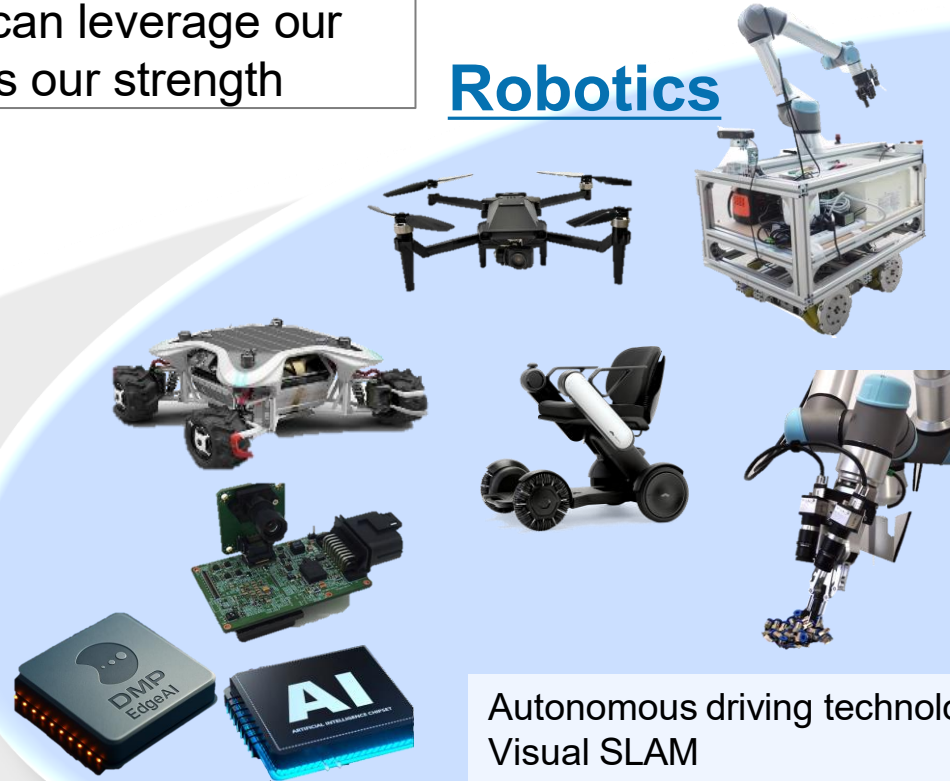
Amusement



Amusement SoC RS1
Graphics module

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

Robotics



Autonomous driving technologies
Visual SLAM
Picking system

Safety



Safe driving assistance system
DMS/ADAS
Cloud service

Common technology bases **GPU**

Low-power IP

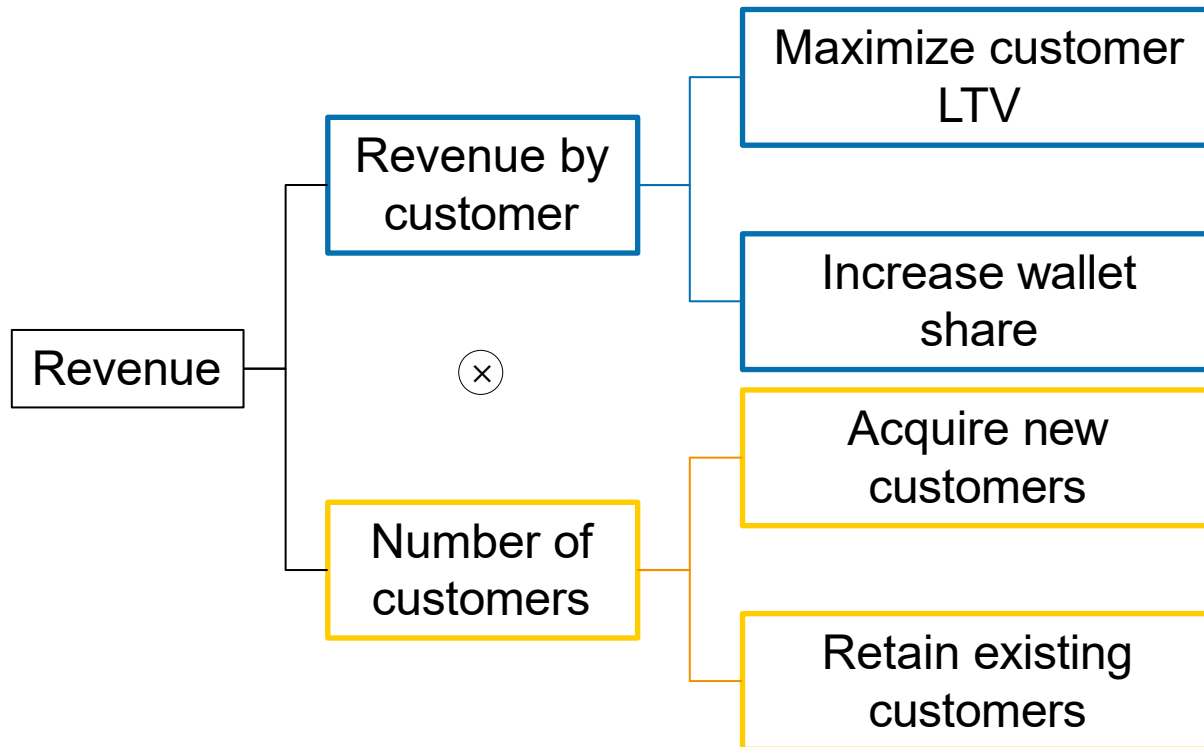
**Computer
Vision**

**Edge & Cloud
Computing**



Maximize revenue through technology innovation, customer / ecosystem management, and operations management

Key measures to revenue growth



Key activities to revenue growth

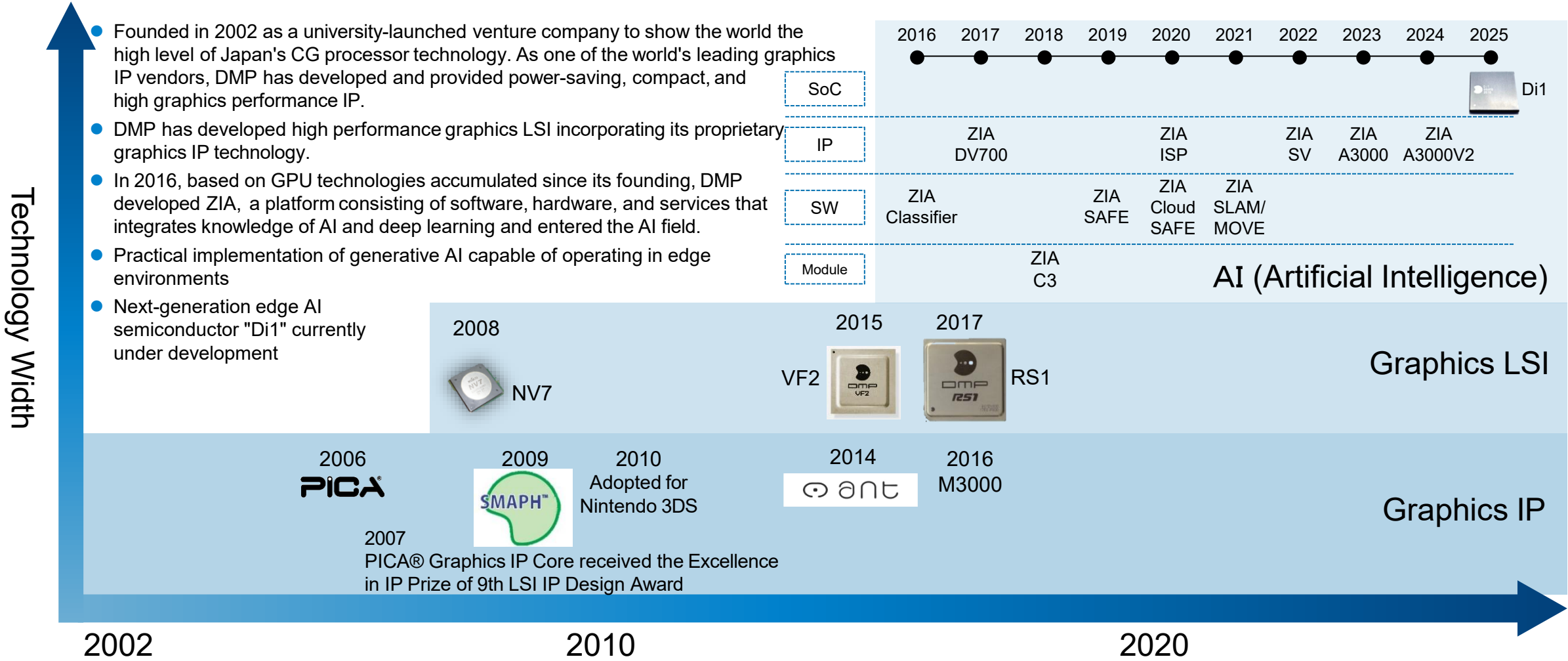
1. Technology innovation
Maximize customer LTV, increase wallet share, retain and acquire customers by improving technology / products / services and expanding lineup
2. Customer / ecosystem management
Retain and acquire customers and complement technologies by improving relationships with various ecosystems including customers and revitalizing collaboration
3. Operations management
Strengthen development competitiveness, improve customer satisfaction, and improve revenue by strengthening development personnel and controlling quality, cost, and delivery

Key activities for revenue growth

Technology innovation



Continue to develop and provide cutting-edge hardware and software IP, software, products and services based on the outstanding technologies accumulated in the fields of AI and visual computing as an embedded GPU pioneer

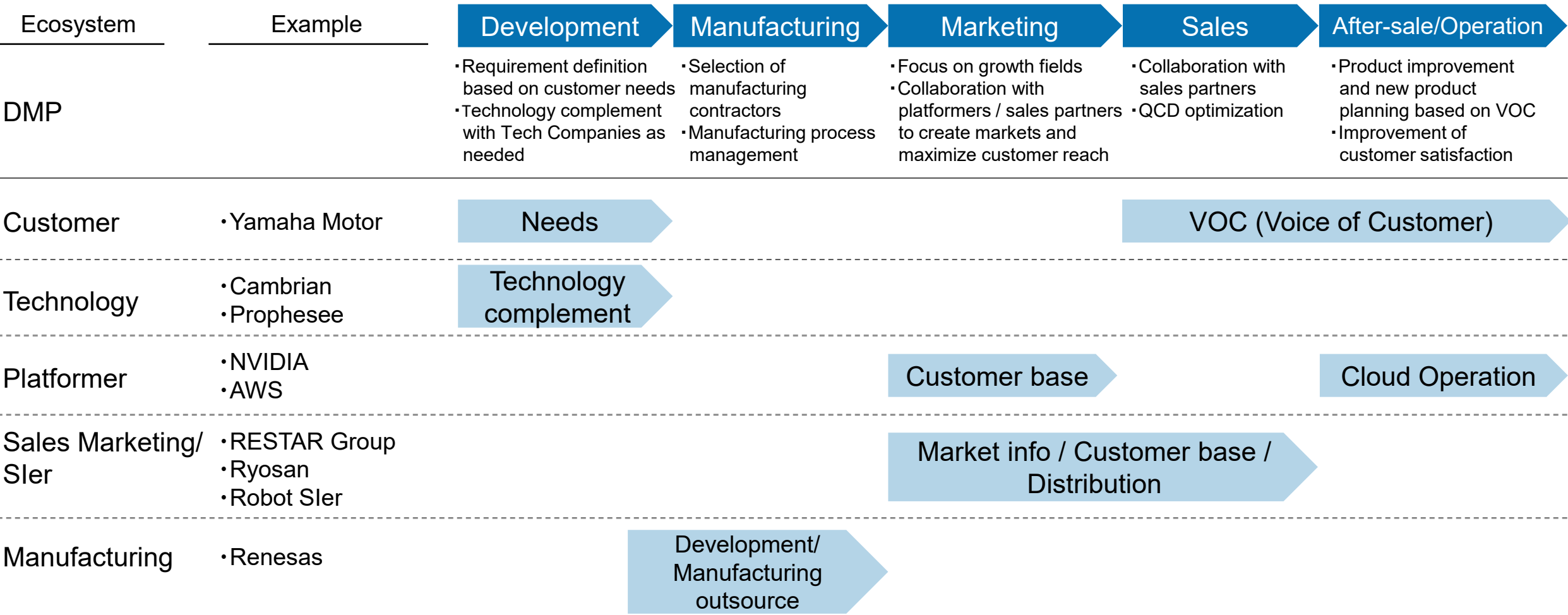


Key activities for revenue growth

Customer/Ecosystem management



Retain and acquire customers and complement technologies by improving relationships with various ecosystems including customers and revitalizing collaboration



Business strategies pivot (Changes from previous materials)



Deepen our expertise in the field of safety/robotics and its applied and converged domains by leveraging our core strength in semiconductor technology

	Edge AI SoC	Safety	Robotics	Amusement
Implications for future business strategies (from previous materials)		<ul style="list-style-type: none">• Capture the construction and agricultural machinery market in addition to the automotive market through model-based development• Capture a wide range of safety markets such as smart cities/buildings by utilizing highly accurate AI recognition technology• Utilization/light-weighting of generative AI <div>Actively pursue growing market for video inspection and semiconductor manufacturing equipment by integrating safety and robotics technologies</div>	<ul style="list-style-type: none">• Continue activities to win license business for autonomous mobile robotics• For Cambrian vision systems, accelerate the introduction of multiple systems to customers' assembly lines• Enter the FA inspection market where technology/product/customer synergies are expected	<ul style="list-style-type: none">• Expand customer base• Capture amusement machine peripheral business
Achievements and New Initiatives	<ul style="list-style-type: none">• Developed the next-generation edge AI inference chip "Di1," integrating 4TOPS NPU compatible with FP4 /ViT, stereo vision accelerator, 2D GPU rendering engine, 4K HDR ISP, and other features into a single chip.• Mass-shipments to begin in the fourth quarter of the fiscal year ending March 2026. <div>Expanding sales of "Di1" for security camera, in-vehicle device, smart factory, drone, AMR/robotics, and interactive terminal to deepen expertise in the safety/robotics field and its application and integration areas, contributing to the resolution of social challenges.</div>	<ul style="list-style-type: none">• Developed and commercialized system for detecting nuisance skateboarders using generative AI (LLM: large language model) technology• Conducted outdoor field tests using stereo vision IP "ZIA SV" to prevent accidents where the arm of "backhoe" contacts with overhead lines/obstacles	<ul style="list-style-type: none">• Two new AMR models for food factories adopted "ZIA MOVE"• Cambrian Vision Systems achieved multiple installations in automotive manufacturing production lines• Launched FA business providing comprehensive solutions including AMR units, components, and software from leading Chinese companies	<ul style="list-style-type: none">• Expanding market share with the industry-standard chassis from ZEEG equipped with "RS1"• Seeking to strengthen profits and increase value-added services through integrating peripheral businesses and cost reductions

Focus area strategy

Safety field

- Tap automotive industry as well as construction/agricultural machinery fields with model-based development*¹ (RTMaps)-compliant ZIA SAFE
- Expand business to broader safety fields such as smart city-related areas
- Research and practical application of advanced safety systems utilizing generative AI (LLM: Large Language Model) technology (Detection of nuisance skateboarders)



*¹ A method of proceeding with design and development while performing verification by modeling and simulating the controls and control objects to build the system. This enables verification during the design process and reduces rework in the verification process, thereby significantly reducing development time and improving quality.

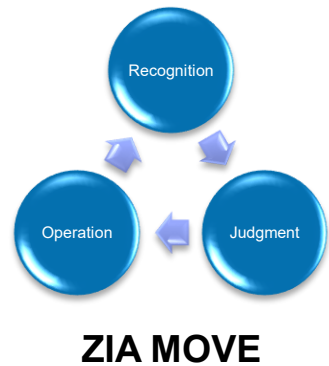
*² Building Energy Management System, An energy management system that measures and visualizes the amount of electricity used within a building, and also controls air conditioning and lighting equipment

Focus area strategy

Robotics/FA field

- Achieving a full autonomous driving pipeline based on Visual SLAM that is robust against environmental changes (ZIA MOVE)
- Began to handle AMR/AGF units, components, and software from leading Chinese companies, enabling swift response to customer challenges
- Cambrian Vision System, which serves as the “eyes” of picking robots, accelerates the adoption of multiple units in customers' assembly lines by leveraging robustness against ambient light and high-difficulty picking capabilities for glossy and transparent objects
- A comprehensive product lineup including high-performance custom products, off-the-shelf products, and application-specific products enables one-stop solutions for customer needs

High-performance, custom



Off-the-shelf



Specific applications



Manufacturing



Transportation/
Logistics



Construction



Agriculture



AMR/AGV
Developer

Focus area strategy

Amusement field

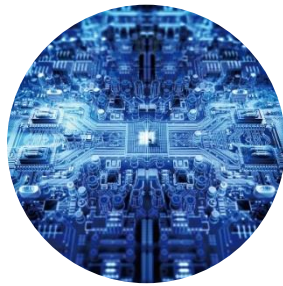
- Real-time 3D engine and high-performance, high-compression video engine on a single chip (industry's first), enabling both beautiful video expression and reduction of machine chassis cost
- Expand market share due to the robust pachislot market and the penetration of ZEEG's standard chassis equipped with RS1 into the pachislot and pachinko machine industry
- Aim to expand market share and enter new customers in market segments where we can demonstrate the superiority of our unique 2D/3D integrated chip
- Enhance added value and profit through capturing the amusement machine peripheral business and reducing cost



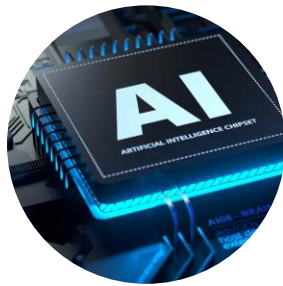
Focus area strategy

Other field (IP for digital equipment)

- Provide small size, low power consumption, and high-performance IPs optimized for customers' digital equipment applications and embedded SoCs
- Earn stable running royalties from broad customers/applications such as digital still cameras, OA equipment, TVs, and surveillance cameras



GPU IP



AI IP



RENESAS

FUJIFILM
Value from Innovation

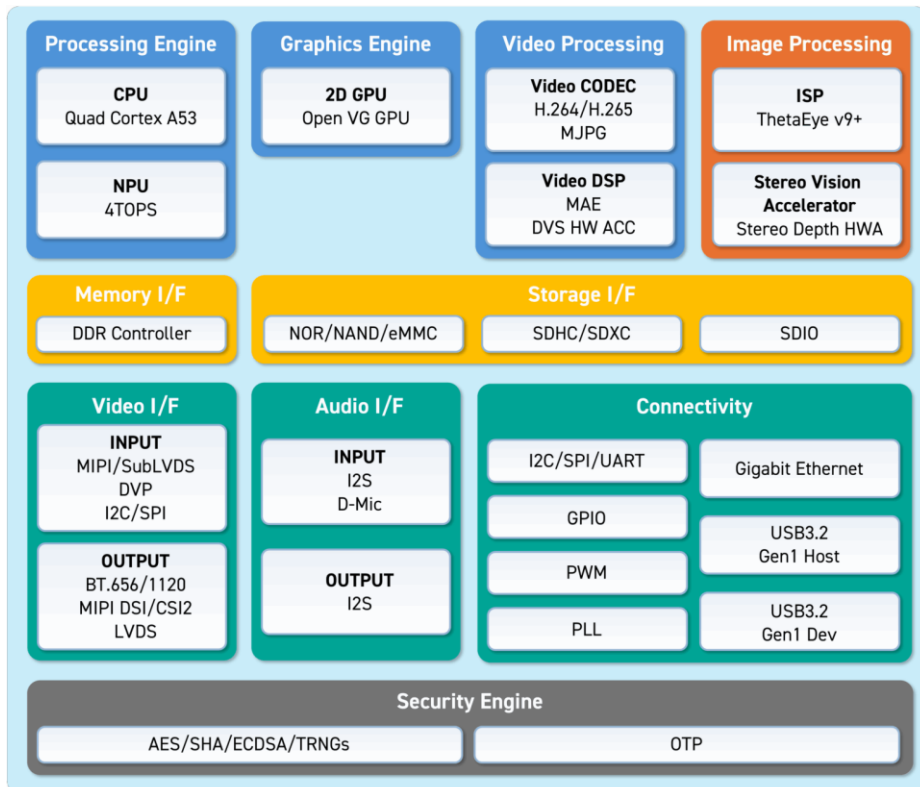
OM SYSTEM

REGZA

Focus area strategy

Next-generation edge AI semiconductor

- All-in-one intelligent vision chip realizing next-generation edge AI through advanced functional integration
- Combining real-time 3D ranging, iCatch's high-quality ISP, and high-performance AI (including FP4 support), this solution enables advanced visual recognition and AI processing in 3D spaces, meeting the demands of drones, robotics, and other applications
- Applications: Security camera, Automotive device, Smart factory, Drone, AMR/Robotics, Interactive terminal



KPI (Key performance indicator)

● KPI

- Sales in safety field, robotics field, and the integrated area of both fields, as well as other fields (IPs for digital devices)
- Align sustainability KPIs and focus on the robotics/safety fields, core focus areas, to create and provide products and services that contribute to overcoming labor shortages due to an aging population and achieving a safe and secure society, thereby advancing the realization of a sustainable society. Additionally, in the IP core license business, advance the creation and provision of products and services that contribute to achieving a low-carbon society.

● KPI trends

(Million Yen)		March 2021	March 2022	March 2023	March 2024	March 2025
	Safety	49	163	170	71	38
	Robotics	166	236	185	168	168
	Other	148	111	144	134	90
Sales		363	512	500	374	298

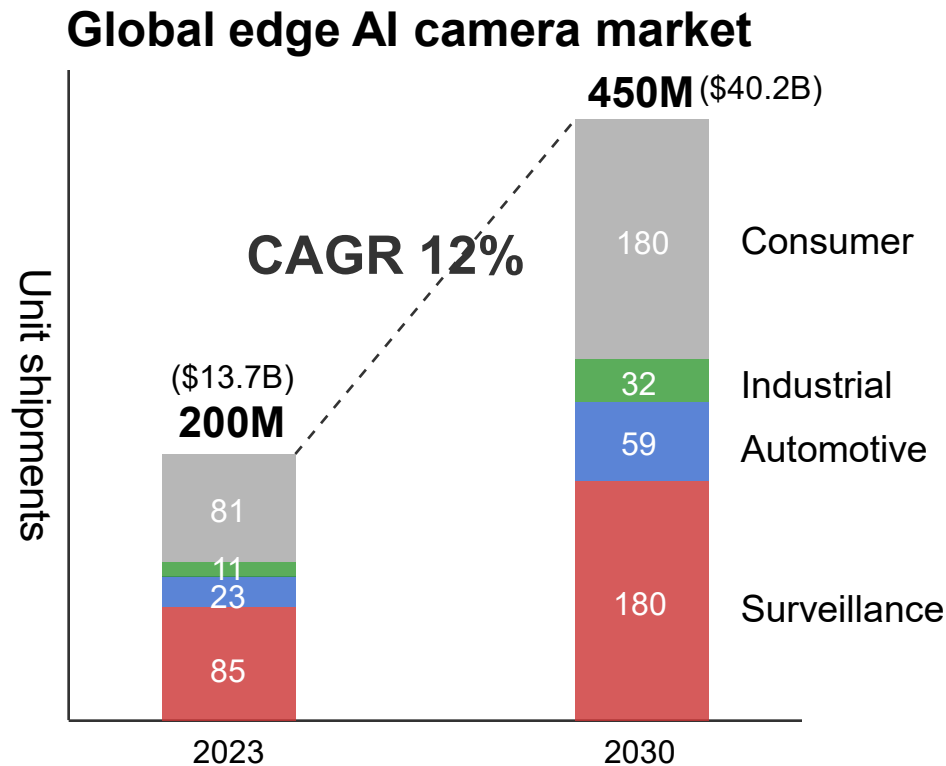
For the fiscal year ended March 2025, revenue fell below the previous year's performance primarily due to a shortage of new projects related to dashcams in the safety field and the expiration of large-scale maintenance support projects from the previous year in other fields.

● KPI improvement measures

Leveraging next-generation edge AI semiconductor with superior power-saving performance, we will create and provide high-value-added, differentiated products and services in the safety and robotics fields, as well as their converged areas, to drive revenue growth.

Medium-term vision (Edge AI semiconductor business)

- Global market potential of 270 million units by 2030 across just three sectors: surveillance, automotive, and industrial
- Overwhelming power and performance advantages over competing products
- Launching an All-in-One intelligent chip integrating advanced features like real-time 3D ranging, high-quality ISP, and high-performance AI into domestic and international markets, aiming to achieve **¥3 billion in sales by the fiscal year ending March 2030** (achievable with less than 1% market share across the three sectors)

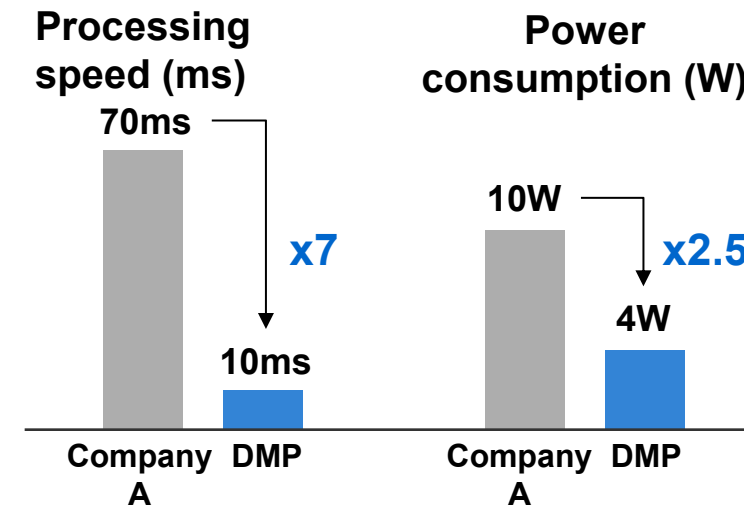


Source: Our estimates based on MarketsandMarkets "AI Camera Market by Type - Global Forecast to 2030 (July 2023)

Competitive performance and power consumption (Stereo vision function)

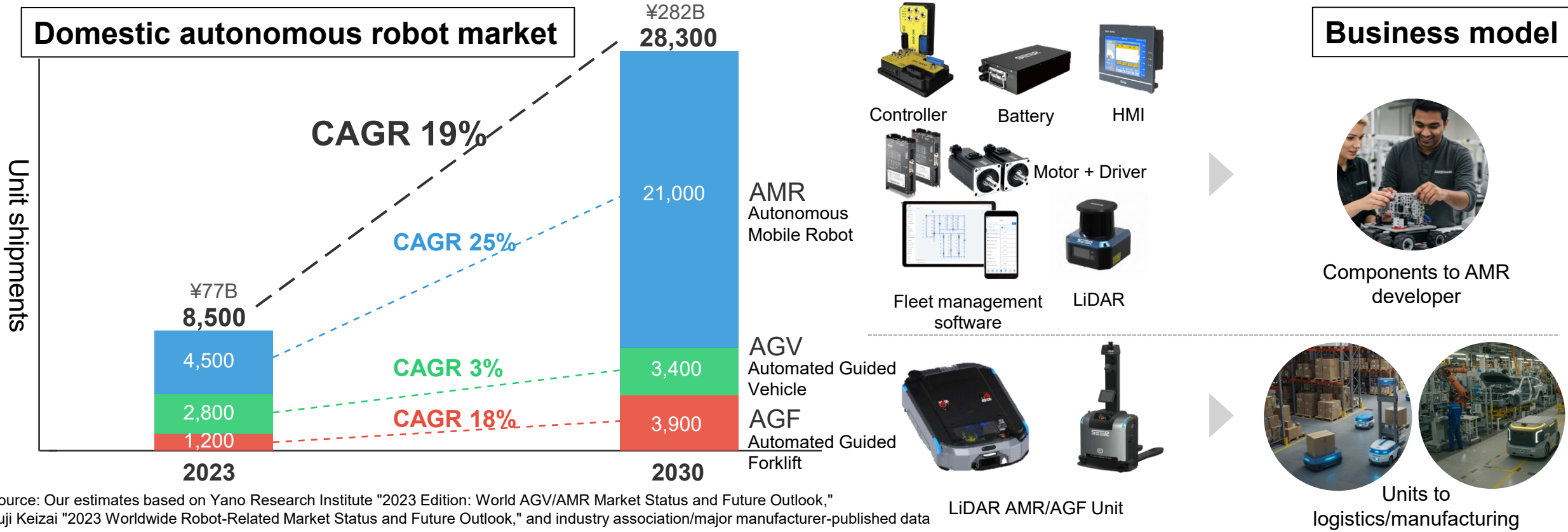
*Measurement results under the same conditions at a Taiwanese drone manufacturer

17.5 times power & performance efficiency



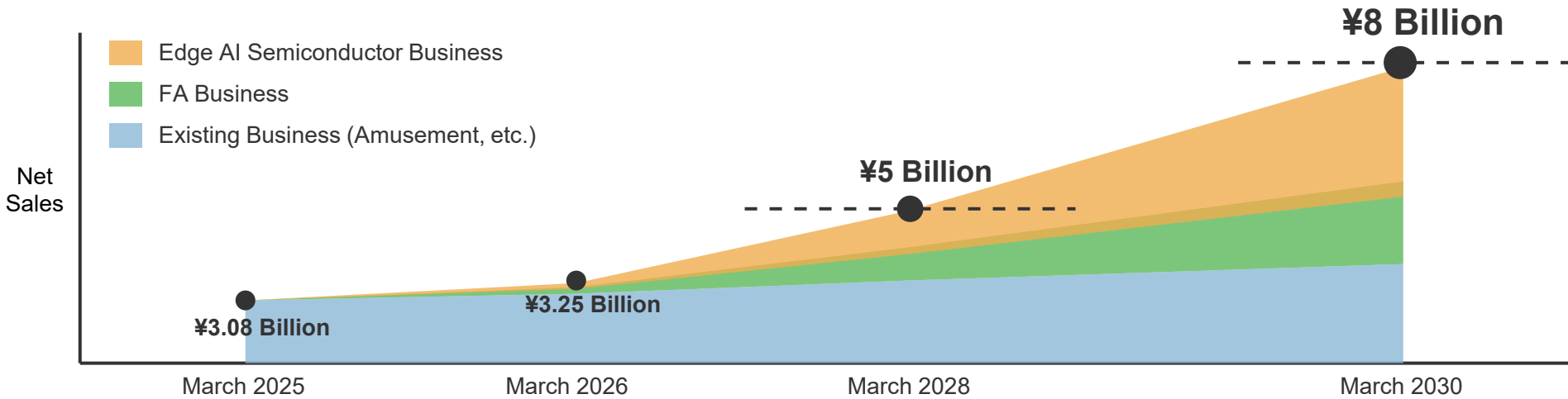
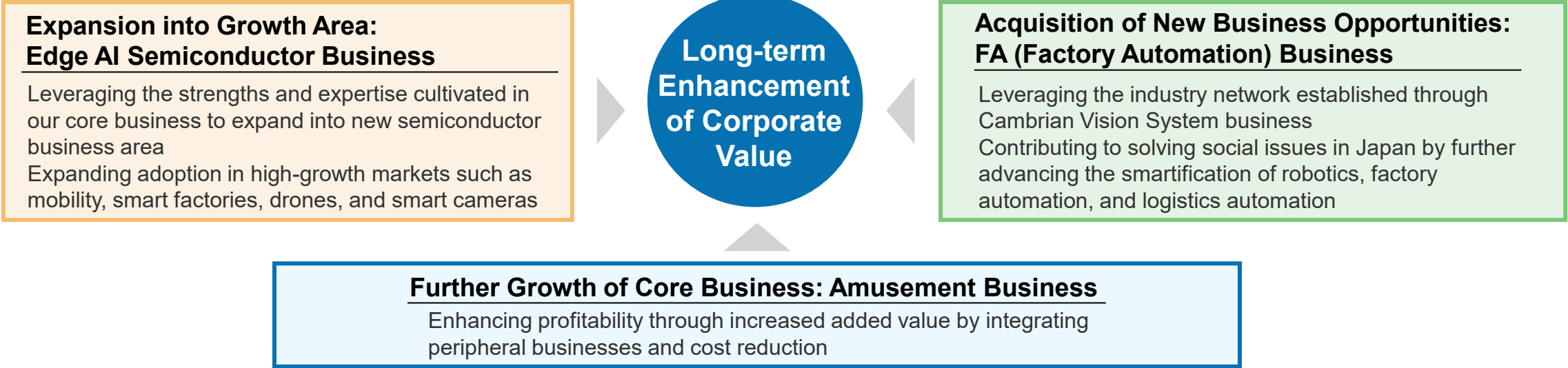
Medium-term vision (FA business)

- To address labor shortages and accelerate manufacturing/logistics DX, autonomous mobile robot shipments are growing at CAGR 19% (the expanded market size, including in-house AMRs doubles this [based on our industry interviews]).
- Through comprehensive product lineups from leading Chinese companies, AMR/AGF components target AMR developers while the main units target logistics/manufacturing, aiming to achieve **¥2 billion in sales by the fiscal year ending March 2030** (achievable with less than 2% market share in the expanded market).



Source: Our estimates based on Yano Research Institute "2023 Edition: World AGV/AMR Market Status and Future Outlook," Fuji Keizai "2023 Worldwide Robot-Related Market Status and Future Outlook," and industry association/major manufacturer-published data

Medium-term vision (Three-pronged growth strategy)





Risk information



Item	Major risks	Probability/ Timing of actualization	Impact	Countermeasures
Technology obsolescence and R&D failures	Graphics processing and AI technologies are evolving at a very fast pace, and there is a risk that we would fall behind. There is also a risk that our research and development may be delayed or aborted.	Medium/ Uncertain	Large	We will keep a close eye on technological trends and proactively promote technology development. In addition, we will strive to secure excellent engineers necessary for technology development.
Customers' market trends	Since the Company's revenue is partly linked to the number of shipments of amusement machines, in-vehicle products, and other products in which our products are embedded by customers, there is a risk that revenue would decrease in the event of sluggish sales of customers' products or a decrease in the number of shipments due to changes in laws and regulations.	Low-High/ Uncertain	Large	We will aggressively develop new markets and new products by gathering information from customers and external organizations. Although we are unable to deal with laws and regulations on our own, we will work closely with our channels and end customers to determine the degree of impact on our business performance and take actions such as making disclosures as necessary.
Securing and developing human resources	Securing excellent human resources is a prerequisite for our future growth. However, securing those for AI and other advanced technologies is becoming increasingly difficult. If we are unable to secure talents, there is a risk that our business growth would be restricted.	Medium/ Medium-Long term	Large	We are making efforts to attract human resources by providing flexible work systems such as the introduction of a discretionary work system and attractive compensation systems such as the stock compensation system.

Note) For other risks, please refer to "[Risk Factors](#)" on our website.

- Forward-looking statements contained within this document are based on currently available information and involve risks and uncertainties, including macroeconomic conditions and trends in the industries in which we are engaged. As such, actual results may differ materially from those anticipated.
- The purpose of this document is to provide information for the purpose of understanding our company and is not to solicit investment in securities issued by our company. Please refrain from making any investment decisions based entirely on this document.
- The latest status including the progress of "Business Plan and Growth Potential" is disclosed in June each year after the announcement of full-year financial results. The next disclosure is scheduled to be made in June 2026.



Supplementary material



Group Business Description

Business	Description	Major Customers
IP Core* ¹ License Business	<p>Development and license offer of hardware IP (logic design data etc.) and software IP (mainly hardware control drivers and supporting tools for contents creation) necessary for drawing detailed images and artificial intelligence*² (AI) such as deep learning*³</p> <p>a) License fee: Compensation through offering IP core license in the process of developing products such as home appliances by customers</p> <p>b) Recurring revenue</p> <p>Running royalty: Compensation received according to the number of products incorporating IP core shipped by customers</p> <p>Subscription fee: Compensation received from customers based on the actual use of our cloud services (PV: number of page views)</p> <p>c) Maintenance and service fee: Revenue from maintenance of IP based on maintenance contract, etc.</p>	Semiconductor manufacturer/ Manufacturer of final product with embedded semiconductor
Product Business	<p>Development, manufacturing (outsourced) and sales of graphics LSI*⁴ (SoC*⁵) mainly for amusement equipment</p> <p>Sales of vision system (object detection by camera) for collaborative robot*⁶</p> <p>Development, manufacturing (outsourced) and sales of AI LSI (FPGA*⁷) for AI equipment, other</p>	Trading company/Sler Manufacturer of final product with embedded Semiconductor
Professional Service Business	<p>Provision of design service of studying and optimizing the entire SoC system by integrating various IP cores of the Company, software service of developing and optimizing algorithm based on GPU*⁸/vision /AI technology cultivated through development of in-house products, etc.</p>	Manufacturer of final product with embedded semiconductor

*1: Partial circuit modules within an LSI, designed for a specific function (e.g. graphics IP core). IP stands for Intellectual Property.

*2: Software and system that enable computers to make human-like perceptions and judgments such as computer programs that understand and judge sentences, images, conversations, sounds, etc.

*3: A type of machine learning method that realizes artificial intelligence by utilizing human brain imitated neural network mechanism, which is being commercialized in the field of image recognition

*4: Large-scale integrated circuits composed of silicon wafers (materials with properties intermediate between conductors and insulators used in the manufacture of semiconductor products). LSI stands for Large Scale Integration and is also called "semiconductor".

*5: Integrated circuit (design method) that integrates a series of functions (systems) required on one semiconductor chip. SoC stands for System on a Chip.

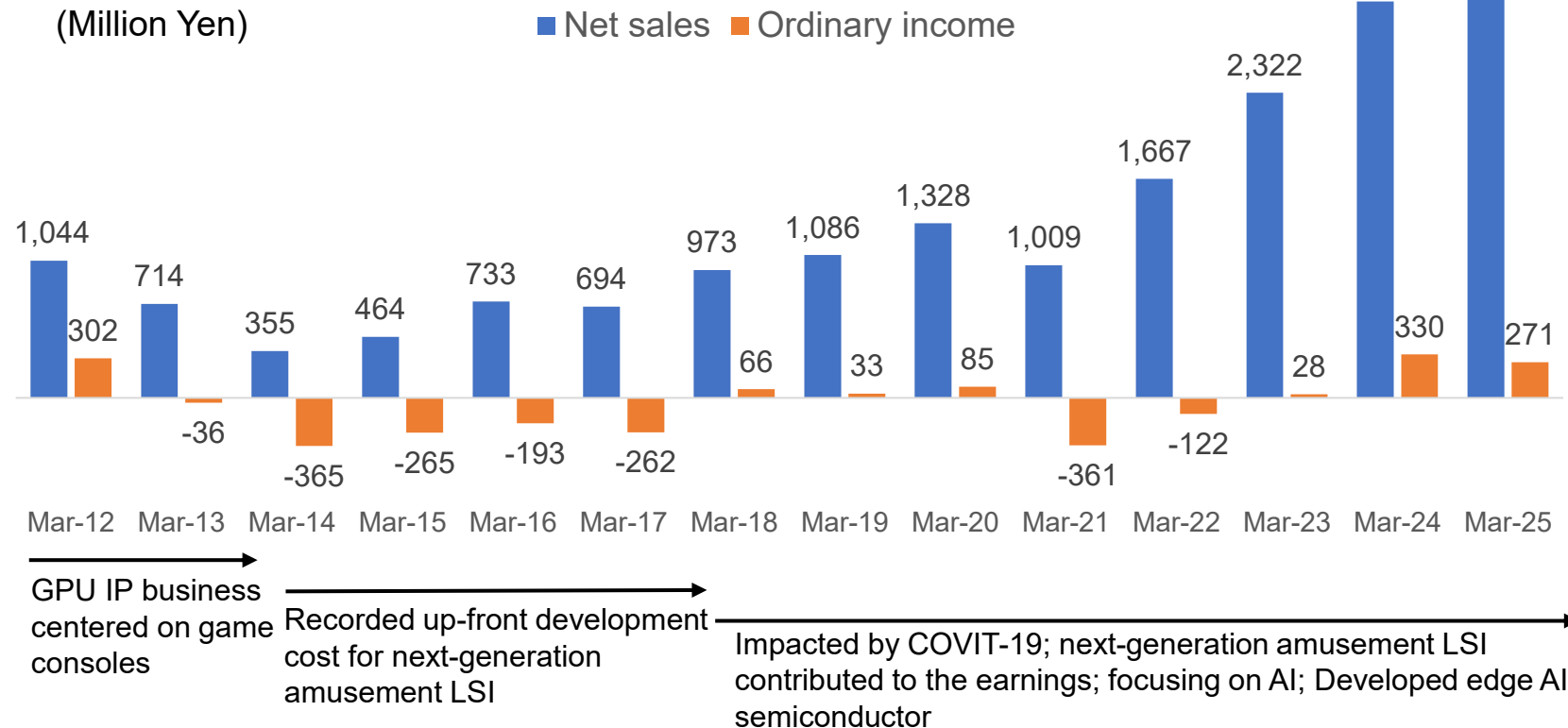
*6: Robot that can work together with people without safety fences

*7: Integrated circuit that allows buyers or designers to set and change the configuration after manufacturing. FPGA stands for Field Programmable Gate Array

*8: Arithmetic unit or processor specialized in real-time image processing represented by computer games. GPU stands for Graphics Processing Unit. By utilizing its better performance in parallel computing performance than CPU, technologies called GPGPU (General-Purpose computing on GPU) that apply its computing resources to purposes other than image processing are applied to the AI/deep learning field.

- From GPU IP business mainly for game consoles at the time of listing, through LSI development for amusement, focusing on AI business in recent years
- Net sales reached a record high four years in a row in March 2025, mainly due to robust product and professional service business. Operating income, ordinary income, and net income attributable to owners of the parent declined due to recording development cost of edge AI semiconductor.

Business performance* trends



* non-consolidated results up to the fiscal year ended March 31, 2020, and consolidated results for the fiscal year ended March 31, 2021 and beyond

Executing aggressive strategic investments aimed at future growth for the fiscal year ending March 2026

(Unit: million yen)	FY 03/2025 (Actual)	FY 03/2026	
		Forecast	% Change
Net sales	3,077	3,250	+5.6%
Operating income	265	20	-92.5%
Ordinary income	271	25	-90.8%
Net income attributable to owners of the parent	157	20	-87.3%

- In addition to steady shipments of image processing semiconductors for the amusement market, sales from new businesses such as next-generation edge AI semiconductor and FA (Factory Automation) contribute to a limited extent, resulting in an increase in net sales.
- Strategic investments centered on the development of next-generation edge AI semiconductor (R&D expenses: US\$1.9 million) are being executed to drive future growth.
- In the medium term, we aim to expand revenue and enhance corporate value by further penetrating the amusement market and leveraging the two growth engines of the edge AI semiconductor business and FA business.