

The following is an English translation of the transcript of the results briefing of Digital Media Professionals, Inc. for the fiscal year ended March 31, 2025, on May 20, 2025. In the event of any discrepancy between this document and the Japanese original, the latter shall prevail.

[Speakers]

Tatsuo Yamamoto, Chairman, President and CEO, Digital Media Professionals, Inc.

Tsuyoshi Osawa, Senior Managing Director, Corporate Planning Department

General Manager, Digital Media Professionals, Inc.

This document has been translated from the Japanese original for reference purposes.
In the event of any discrepancy between this document and the Japanese original, the latter shall prevail.

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Fiscal Year Ended March 31, 2025

Results Briefing

Digital Media Professionals Inc.

May 20, 2025

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**Financial Results, Fiscal Year Ended
March 31, 2025**

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**Business Forecast, Fiscal Year Ending
March 31, 2026**

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Medium-term Strategy

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Osawa: Thank you very much for joining us today for the results briefing of the financial results of Digital Media Professionals, Inc. for the fiscal year ended March 31, 2025.

Today's agenda includes an explanation of the financial results for the fiscal year ended

March 31, 2025 and the full-year forecast for the fiscal year ending March 31, 2026 from me, followed by an explanation of the medium-term growth strategy from Yamamoto.



- 1 Financial Results, Fiscal Year Ended March 31, 2025
- 2 Business Forecast, Fiscal Year Ending March 31, 2026
- 3 Medium-term Strategy

Company Profile

Leveraging our experience and knowledge as one of the world's leading graphics IP vendors, we have recently been 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)
Foundation	July 2002 <small>(Listed on TSE Mothers in June 2011, shifted to TSE Growth in April 2022)</small>
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

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
- Module

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

Osawa: Before I present our financial results for the fiscal year ended March 31, 2025, I would like to give you a brief overview of our company and its strengths. Since our founding as a university-launched venture company in July 2002, we have been operating our business with graphics technology at the core, and have achieved significant results, including the adoption of our GPU IP in Nintendo's game consoles and introduction of the 2D/3D integrated graphics LSI for the amusement market, which is now a mainstay of our revenue.

In recent years, we have entered the AI and Deep Learning domains, which have a high affinity with GPUs, and our strength lies in our ability to provide products, and services through an integrated development system, from algorithm software to hardware, and

from the edge to the cloud. We contribute to solving serious issues of customers and society with our unique technologies, products, and services.

In addition, as announced in February and yesterday, we have begun development of the next-generation edge AI semiconductor "Di1" as a new business that leverages our extensive experience, knowledge, market performance, and competitive advantage.

Fiscal Year Ended March 31, 2025

OMP

DIGITAL MEDIA PROFESSIONALS

Business Highlights

- Development of next-generation edge AI semiconductor is progressing smoothly**
Mass production and commencement of sales are scheduled for the fiscal year ending March 2026
Serving as a long-term business foundation and growth engine along with FA business following amusement business
- Net sales have set a new record high for the fourth consecutive fiscal year.
Due to the recognition of semiconductor development expenses, operating income, ordinary income, and net income attributable to owners of the parent have decreased

Overall	Sales by business	Sales by field	
Net sales	IP Core License	Safety	Robotics
¥ 3,077M (YoY* +2%)	¥ 124M (YoY -27%)	¥ 38M (YoY -46%)	¥ 168M (YoY +0%)
Ordinary income	Product	Amusement	Other
¥ 271M (YoY -¥58M)	¥ 2,855M (YoY +4%)	¥ 2,779M (YoY +5%)	¥ 90M (YoY -32%)
	Professional service		
	¥ 97M (YoY +12%)		

* YoY :Year on Year

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Osawa: Highlights for the fiscal year ended March 31, 2025. Development of the next-generation edge AI semiconductor "Di1" is progressing smoothly, and mass production and business launch is scheduled for the current fiscal year. Together with the FA business, we intend to make it a medium- to long-term business foundation and growth engine following the amusement business.

As for business performance, full-year sales were up 2 percent year on year, reaching a record high for the fourth consecutive year. Ordinary income was 271 million yen, down 58 million yen year on year, due in part to the recording of development expenses for the edge AI semiconductor.

Expanding growth investments, including development of edge AI semiconductor

(Unit: million yen)	FY ended March 31, 2024	FY ended March 31, 2025	Amount change
Net sales	3,016	3,077	+61
Operating income	328	265	-63
Ordinary income	330	271	-58
Net income attributable to owners of the parent	331	157	-174

- In addition to the image processing semiconductor "RS1" for the amusement market, growth in professional services for the robotics field offset the loss of a large maintenance support project in the IP core license business, resulting in a 2.0% increase in net sales.
- Increased research and development expenses, including 79 million yen for the development of edge AI semiconductor, resulted in decreases in operating income and ordinary income.
- An extraordinary loss of 42 million yen was recorded for the loss on valuation of investment securities. Additionally, after carefully reviewing the recoverability, a reversal of deferred income taxes of 45 million yen was decided and recorded for income taxes-deferred.

Osawa: Here is a PL overview. Net sales increased 2.0% year on year to 3,077 million yen, as higher sales of RS1 image processing semiconductors for the amusement market and growth in the professional services business in the robotics field offset the absence of a large maintenance and support project in the IP core license.

Due to an increase in R&D expenses, including 79 million yen for the development of the edge AI semiconductor as an investment for growth, operating income was 265 million yen, down 63 million yen on year, and ordinary income was 271 million yen, down 58 million yen year on year.

An extraordinary loss of 42 million yen was recorded for a loss on valuation of investment securities, and a reversal of deferred tax assets of 45 million yen was recorded in income taxes-deferred as a result of careful consideration of recoverability. As a result, net income attributable to owners of the parent decreased by 174 million yen year on year to 157 million yen.

● Sales by business

IP core license business ¥124 million Same period last year ¥170 million

- Recorded initial license revenue and AI/GPU running royalties for digital equipment, initial license and 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 ¥2,855 million Same period last year ¥2,758 million

- Recorded sales from volume shipments of RS1 and Cambrian Vision Systems
- Progress in product shipments including full-scale introduction to automobile manufacturing inline and business projects for Cambrian Vision System business.

Professional service business ¥97 million Same period last year ¥87 million

- Recorded revenues from contracted development services in AI and amusement fields
- Provided professional services for semiconductor manufacturing equipment/construction machinery as well as for autonomous mobile robots

● Sales by field

Safety field ¥38 million Same period last year ¥71 million

- Recorded dashcam-related recurring revenues (running royalties and subscription fees), maintenance/support revenues and professional service revenue

Robotics field ¥168 million Same period last year ¥168 million

- Recorded sales of professional services and products such as Cambrian Vision Systems in addition to license revenues for autonomous mobile robots

Amusement field ¥2,779 million Same period last year ¥2,642 million

- Recorded sales of RS1 for mass production

Other ¥90 million Same period last year ¥134 million

- Recorded initial license revenue, 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

Osawa: Here are sales by business segment and by field. First, by business segment, the IP core license business posted sales of 124 million yen, down 27% year on year. New license revenue from GPU IP for digital equipment, recurring revenue from the stable safety field, and running royalty revenue related to GPUs for digital equipment were recorded, but the large GPU IP maintenance and support project in the last fiscal year fell off.

The product business posted sales of 2,855 million yen, up 4 percent year on year, mainly due to higher sales of the graphics semiconductor "RS1" for mass production.

In the professional services business, sales were 97 million yen, up 12% year on year, due to the recording of professional service revenues from AI contract development services for the broader safety field, and from robotics field for autonomous mobile robots, semiconductor manufacturing equipment, and construction equipment.

Next is sales by field. In the safety field, sales were 38 million yen, down 46% year on year, due to a lack of new dashcam-related projects, despite stable dashcam-related recurring revenues and a broader range of professional services for the safety segment. In the Robotics segment, although sales of camera modules for drones dropped, solid sales of the Cambrian Vision System, including the full-scale introduction of in-line manufacturing by automobile manufacturers, as well as higher professional service income for autonomous mobile robots, semiconductor manufacturing equipment, and construction equipment, resulted in sales of 168 million yen, the same level year on year. In the amusement segment, sales increased 5 percent year on year to 2,779 million yen due to steady volume shipments of the "RS1".

In the other segment, despite new license income from GPU IP for digital equipment, AI and GPU running royalties for digital equipment, and maintenance and support income, net sales fell 32% year on year to 90 million yen due to the absence of a large GPU IP maintenance and support project in the previous fiscal year.

Fiscal Year Ended March 31, 2025

Results Highlights: B/S




Equity ratio remains high at 88.2%

(Unit: million yen)	End of March 2024	End of March 2025	Amount change	Major increases/decreases
Current assets	3,272	3,297	+25	Accounts receivable - trade and contract assets +165, Inventories +16, Cash and deposits -73, Securities -100
Non-current assets	647	794	+147	Intangible assets +153, Investment securities +53, Deferred tax asset -44
Total assets	3,919	4,092	+172	
Current liabilities	443	461	+18	Account payable - trade +114, Accrued consumption taxes -47, Income taxes payable -32
Non-current liabilities	18	19	+0	
Total liabilities	461	480	+18	
Total net assets	3,457	3,511	+153	Retained earnings +157
Total liabilities and net assets	3,919	4,092	+172	

Osawa: Here is a BS overview. Total assets amounted to 4,092 million yen, up 172 million yen year on year. This was mainly due to a 165 million yen increase in accounts receivable and contract assets, a 153 million yen increase in intangible assets, a 73 million yen decrease in cash and deposits, and a 100 million yen decrease in securities. Total liabilities amounted to 480 million yen, up 18 million yen year on year. This was mainly due to a 114 million yen increase in accounts payable, a 47 million yen decrease in accrued consumption taxes, and a 32 million yen decrease in income taxes payable. Net assets totaled 3,611 million yen, up 153 million yen year on year. This was mainly due to a 157 million yen increase in retained earnings resulting from the posting of net income attributable to owners of the parent.

As a result, the equity ratio was 88.2 percent. We continue to have sufficient funds for R&D investments to strengthen our competitiveness, working capital, etc.



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Medium-term Strategy

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**Fiscal Year Ending March 31, 2026
Business Forecast**

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.

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Osawa: Here is an explanation of our full-year consolidated business forecast. For the fiscal year ending March 31, 2026, we will make aggressive strategic investments for future growth, centered on the development of next-generation the edge AI semiconductor costing \$1.9 million. We believe that this upfront investment will further strengthen the competitive advantage we have developed in the design, development, and sales of AI/GPU processors and semiconductors, and will contribute significantly to expanding earnings and increasing corporate value over the medium to long term.

As for the business forecast, we expect a 6% increase in net sales to 3,250 million yen, thanks to steady shipments of image processing semiconductors for the amusement market, as well as limited contributions from our new next-generation edge AI semiconductor business and FA business.

On the profit side, we forecast 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, as a temporary decrease in profit due to prioritizing investments for growth.



- 1** Financial Results, Fiscal Year Ended March 31, 2025
- 2** Business Forecast, Fiscal Year Ending March 31, 2026
- 3** **Medium-term Strategy**

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.

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Yamamoto: Let me talk about our future business strategy.

First of all, DMP's Purpose is "Making the Image Intelligent". This means using the power of image intelligence to solve real-world problems and create innovative products and services that bring value to our stakeholders.

It has been several years since we held up this Purpose, and some of you who attended may have noticed that the picture in the background of this slide has changed. The motif on the slide has been changed to a picture of an LSI with our logo on it, to signify that the next-generation AI chip, which we announced yesterday and will discuss today, will play a very significant role in achieving this Purpose in the future.

Edge AI Inference Chip

"Di1" Global Debut on May 19, 2025

DMP unveiled next-generation edge AI SoC, Di1

- Sales regions: Mass production and shipments will begin in Japan and Taiwan in the fourth quarter of the fiscal year ending March 2026, followed by global rollout (Di1 will be marketed as "V9" by iCatch Technology in Taiwan).
- Features: Advanced feature integration of latest AI NPU, 4K HDR compatible ISP, real-time 3D ranging, security, etc., enabling advanced edge AI processing in a variety of edge AI applications such as security cameras, automotive equipment, high-performance drones, robotics, etc.
- Scheduled to exhibit at Computex Taipei 2025 starting May 20, 2025 (iCatch Technology booth)

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Yamamoto: Let me now explain our next-generation edge AI inference chip, Di1, which we announced yesterday. The contents of this announcement are that the chip will begin mass production and shipments in the fourth quarter of FY2025, or from January to

March next year in Japan and Taiwan, where the sales system is already in place. After that, the plan is to gradually roll out the chip globally.

In Taiwan, our partner iCatch Technology, Inc. ("iCatch") will market "Di1" under the trade name "V9".

The feature is the integration of very advanced functions. Our latest AI processors, along with 4K-capable HDR, ISP, real-time 3D ranging engine, and security engine, will support a very diverse and advanced range of edge AI applications, including security cameras, automotive equipment, high-performance drones, robotics, and more.

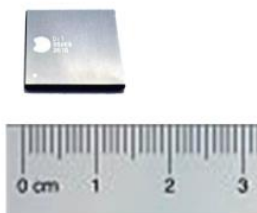
The chip is also on display at Computex Taipei 2025, which opens today in Taipei, Taiwan. Computex Taipei, which practically opened yesterday with a keynote speech by NVIDIA CEO Jensen Huang, is the largest ICT exhibition in Asia, and last year it attracted just under 100,000 visitors, and we hear it will be even more successful this year.

Edge AI Inference Chip Development Status



Shipments are scheduled to begin in 4Q FY2026 as planned.

- Evaluation samples available
- 2025 Computex Taipei (May 20-23) Demonstration at iCatch Technology booth



Di1 Evaluation Chip



Di1 Evaluation Board

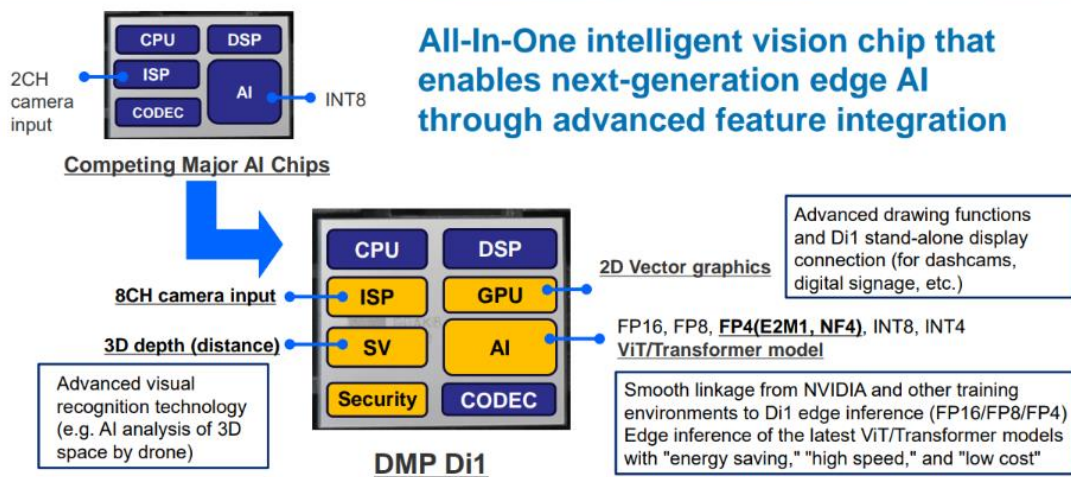
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Yamamoto: Here is a chip development status. As Osawa stated earlier, development is proceeding on-schedule and samples are currently being provided.

Here is the actual sample. It is a very small chip, 1.5 cm square and weighing 1 g. The "Di1" is 15 mm square, while the "RS1" for amusement market, which is currently the center of our business, is 40 mm square. We have put a great deal of functionality into this small chip.



Yamamoto: The slide is a description of the chip. You can see the picture in the center of the slide. This small chip contains our AI processor, our GPU, ISP (Image Signal Processor), our SV (Stereo Vision) engine which is the engine for measuring distance, and security functions.

The top left picture on the slide shows a block diagram of a competing edge AI chip currently available on the market. In contrast, the center picture shows the new Di1, with the orange-highlighted sections indicating the major differences.

First, in terms of AI functionality, our AI engine features our state-of-the-art edge AI processor IP. The competing chip in the upper left corner indicates INT8, which refers to 8-bit integer operation, whereas our AI processor supports FP16.

In addition to INT8 and INT4, which are 8-bit and 4-bit integer operations, there are FP16 and FP8, where FP stands for Floating-Point, which has a very high operation bandwidth. We can perform both 16-bit and 8-bit floating-point operations.

Additionally, FP4 refers to 4-bit floating-point operation. This is a very lightweight AI model, and this FP4 is a feature that was implemented for the first time in the newest AI processor chip called "Blackwell" that NVIDIA announced last year. According to our research, we are the first in the world to implement FP4 in an inference-based edge AI engine, which is a significant characteristic of this chip.

With FP4 support, models trained on NVIDIA's next-generation AI chip "Blackwell" are very smoothly and seamlessly connected to inference on DMP's edge AI chip "Di1". The chip is truly "Blackwell-ready at the Edge".

Besides, this GPU has been developed as our flagship IP since our company's founding. It has been shipped in approximately 200 million customer products to date. It features a very lightweight vector graphics engine that delivers sophisticated HMI (Human Machine Interface) capabilities.

With its ability to display graphical user interfaces, a very sophisticated UI can be achieved with the chip alone if a display is connected.

The ISP on the left side is an image processing processor. Made by Taiwan's iCatch, it's a sophisticated processor capable of processing images from cameras. For example, it supports 4K HDR (High Definition Rendering) and local tone mapping, producing highly detailed images even in low-light conditions.

By processing these high-quality images with our AI processor, we achieve higher-precision, advanced AI processing. In other words, the combination of ISP and AI is an extremely important point.

Regarding ISP, it supports 8CH camera inputs. Current chips generally support 2CH camera inputs with two cameras, while "Di1" supports 8CH cameras.

Below that is the SV (Stereo Vision). This is our proprietary stereo vision with an engine that measures distances using two cameras.

This means you get four pairs of stereo vision for eight cameras. this enables real-time distance measurement and monitoring of obstacles in a 360-degree field around a drone. Currently, stereo vision processing is very computationally intensive, often requiring GPU processing. In systems that demand lightweight, low-power operation like drones, the ability to process 8CH cameras as four stereo pairs in hardware is a major advantage. I've explained this in some detail for those of you who might be interested in the technical aspects.

In a nutshell, this is an all-in-one, highly intelligent vision chip that can perform advanced edge AI processing on a single chip that previously would have required two or three separate chips.

DMP Edge AI Inference Chip Use Case

Automotive

Security

Kiosk

Drone

Smart Factory

AMR/Robotics

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Yamamoto: Based on the features I just explained, the slide outlines actual applications. First, in the top-left corner, automotive applications include using in-vehicle cameras for ADAS (Advanced Driver Assistance Systems) functions, both inside and outside the vehicle, as well as driver monitoring.

Since we can run our "ZIA SAFE" software stack—which we've previously provided to

Denso Ten and JVC Kenwood for driver assistance—on the Di1 chip, I believe it shows high compatibility with our existing AI technologies.

In the AMR/robotics field, AMR stands for "Autonomous Mobile Robot," referring to self-navigating robots. The Di1 chip will be used for such robots going forward. In this field, we also have our own robot development system called "ZIA MOVE," which demonstrates excellent compatibility with this chip.

Regarding smart factories, for example, we sell an advanced picking system called "Cambrian" that uses stereo vision to identify various parts. Di1 is an excellent match for such stereo vision.

We consider drones to be a very significant target application. As I mentioned earlier, by equipping drones with four or eight cameras, we can create a highly advanced drone that captures 360-degree real-time images of its surroundings. This can be used for various purposes such as obstacle monitoring, exterior wall inspection, infrastructure inspection, and transportation.

We also see security cameras and kiosks as applications where this chip will fit well.

FA Business Outline



Started collaboration with three world-leading Chinese robotics companies and signed distribution agreements

*Press released on April 11





AMR Development Platform
AMR/AGF Vehicle

Motor/HMI for AMR

LiDAR/Vision Sensor

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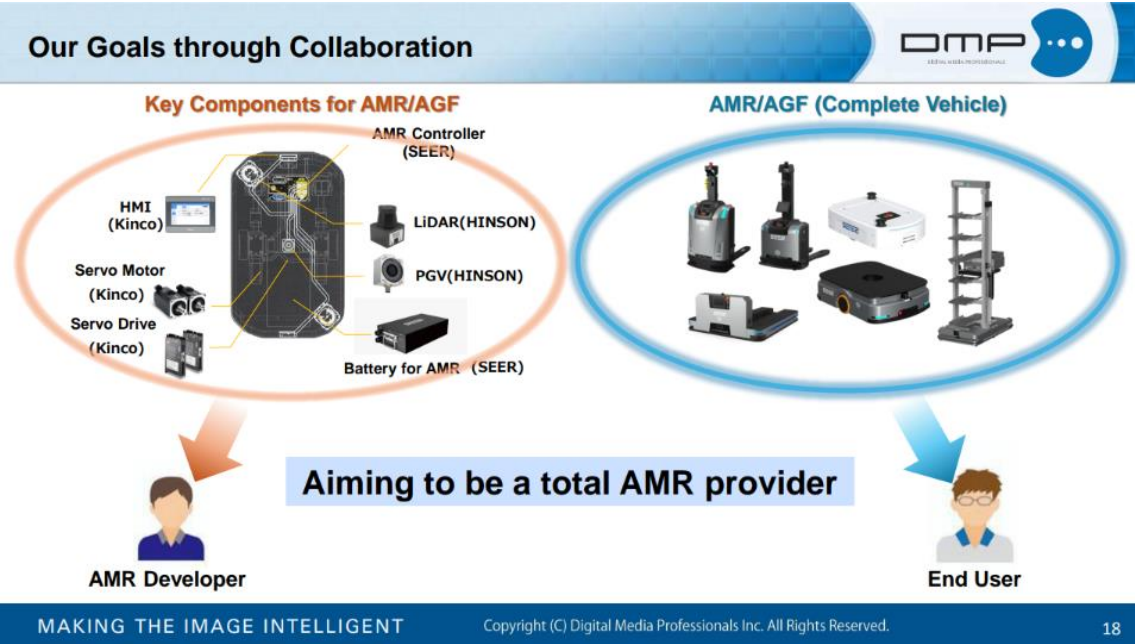
Yamamoto: Let me explain our FA (Factory Automation) business. As announced in our press release on April 11, we have entered into partnerships and distributor agreements with three major Chinese robotics companies to begin handling their products.

SEER ROBOTICS (SEER) is a provider of AMRs, AGVs, and AGFs (Automated Guided Forklifts) and related components.

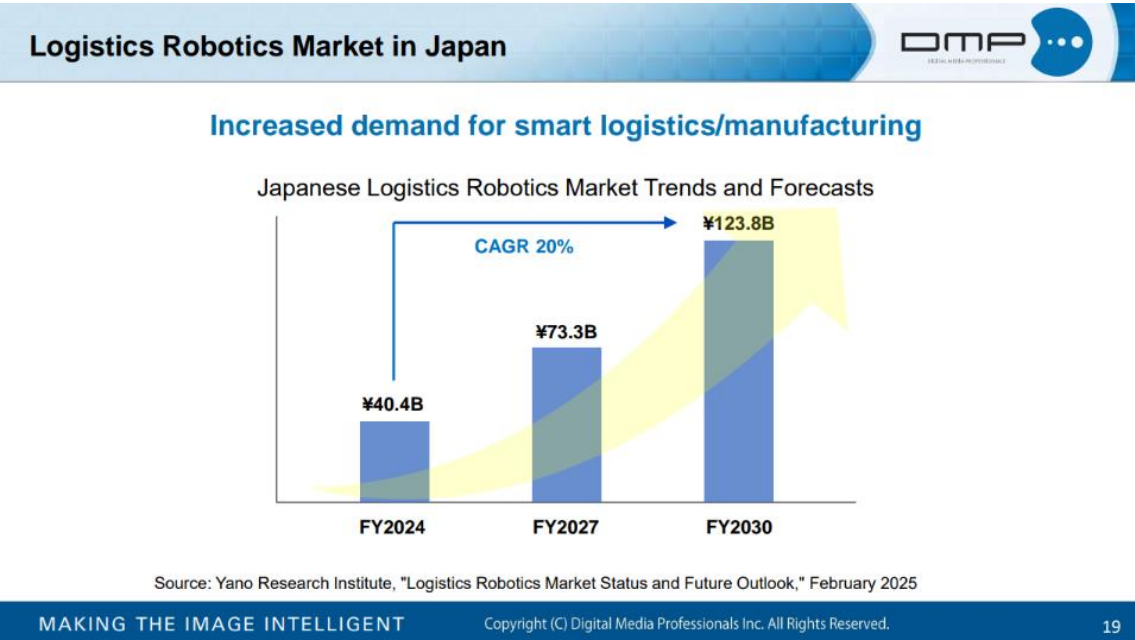
The main components that make up the main body of an AGF include the controller system for the AMR/AGF, batteries, sensors such as LiDAR, and cameras. In addition, by providing fleet management software to control these robots at the same time, a comprehensive system that can simultaneously control multiple robots in a factory, for example, can be provided all at once.

Kinco is a motor company with a particular strength in low-voltage DC servo motors.

Hinson offers LiDAR for AMR/AGV.



Yamamoto: By handling these companies' products, our goal is to become a total AMR provider. We have two main target customers. The first is vendors who develop AMRs and AGFs. We will support AMR and AGF developers by providing them with key components or complete systems from SEER, Kinco, and Hinson. Another target is e-commerce (EC) and distribution customers. Since many of these customers typically purchase complete units, we will supply them with AGF or AMR systems themselves.



Yamamoto: Looking at the logistics market alone, it's projected to grow at a CAGR of 20 percent in Japan, reaching a market size of approximately 123 billion yen by 2030. We plan to establish our business in this market and capture our share of it.

ZIA MOVE Use Case

GE CREATIVE Co., Ltd.

"ZIA MOVE" is adopted in the latest AMRs to achieve extremely high accuracy and stability in the complex and demanding environment unique to food factories.



Lift-up AMR "YL-250F"
for heavy pallet transfer

The industry's first automatic conveyance into refrigerators and freezers via elevators. Enables stable transport even in environments with sloping floor surfaces, bumps, and obstacles.



"YT-350F" conveyor robot specialized
for delicatessen and lunch box factories

Highly accurate self-position estimation and robust autonomous driving even in low-temperature environments where condensation occurs and in aisles where semi-finished products and products are randomly placed, which has been difficult with LiDAR SLAM

Yamamoto: "ZIA MOVE" is software that we developed incorporating our proprietary technology, using Visual SLAM (Simultaneous Localization and Mapping) for camera-based self-localization. I'd like to introduce a case study where GE Creative adopted "ZIA MOVE" in AMRs for food factories.

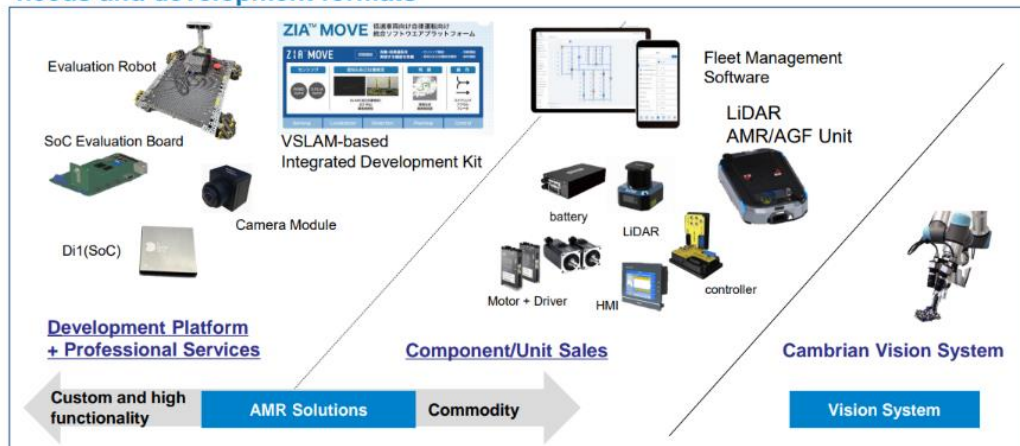
Food factories present extremely complex and challenging environments, but the Visual SLAM system in "ZIA MOVE" achieves high accuracy and stability.

Specifically, it has been adopted in the YL Series, which features lift-up functionality for transporting heavy pallets, and in the YT Series, which are transport robots that can also tow items and are used primarily in factories producing boxed lunches and side dishes.

The YL series is the first in the industry to achieve automatic transfer between elevators and refrigerators/freezers. Stable conveyance is realized even in situations where the road surface is inclined or stepped, or where obstacles are placed in various places.

The YT Series was selected because traditional LiDAR methods often produce errors in low-temperature environments where condensation occurs, as they cannot accurately reflect radio waves. However, the camera-based Visual SLAM system enables very accurate and robust autonomous navigation even in constantly changing environments where objects are being moved around. Orders for these two products have been accepted since May 14.

Providing a wide range of product lineups and one-stop solutions to meet customer needs and development formats



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Yamamoto: What we provide includes our proprietary technology "ZIA MOVE," the components/units we sell as a distributor, and our "Cambrian" picking robot that we have been selling.

Having such a wide range of solutions enables us to meet diverse customer requirements, which is a significant benefit for our customers.

In particular, for environments with highly customized requirements and challenging conditions for robots, such as food factories, we will provide our proprietary technologies including the "Di1," camera modules, evaluation robots, and development kits equipped with "ZIA MOVE" software, along with our professional services.

For other customers, we will supply more commoditized products like components from SEER, Kinco, and Hinson.

Additionally, for specific applications, we will package and deliver solutions tailored to those needs. For example, we offer "Cambrian" for the specific application of picking.

As you can see, our offerings are primarily divided into three areas: custom high-functionality solutions, near-finished product components, and application-specific solutions, which we provide comprehensively.

Our strengths in this area are our expertise and domain knowledge, as well as our technical and marketing capabilities. For areas of commercial distribution where we cannot provide solutions ourselves, we will partner with others to deliver comprehensive offerings, thus differentiating ourselves from other robot vendors.

Medium-term Vision (Three-pronged Growth Strategy)



Expansion into Growth Area: Edge AI Semiconductor Business

Leveraging the strengths and expertise cultivated in our core business to expand into new semiconductor business area
Expanding adoption in high-growth markets such as mobility, smart factories, drones, and smart cameras

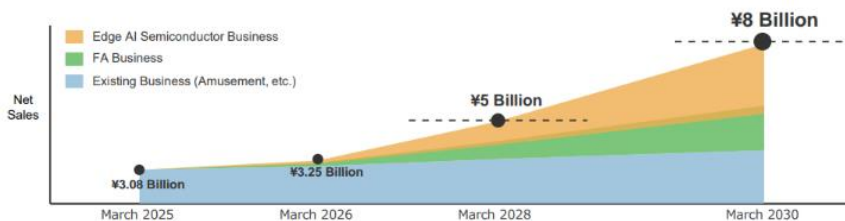
Long-term
Enhancement
of Corporate
Value

Acquisition of New Business Opportunities: FA Business

Leveraging the industry network established through Cambrian Vision System business
Contributing to solving social issues in Japan by further advancing the smartification of robotics, factory automation, and logistics automation

Further Growth of Core Business: Amusement Business

Enhancing profitability through increased added value by integrating peripheral businesses and cost reduction



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Yamamoto: Finally, here is our medium-term vision: we aim to achieve sales of 5 billion yen in the fiscal year ending March 2028 and 8 billion yen in the fiscal year ending March 2030.

The first is "further growth of core businesses" as a three-pronged growth strategy. We will increase added value, including the inclusion of peripheral businesses in the amusement industry, and strengthen profits, including cost reductions in the products we offer.

The second is "expansion into growth areas." Leveraging our experience and expertise in the SoC business for the amusement market, and AI fields such as "ZIA MOVE" and "ZIA SAFE," we will launch a new business centered on the next-generation edge AI chip "Di1" and expand into fields such as smart factories, mobility, drones, and smart cameras. The third is "acquisition of new business opportunities". To achieve further growth in the future, we will work on new business areas utilizing the FA industry network we have established with camera systems and other products to contribute to the further smartification of robotics, factory automation, and distribution automation. Through these three efforts, we aim to enhance our corporate value over the medium to long term and achieve our sales targets.

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- 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.

[Q&A session]

Q1: The next generation Edge AI semiconductor development cost is listed in dollars at \$1.9 million, does that mean you are outsourcing to overseas partners rather than using your own development resources?

A1: The "Di1" is an all-in-one vision chip that incorporates cutting-edge technologies from our company and iCatch. Since it's been developed jointly by both companies, the development costs are denominated in dollars. (Osawa)

Q2: Could you tell us what exactly you envision for the robotics factory automation (logistics automation) you describe in your new FA business?

A2: We plan to comprehensively address our customers' factory automation and logistics automation requirements by providing a combination of our proprietary robot platform technology, products sourced from overseas, and application-specific Cambrian products. (Yamamoto)

Q3: Could you also tell us specifically what you envision for the adoption of mobility, smart factories, drones, and smart cameras as described in the Edge AI semiconductor business?

A3: In terms of smart factories, by installing edge AI chips in robots such as AMR or AGF, for example, advanced edge AI functions can be realized in robots. Additionally, our Cambrian products designed for specific applications like picking, which already have the capability to pick up transparent objects, can achieve even more sophisticated picking when combined with the edge AI chip.

Regarding drones, the biggest challenge is that their flight time is very short due to weight and power consumption constraints. From our discussions with customers, we've learned that even a single gram matters when it comes to LSI weight, making minimizing

size and weight of computing components extremely important. Many customers are currently using high-performance NVIDIA GPUs, but they weigh several tens of grams and consume 10 to 30 watts of power, which shortens the flight time. Our small edge AI chip can handle intensive processing like stereo vision while being lightweight and very low power, which we believe will be a major differentiating factor. (Yamamoto)