

Materials for Financial Performance Reporting

FY Ended March 2021

Ubiquitous AI Corporation (UAC)

Satoshi Hasegawa, President

May 14, 2021

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Summary of Financial Performance for FY 2021

Summary of Financial Performance for FY 2021

Financial Performance

- Both sales and operating profit decreased adversely impacted by COVID-19
 - Consolidated sales: 1,905 million yen (-18.8% Y/Y)
 - Consolidated operating loss: 206 million yen (35 million yen in previous FY)
- Recorded a special loss of 106 million yen as impairment loss of goodwill for the Software Distribution Business; net loss for the FY was 426 million yen.

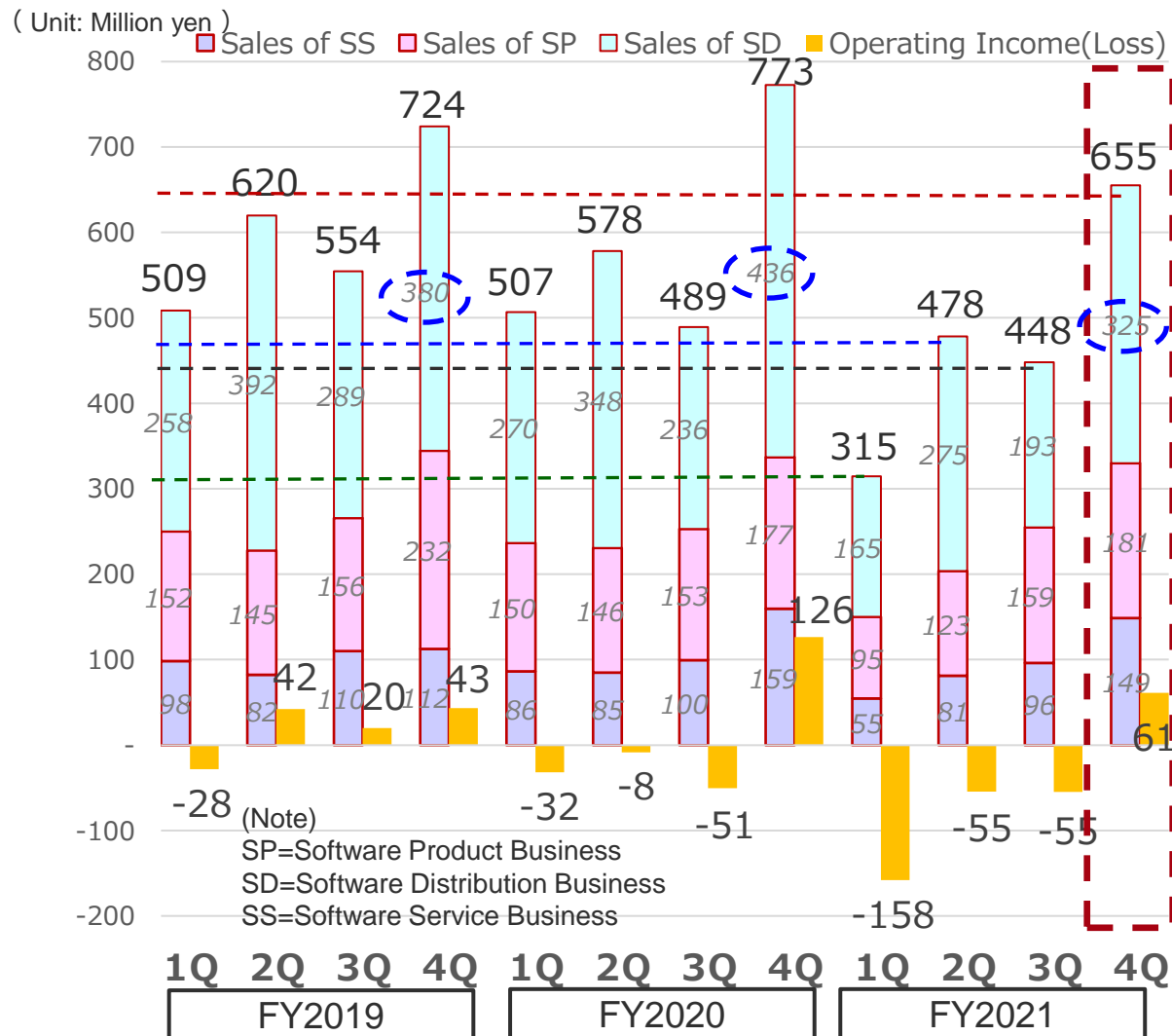
Summary by Segment

(Million yen)

Software Product Business	Sales	556	In the fast device boot-up business, a royalty income from in-vehicle products decreased. In the Connectivity & Security Business, we focused on the development our original products. Sales decreased, as we transferred some commissioned development business to the Software Service Business segment.
	Operating Income	9	
Software Distribution Business	Sales	968	Sales of products related to automobiles were down due to an adverse impact from COVID-19 and a lack of marketable items; Other businesses such as new projects and quality improvement support tools also recorded significant declining sales affected by COVID-19.
	Operating Loss	214	
Software Service Business	Sales	380	Sales from content licensing related to in-vehicle equipment declined due to COVID-19 outbreak and cancelation of commissioned development projects as a result of shrinking budget in the customer side.
	Operating Loss	1	

COVID-19 Impact on Financial Performance

<Reference> Quarterly Consolidated Financial Performance



Impact on 4th Quarter Result

- In-vehicle equipment
 - Following the number of automobiles sold (significantly down in Apr.-Jun. but recovered in Jul.-Sept. and increased in Oct.- Mar.), a royalty income from products that have already been adopted by our customers recovered.
- New projects
 - Although orders usually increase at the end of each FY, new orders were low due to the restriction on marketing activities.
- Others
 - Although we receive additional royalty income payments at the end of each FY as a result of more-than-expected demand, it was very low due to a cost reduction at the customer side.

Effect on the full FY performance

- In-vehicle equipment
 - Although a royalty income has been in a recovery trend since Q2 and recovered in the 2nd half, a significant shrink in Q1, fewer new projects, and sluggish sales in the quality improvement support tools as a result of COVID-19 caused decreased sales.
- New projects
 - New projects did not recover in the full FY, which particularly affected the Software Distribution Business.
- Others
 - We experienced a significant decrease in sales in Q1, the restriction on marketing activities and a cost reduction in the customer side due to COVID-19. These factors made a large adverse impact on our business.

Comparison to FY 2020

Sales by Segment and by Product Area

(Unit: Million yen)

Segment	Product Area	FY2020 (Consolidated)	FY2021 (Consolidated)	Change
Software Product Business	Connectivity & Security	127	94	-25.9%
	Quick Boot	412	381	-7.4%
	Database	86	80	-7.5%
	Sub-Total	626	556	-11.2%
Software Distribution Business		1,290	968	-24.9%
Software Service Business		430	380	-11.6%
Total		2,346	1,905	-18.8%

Comparison to FY 2020

Sales and Profit by Segment

(Unit: Million yen)

		FY2020	FY2021	Change
		(Consolidated)	(Consolidated)	
Software Product Business	Sales	626	556	-69
	Segment Profit(Loss)	31	9	-21
Software Distribution Business	Sales	1,263	968	-295
	Segment Profit(Loss)	*1 3	*1 -214	-218
Software Service Business	Sales	423	380	-42
	Segment Profit(Loss)	*2 0	*2 -1	-2

*1 Including amortization of goodwill of 106 million yen as a result of acquiring shares of former A.I. Corporation.

*2 Including amortization of goodwill of 103 million yen as a result of acquiring shares of AIM Corporation.

Comparison to FY 2020 : Sales and Profit before Amortization of Goodwill by Segment

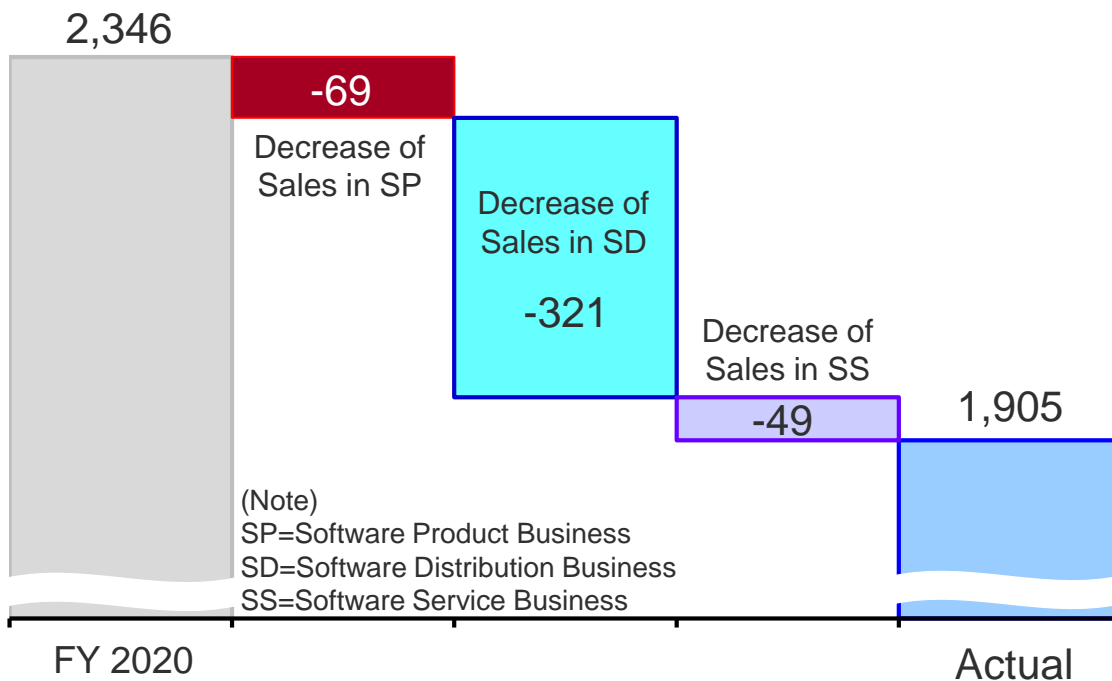
(Unit: Million yen)

		FY2020 (Consolidated)	FY2021 (Consolidated)	Change
Software Product Business	Sales	626	556	-69
	Segment Profit(Loss)	31	9	-21
Software Distribution Business	Sales	1,263	968	-295
	Segment Profit(Loss)	110	-108	-218
Software Service Business	Sales	423	380	-42
	Segment Profit(Loss)	104	102	-2

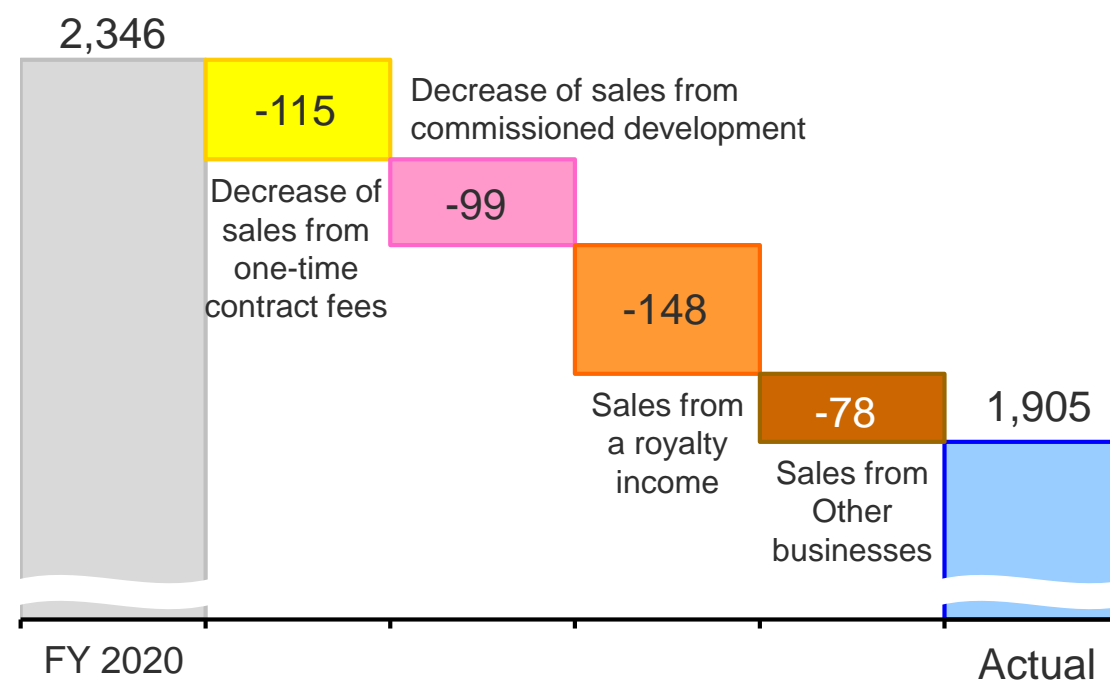
Comparison to FY 2020: Sales

(Unit: Million yen)

By Business Segment



By Type of Business

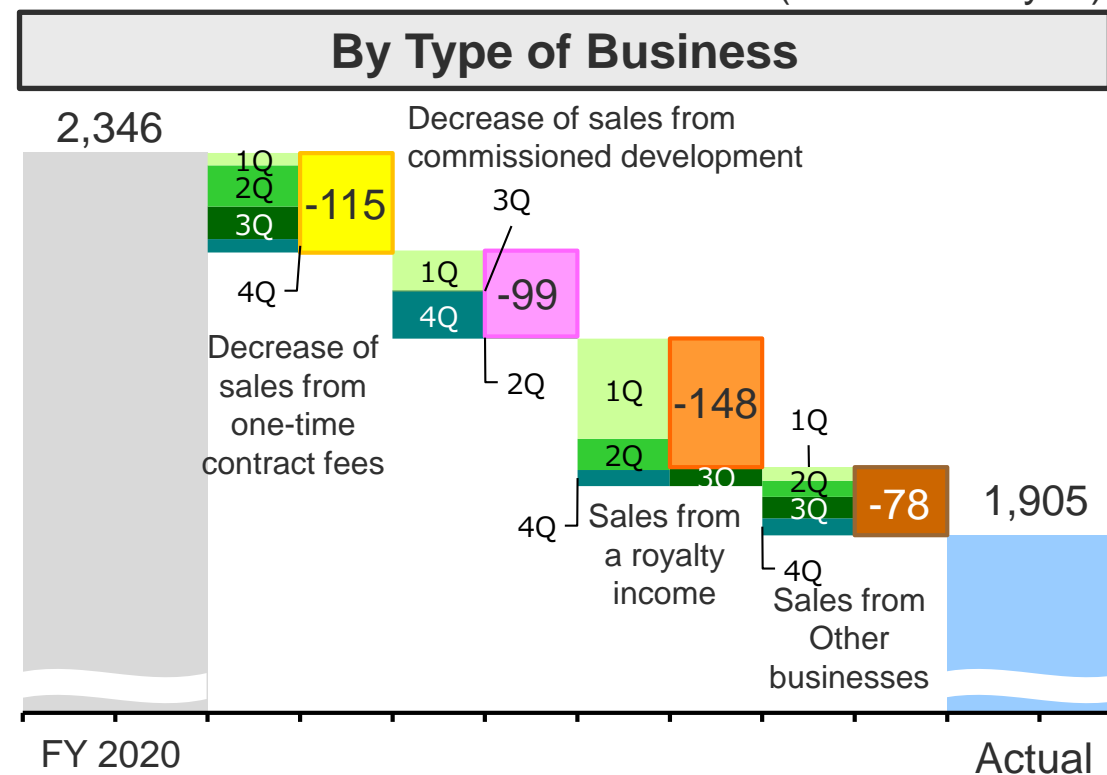
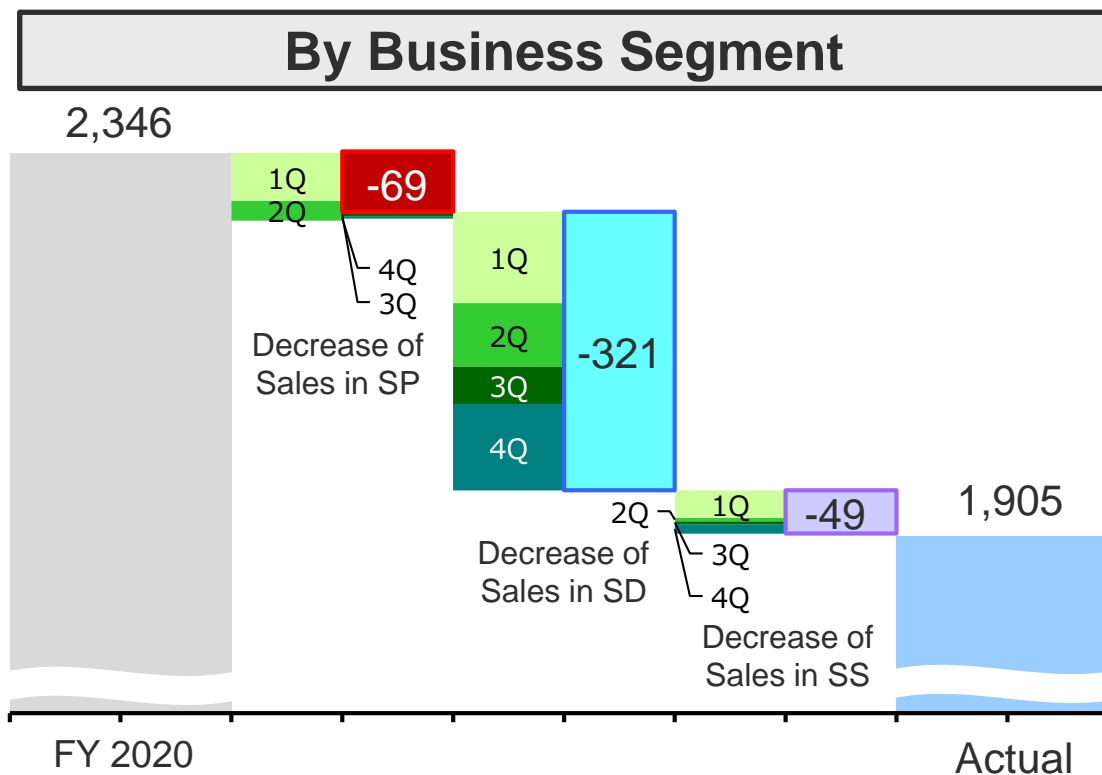


■ Comparison to FY2020 - Sales: Decrease

- SP Business: Sales generally decreased, mainly by sluggish sales of in-vehicle products in the Fast Device Boot-up business and commissioned development in the Connectivity & Security business.
- SD Business: Sales generally decreased due to COVID-19 and a significant decrease of sales of vehicle-related products resulting from a lack of marketable products. Other sales were also impacted by COVID-19.
- SS Business: Sales generally decreased, as sales from content licensing for in-vehicle products and commissioned development impacted by COVID-19.

Comparison to FY 2020: Sales (Quarterly Basis)

(Unit: Million yen)

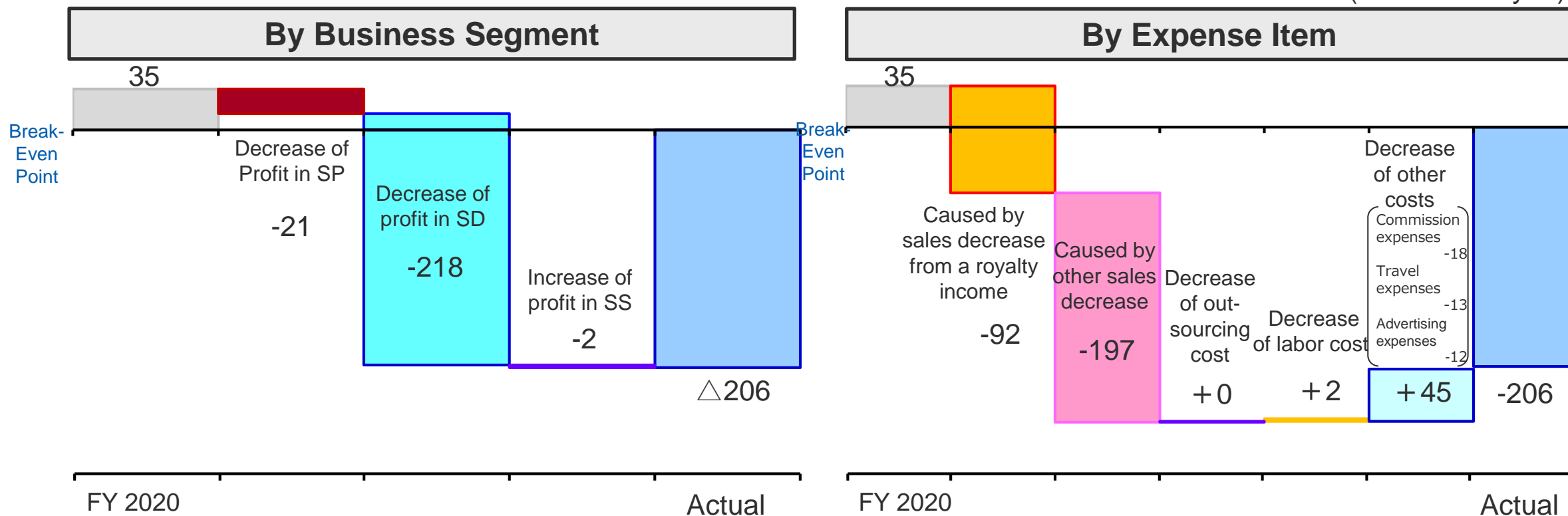


■ Comparison to FY2020 - Sales: Decrease

- SP Business: Since Q3, sales have increased supported by a recovering royalty income, but the business was affected by the decrease in Q1 and Q2.
- SD Business: Sales in all the areas such as one-time contract fees, royalty incomes, and support fees (other sales) were adversely affected by COVID-19.
- SS Business: Although sales have recovered to the level in the previous year since Q2, the business has still been adversely impacted by unfavorable sales in Q1.

Comparison to FY 2020: Operating Profit

(Unit: Million yen)

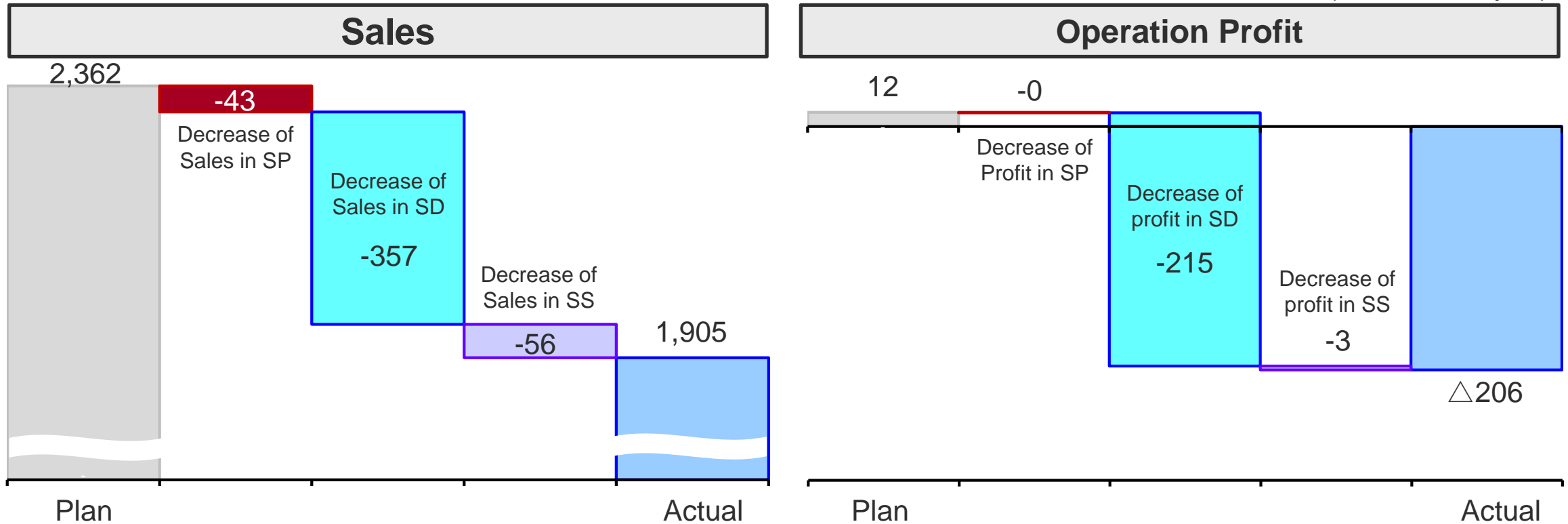


■ Comparison to FY 2020 - Operating Profit: Decrease

- Operating profit was down, as the entire businesses in SP business, SD business, and SS business recorded a decrease of sales.

Comparison to FY 2021 Projection : Sales and Operating Profit (By Business Segment)

(Unit: Million yen)



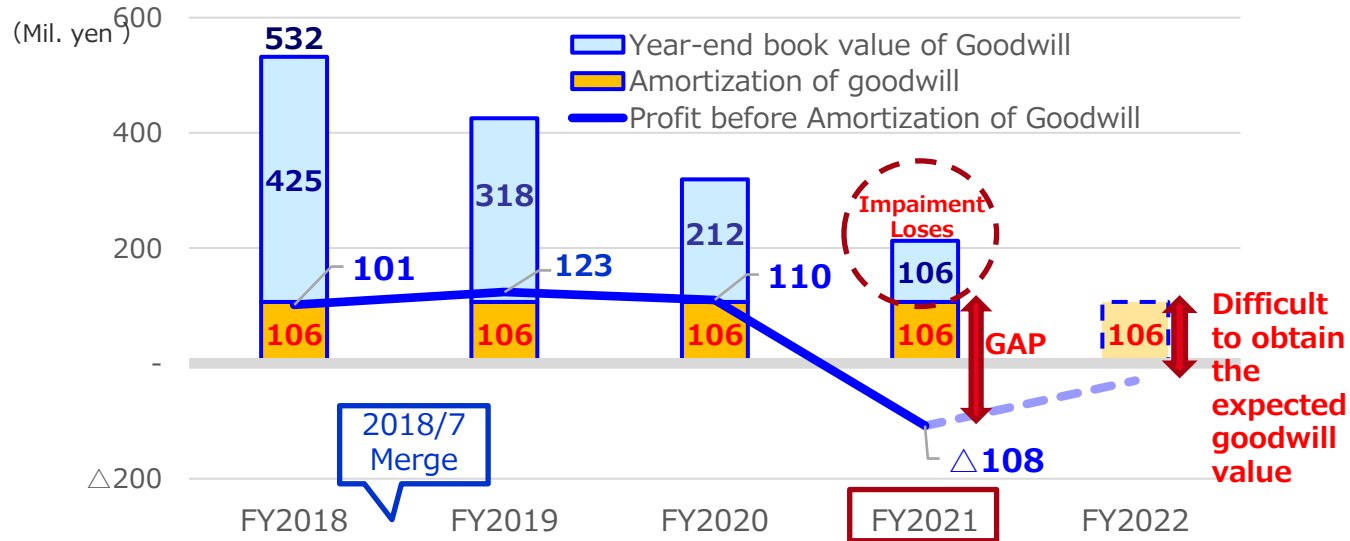
■ Comparison to the plan: Sales/Operating Profit: Decrease

- Operating profit was down mainly due to decreased sales in the SD business.

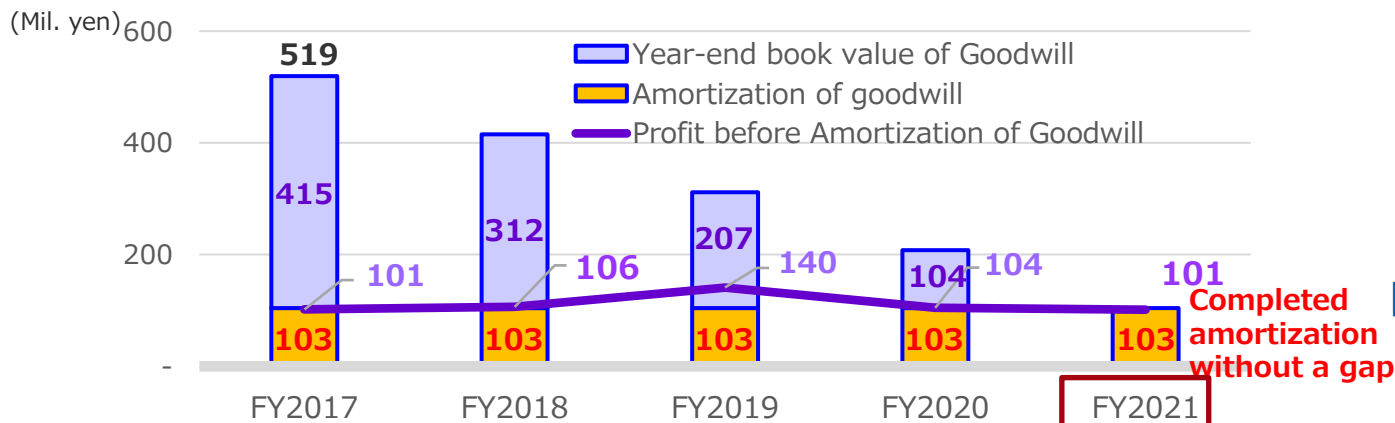
Impairment Losses of Goodwill

■ Timely disclosure on May 13, 2021

Goodwill amortization of former AI Corporation and changes in operating profit before goodwill amortization



(Reference) Goodwill amortization of AIM Corporation and changes in operating profit before goodwill amortization



– Recording an impairment loss for book value of goodwill of 106 million yen

- For former AI Corporation (currently the Software Distribution Business), we recorded a special loss of 106 million yen as an impairment loss of goodwill on AI Corporation (consolidated/non-consolidated).
- Since the consolidation in April 2017 to the FY ended March 2020, although we obtained the operating profit that is equivalent to the amount of amortization of goodwill, we judged that we could not achieve earnings as originally expected after reviewing our future business plan based on the performance in the FY ended March 2021 and in consideration of deteriorating external environment such as the spread of COVID-19.

– Increase of income tax deferred

- As a result of recording the above special loss and considering the collectability of deferred tax assets, the deferred tax assets are lower than those originally expected and our income tax deferred increased (consolidated/non-consolidated).

[Reference] Completion of goodwill amortization for AIM Corporation

- We completed the amortization of goodwill for AIM Corporation in the FY ended March 2021 as planned.

Consolidated Profit and Loss Statement

(Unit: Million yen)

	FY2020	FY2021	Change	FY2021 Plan at the start of the FY	Change
Sales	2,346	1,905	-441	2,362	-456
Cost of Sales	1,226	1,061	-165	1,273	-211
Gross Margin	1,119	843	-276	1,088	-245
SG&A	1,084	1,050	-34	1,076	-26
Operating Income(Loss)	35	-206	-241	12	-218
Non-Operating Profit	3	4	0	-	4
Ordinary Income(Loss)	38	-202	-241	12	-214
Extraordinary Income(Loss)	-	-106	-106	-	-106
Income Taxes	-38	118	156	58	60
Net Income(Loss)*	77	-426	-503	-46	-380

*Profit(Loss) attributable to owners of the parent

Consolidated Balance Sheet (Asset Section)

(Unit: Million yen)

	End of March 2020	End of March 2021	Change
Cash and deposits	934	828	-106
Notes and accounts receivable-trade	740	676	-64
Securities	800	800	-
Inventories	0	5	5
Prepaid expenses	59	46	-13
Other	27	56	29
Current assets	2,563	2,414	-148
Goodwill	316	-	-316
Other	397	393	-4
Noncurrent assets	714	393	-321
Assets	3,277	2,807	-469

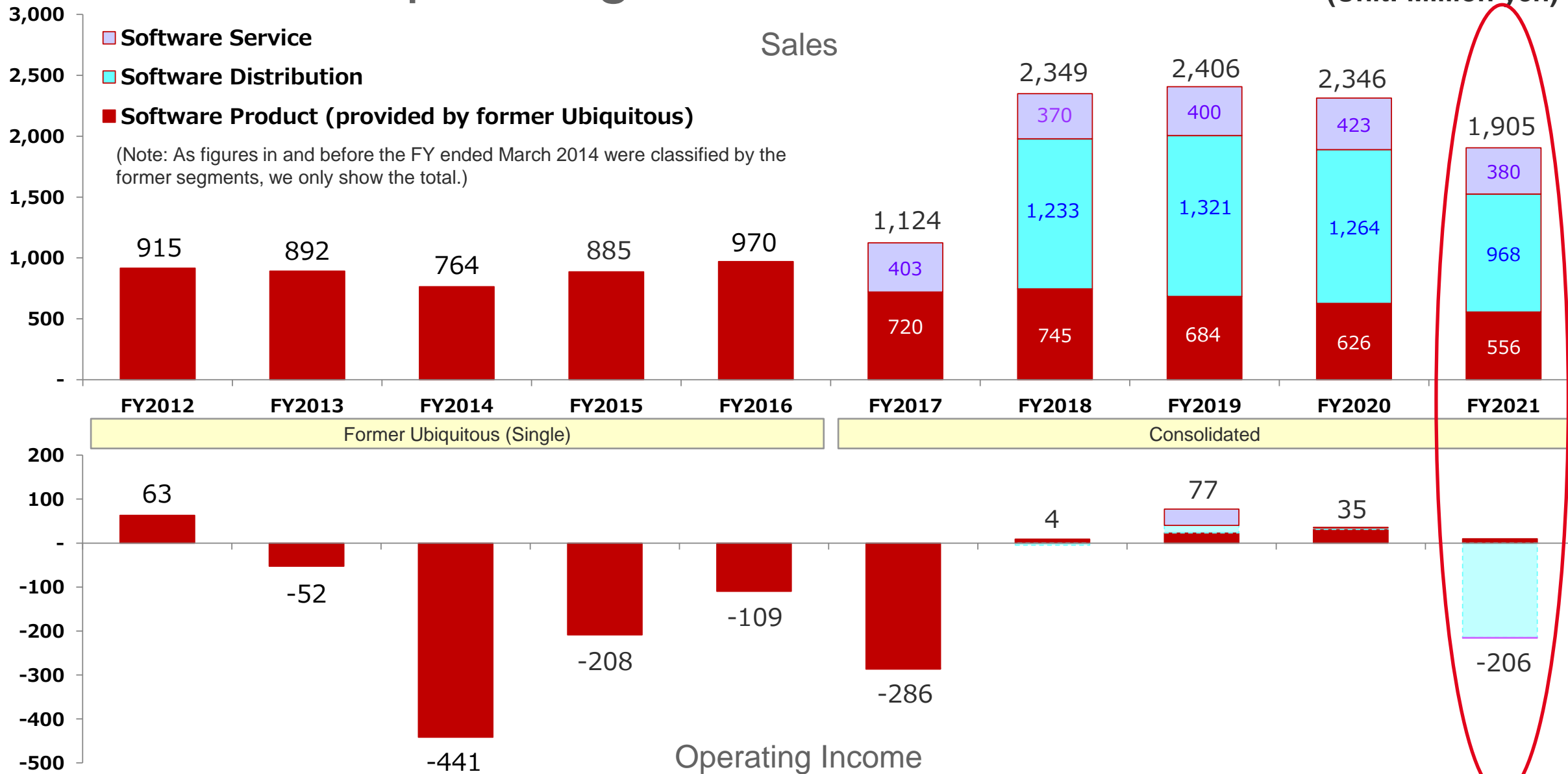
Consolidated Balance Sheet (Liabilities and Net Assets Section)

(Unit: Million yen)

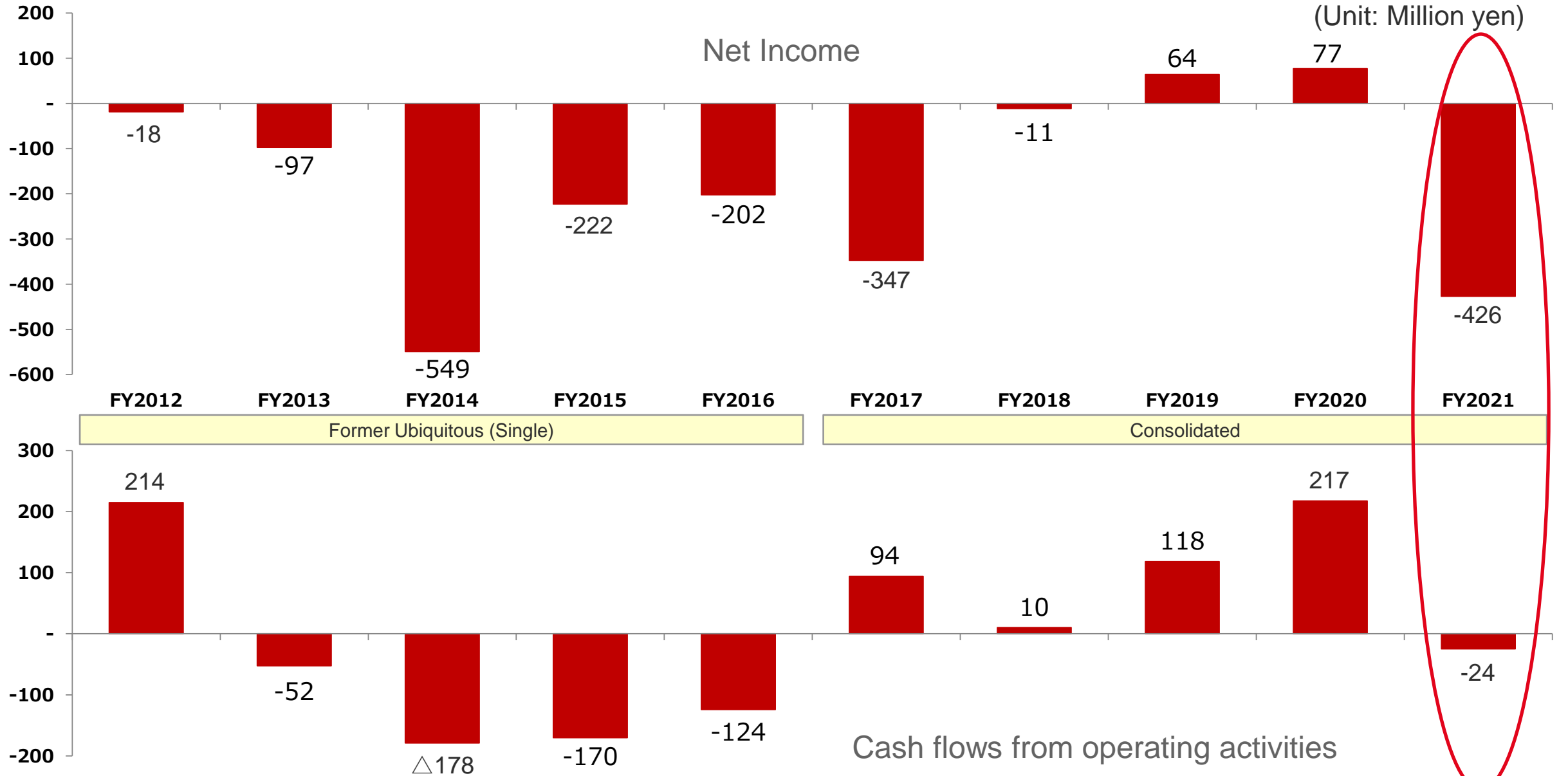
	End of March 2020	End of March 2021	Change
Accounts payable-trade	160	131	-28
Accounts payable-other	38	47	9
Advances received	91	73	-17
Other	92	46	-46
Current liabilities	382	298	-84
Noncurrent liabilities	82	80	-1
Capital stock	1,483	1,483	-
Capital surplus	1,453	1,453	-
Retained earnings	-159	-586	-426
Other	35	78	43
Net assets	2,812	2,429	-383
Liabilities and net assets	3,277	2,807	-469

Sales and Operating Income

(Unit: Million yen)



Net Income and Cash Flows from Operating Activities



Results against the Revised Mid-Term Management Targets

FY ending March 2022
Target: 2,500 (120)

FY ending March 2025
Target:
Sales - 3,000 mln. yen
Operating margin: <10%

Ubiquitous AI Corporation Group Toward the No. 1 Embedded Software Vendor



*Sales (Operating profit)
Unit: Million yen

FY ended March 2020
Plan: 2,419(10)
Actual: 2,346(35)

- Took measures to increase profits in and after FY 2021 (such as recruitment, exploring new products, and R&D)
- Created new business opportunities through new products such as "Edge Trust"
- Inter-business synergy (proposal of combined products, engineering collaboration, joint development with overseas partners)

FY ended March 2021
Plan: 2,362 (12)
Actual: 1,905 (-206)

- Expect to increase sales in and after the next FY supported by full-fledged overseas sales of fast device boot-up products
- Enhance the business base to cope with changes in product lifecycle and vanishment of marketable items

- Gain a profit from overseas sales of high-speed boot-up products, which are expected to contribute to earnings in and after the FY ending March 2023
- End of amortization of goodwill for AIM can contribute to the operating income, realizing an operating profit
- These factors are expected to contribute to earnings in and after the FY ending March 2023 by which we would be ready for changes in the product lifecycle.

Developing and Exploring New Products in Light of Technology Trend

5G

CASE

IoT

Cloud

AI

Robotics

FY 2020, FY 2021: Stabilizing profits and taking actions toward the next growth step

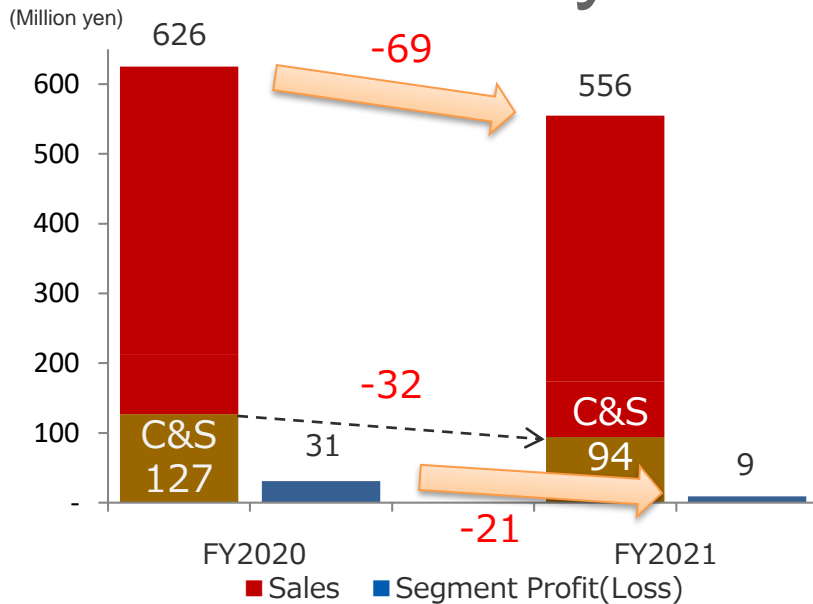
FY 2022: Contribution from new projects/businesses

Launching low-cost products that are jointly developed with overseas partners with a shorter lead time

Expanding services in collaboration with partners such as IoT security verification service and "Edge Trust"

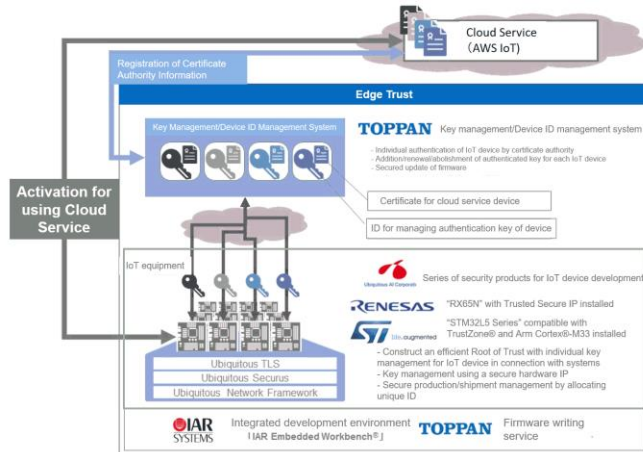
Business Trend and Actions by Segment and Product Area

Connectivity & Security



Summary of FY 2021 Q4

- Recorded sales of a R&D project from a semi-conductor manufacture related to “Edge Trust”
- Recorded sales from an R&D project related to security implementation on IoT device
- Recorded a royalty income from existing customers in the digital audio-visual field
- Had commissioned development sales from an existing customer in the area of digital imaging

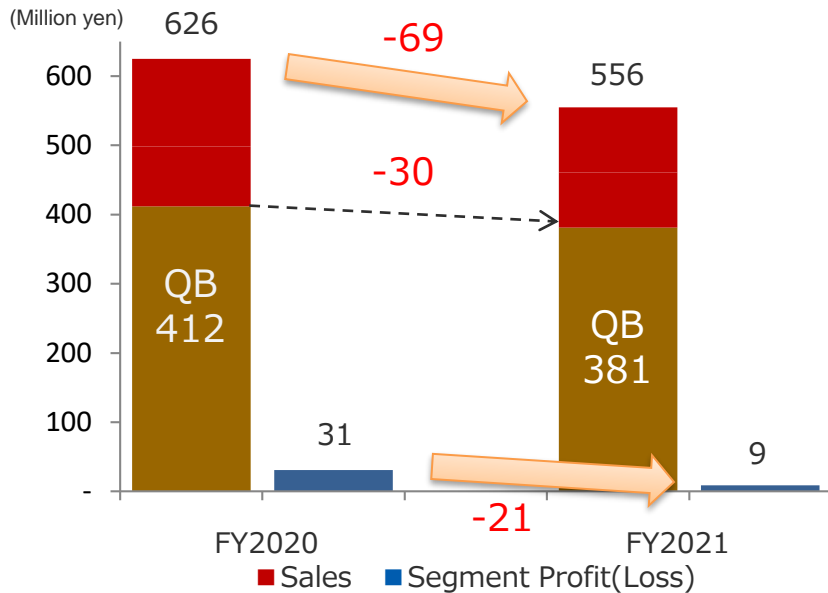


Business Direction

- Focusing on the business development in the IoT security area mainly supported by “Edge Trust”; enhancing collaboration with business partners in various fields that is required for providing a secure IoT service
- Expanding sales of security-related products mainly in the areas of in-vehicle, industrial, and IoT fields

*The graph shows sales and profit in the entire Software Product Business and sales only related to the Connectivity and Security area.

Fast Device Boot-up



Summary of FY 2021 Q4

- Recorded sales of in-vehicle products and a royalty income from overseas existing customers in the consumer products area.
- Continued large and middle-sized R&D projects with several customers in the areas of in-vehicle equipment such as a car navigation system

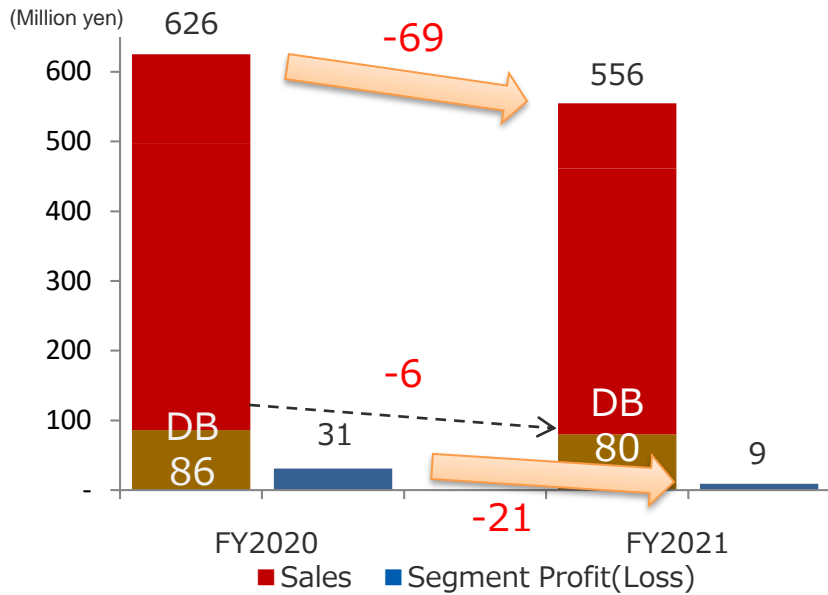
Business Direction

- Enhancing sales in overseas markets
- Strengthening marketing of products for automobiles other than in-vehicle information terminals
- Promoting highly value-added solutions and cross-sell such as a product with the combination of the file system compatible with power discontinuity, virtualization technology, and secure boot function
- Continuing development of the next-generation technology



*The graph shows sales and profit in the entire Software Product Business and sales only related to the Fast Device Boot-up area.

Software Product Business Database

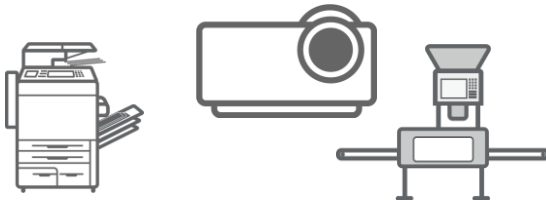


Summary of FY 2021 Q4

- Recorded a royalty income from existing customers in the area of industrial machines

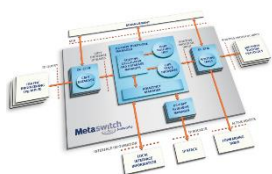
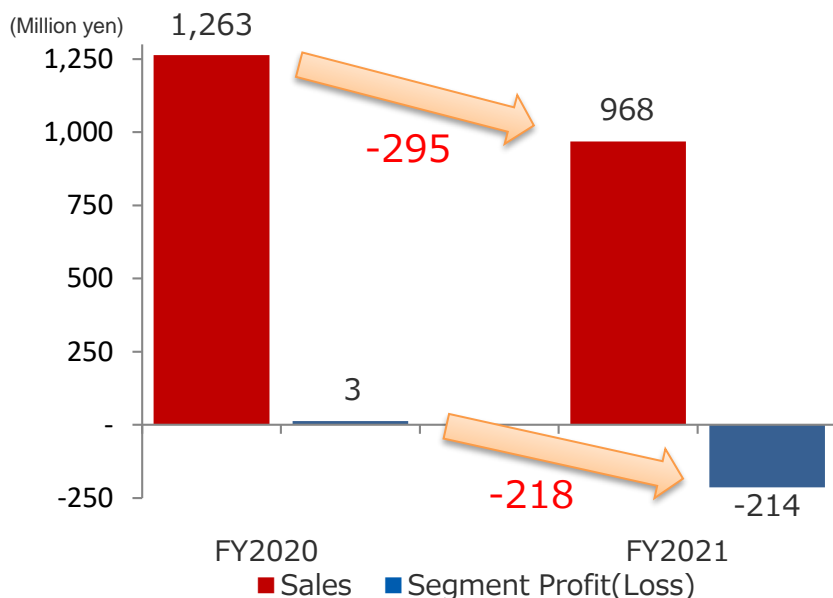
Business Direction

- Ensuring a stable profit by support services to existing customers
- Increasing sales of products for in-vehicle equipment, OA equipment, testing equipment, and industrial machines



*The graph shows sales and profit in the entire Software Product Business and sales only related to the Fast Device Boot-up area.

Software Distribution Business



- *1 Insyde H2O: BIOS based on C-driver that implements the 'EFI/UEFI' specifications
- *2 BlueSDK: Bluetooth protocol stack
- *3 CodeSonar: Tool that can statically analyze operational malfunction and vulnerability of software at the time of compiling a source code and detect bugs.

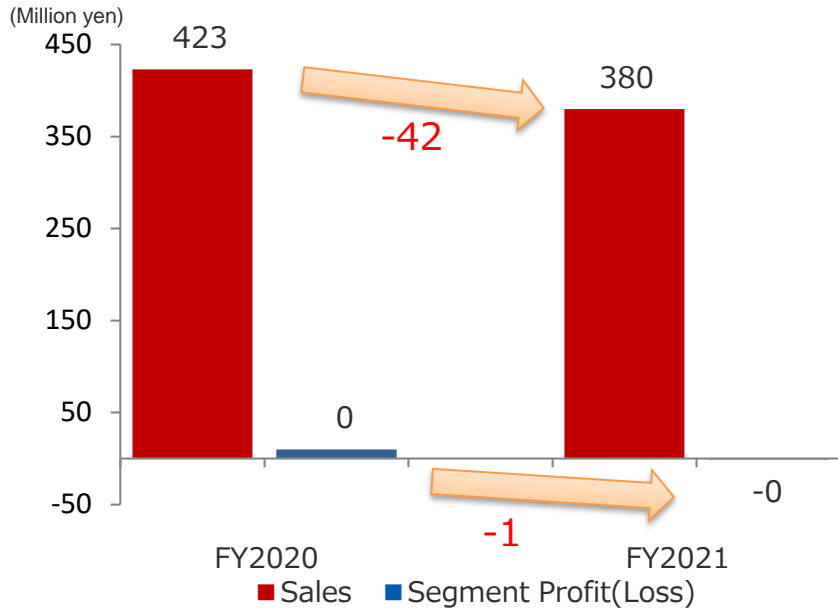
Summary of FY 2021 Q4

- BIOS Products: Recorded a royalty income of “Insyde H2O *1” from an existing customer that provides notebook PCs.
- Wireless Products: Recorded a royalty income of “Blue SDK *2” from existing customers in the area of in-vehicle equipment. A royalty income showed a recovery trend as the automobile sales rebounded.
- Products Supporting Quality Improvement: Recorded repeated sales from licensing fees and support fees for “CodeSonar *3” from existing customers in the areas of in-vehicle equipment and medical equipment.
- Enjoyed a royalty income of various products from new and existing customers
- For enhancing the in-vehicle tools, established business collaboration with A&D Company Ltd. and jointly developed a simulator for developing in-vehicle system software products that were launched in the market in April 2021.

Business Direction

- Exploring products and technologies that can meet changes as a result of spreading COVID-19
- Enhancing sales and marketing of AI-related products (six new products in the FY ended March 2021)
- Expanding auto-related products (three new products in the FY ended March 2021)
- Establishing a partnership with overseas vendors with marketing power (six new partners in the FY ended March 2021)
- Focusing on sales of products supporting software quality improvement that can generate a stable income flow with an annual licensing contract.

Software Service Business



Summary of FY 2021 Q4

- Recorded various commissioned development sales from existing customers
- Recorded a licensing fee for “YOMI Data” content for in-vehicle equipment

Business Direction

- Maintaining existing profit backed by close collaboration with Gracenote in the U.S. as well as developing new business through a proposal of business cooperation
- In addition to projects with existing customers and partners, realizing a sales synergy effect throughout the group based on engineering service projects for our group products and customers



Examples of using “YOMI Data”(artist & sort)

Artist Name	YOMI
さだまさし	リタマリン
サザンオールスターズ	サザンオールスターズ
L'Arc-en-Ciel	ラルクアンシエル
松任谷由実	マツトウヤユミ

Sorted by Artist Name		Sorted by YOMI	
Sorted Result	Artist Name	Sorted Result	YOMI
1	L'Arc-en-Ciel	1	サザンオールスターズ
2	サザンオールスターズ	2	さだまさし
3	さだまさし	3	松任谷由実
4	松任谷由実	4	L'Arc-en-Ciel

Results and Mid-Term Challenges/Measures for FY Ended March 2021

Business Segment		Results	Challenges and Measures
Software Product Business	Fast Device Boot-up	<ul style="list-style-type: none"> Although we were adversely impacted by COVID-19 in the auto-related field in Q1, products in this area became a major driver with a stable royalty income in and after Q2. 	<ul style="list-style-type: none"> Take actions to be compatible with the next generation platform, and actively explore overseas markets to expand sales
	Connectivity	<ul style="list-style-type: none"> Commissioned development shrunk and a royalty income from previous projects decreased. We received more inquiries and orders for in-vehicle audio-visual-related products (security products). Contribution to profits from new projects delayed. 	<ul style="list-style-type: none"> Plan to focus on IoT security and in-vehicle audio-visual products and projects
Software Distribution Business		<ul style="list-style-type: none"> Cost reduction in our customer side as a result of COVID-19 significantly impaired our new project demand and sales of tools. While our major products generated profits, new promising products did not increase as expected, resulting in significant sales deterioration caused by COVID-19. 	<ul style="list-style-type: none"> Accelerate to explore new products and expand sales of newly-developed products for FY 2022
Software Service Business		<ul style="list-style-type: none"> Although sales of auto-related products deteriorated due to COVID-19, it has recovered since Q2, generating a stable profit. 	<ul style="list-style-type: none"> Need to have more R&D staff members to expand the scale. Consider M&A and other measures for this purpose

Business Performance Forecast for FY Ending March 2022 and Our Major Actions

Business Risks caused by COVID-19

■ Risks from economic condition/market trend

- Risks caused by delay of new projects and a cost reduction by our customers due to COVID-19
 - In the FY ended March 2021, our business was significantly impacted by decreased new projects, as our customers delayed new projects/business. Cost reduction triggered by COVID-19 in our customer side also remarkably dampened our sales of development support tools. These lead to sluggish orders in Q1 for FY ending March 2022. Consequently, we estimate that the effect of COVID-19 remains in the H1 for the FY ending March 2022.
 - The trend shown in the FY 2021 could continue throughout the FY 2022 depending on the volume of orders in the H1.
- Risks that semiconductor shortage could adversely affect the procurement activities of our customers, which could reduce our manufacturing royalty income
 - We have currently seen semiconductor shortage especially in the automobile industry that could cause production delay. It could affect our manufacturing royalty income from our customers.

■ Risks caused by restriction on marketing activities due to remote work

- Risks caused by decreased exposure and opportunities to gain new customers due to the cancellation of exhibitions and seminars
 - As our products heavily rely on demonstration (to show actual functions and implementation as well as to explain invisible functions/performance/features face-to-face), good opportunities to attract new customers were restricted.
 - While our marketing representatives need to meet clients face-to-face (because we need to talk with people in a product planning/development sections) due to the nature of our products, such opportunities were restricted.
- Risks caused by a smaller number of visits to new customers
 - We had less communications with new clients, as we need to use a web meeting. Some clients had difficulties to have on-line communications with us.

Business Risks caused by COVID-19

■ Assumed impact on the performance for the FY ending March 2022

- If the spread of COVID-19 does not cease as expected, our business performance in each segment for the FY ending March 2022 could trace to the same track as that for the FY ended March 2021.
- While “real” exhibitions have increased for recent few months, our customers especially large companies still tend to avoid participating in and coming to exhibitions. We are afraid that our marketing activities could continue to be restricted, which lead to sluggishness in new projects.
- Our manufacturing royalty income in Q1 is expected to show a similar result to that in and after the FY ended March 2021 as a result of normalization of automobile production. However, if a shortage of semiconductors continues, our performance could be sluggish as seen in the FY ended March 2021.

■ Business plan for the FY ending March 2022 and the current mid-term business plan

- Given a risk that the trend shown in the FY ended March 2021 continues throughout the FY ending March 2022, we significantly revised down our sales target in the mid-term business plan.
- In the Software Distribution Business, we will focus on exploring new products and newly developed products to increase sales supported by our efforts to enhance our on-line marketing activities and increase on-line advertisement expenses following the changes toward the on-line based marketing.
- Our operating income is expected to come from decreased amortization of goodwill in the Software Distribution Business and increased profits in the Software Product Business and the Software Service Business areas. Although our projection is lower than the target in the mid-term business plan, we expect that the business will turn to be profitable in the FY ending March 2022.

Performance Forecast for the FY Ending March 2022

(Unit: Million yen)

	FY2020 (Actual)	FY2021 (Projection)	Change
Sales	1,905	2,196	290
Operating Income	-206	80	286
Ordinary Income	-202	80	282
Net Income(Loss)*	-426	57	483

*Profit(Loss) attributable to owners of the parent

– Our Actions for Recovery in and after FY 2023

- Although sales would be much lower than the target set in the mid-term business plan, we expect it could show an increase on a year-on-year basis. Decreased amortization as a result of impairment loss for goodwill could result in an operating profit.
- While we will obtain a stable income in the Software Product Business mainly consisting of fast device boot-up products and in the Software Service Business including “YOMI” licensing fee for in-vehicle equipment and commissioned development for existing customers, we will target to achieve additional sales in the Software Distribution Business that gained new products and newly-developed products in the FY ended March 2021.

Our Major Actions for the FY Ending March 2022

Software Product Business (Connectivity & Security; Embedded Software Products)

FY 2022 **Sales: 620 mln. yen**

- Expand sales by becoming compatible with the next generation platform for fast device boot-up products as well as actively participating in overseas markets
- Enhance the R&D activities for faster products, and recruit new engineers to gain more projects
- Promote sales of network and security-related software products for embedded equipment mainly in the areas of automobile and IoT

Software Distribution Business

FY 2022 **Sales: 1,188 mln. yen**

- Continue enhancing sales of software supporting quality improvement; focus on sales of “GSIL” that was developed jointly with A&D, IoT security-related product “beSTORM X”, and “IoT Security Verification Service” using “beSTORM X”.
- Expand AI-related products and generate profits from these products
- Enhance sales of new products that were obtained in FY 2021 and strengthen the profit base by continuously obtaining new products

Software Service Business (Group Company: AIM Corporation)

FY 2022 **Sales: 420 mln. yen**
(incl. internal transaction)

- Continue collaboration with Gracenote as well as consider new projects
- Make efforts to obtain new stable customers in addition to existing customers to have a steady income stream from commissioned development

Changes in Calculation of Segment Profit

Ubiquitous AI Corporation changes the profit calculation method for two business segments

– Background

- Since the merger of former AI Corporation (in July 2018), we made efforts to unify common business areas in both companies.
- When the amortization of goodwill concerning acquisition of shares of AI Corporation completed, we do not need to maintain the accounting system at the time of acquiring the shares.

– Allocation of indirect departmental costs

- Indirect departmental costs: personnel costs in sales, marketing & communication, and administration departments and departmental costs of these departments
- Allocation ratio: Adjusted to 1:1 given sales and gross margin in the budget at the start of the FY ending March 2022

Adjustment as a result of changes in the method of calculating segment profits

(Unit: Million yen)

		Previous FY (Consolidated)			FY 2022 (Consolidated)			Changes	
		Before adjustment	adjustment	After adjustment	Before adjustment	adjustment	After adjustment	Before adjustment	After adjustment
Software Product Business	Sales	556		556	620		620	63	63
	Segment Profit	9	46	56	10	44	54	0	-2
Software Distribution Business	Sales	968		968	1,188		1,188	219	219
	Segment Profit	-108	-46	-154	-30	-44	-74	78	80
Software Service Business	Sales	380		380	388		388	7	7
	Segment Profit	102		102	100		100	-2	-2

(Note) The segment profit in the previous FY is before the amortization of goodwill for easy comparison, and the allocation ratio is set as the same rate as that in FY 2022

Comparison to FY 2020

Sales and Profit by Segment

(Unit: Million yen)

		FY2021	FY2022	Change
		(Consolidated)	(Consolidated)	
Software Product Business	Sales	556	620	63
	Segment Profit(Loss)	56	54	-2
Software Distribution Business	Sales	968	1,188	219
	Segment Profit(Loss)	※1 -261	-74	187
Software Service Business	Sales	380	388	7
	Segment Profit(Loss)	※2 -1	100	101

*1 Including amortization of goodwill of 106 million yen as a result of acquiring shares of former A.I. Corporation.

*2 Including amortization of goodwill of 103 million yen as a result of acquiring shares of AIM Corporation.

Comparison to FY 2020 : Sales and Profit before Amortization of Goodwill by Segment

(Unit: Million yen)

		FY2021	FY2022	Change
		(Consolidated)	(Consolidated)	
Software Product Business	Sales	556	620	63
	Segment Profit(Loss)	56	54	-2
Software Distribution Business	Sales	968	1,188	219
	Segment Profit(Loss)	-154	-74	80
Software Service Business	Sales	380	388	7
	Segment Profit(Loss)	102	100	-2

Actions to Cope with Changes in Business Environment Arising as a Result of COVID-19

Connecting the Future



Ubiquitous AI Corporation

Re-innovation

Recognize our strength and change our viewpoint

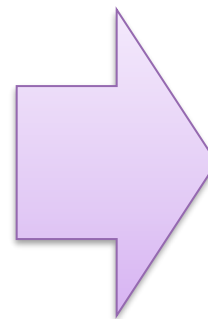
Recognize “our strength” again

Implementation technology

No. of customers

Various products

Brand



Review our sales expansion plan to cope with changes

Enhance sales on the web

Solution

Enhance organizational power

Strengthen marketing section

Topics

Signed a distributor agreement with Deeplite:
Started marketing “Neutrino™” Automatic optimizing and compressing software for DNN (January 13)

Shorten time required for the optimization to a few days from six months

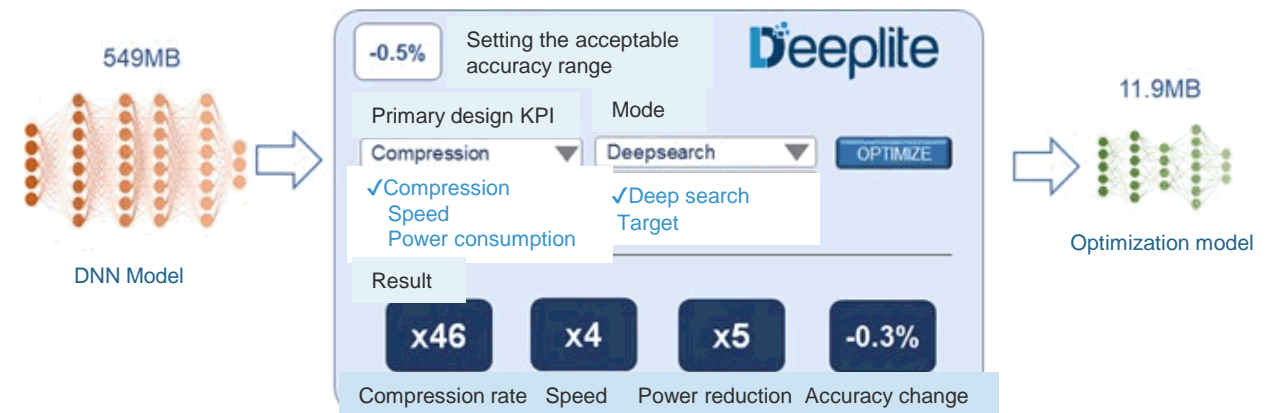
Automatically optimize DNN model on an on-premise environment and improve the development efficiency

■ Background

- AI development and R&D activities progress in the machine learning and deep learning area.
- Optimization of model requires complicated try-and-errors, a huge amount of time, human resources, and computing resources.
- When developing AI applications for IoT/Edge equipment, there are further requirements such as optimization of DNN model with maintaining high accuracy and lower electricity consumption.

■ Major features of “Neutrino™”

- As the AI engine implements the optimization process while automatically maintaining the accuracy (rate) only by setting the trained DNN model and dataset, it significantly reduces the development cost.
- As Neutrino can work in an on-premise environment, it can be used in-house.



<Image of using “Neutrino”>

Reached agreement on collaboration in the AI field:

Capital and Business Collaboration with Team AIBOD (February 26)

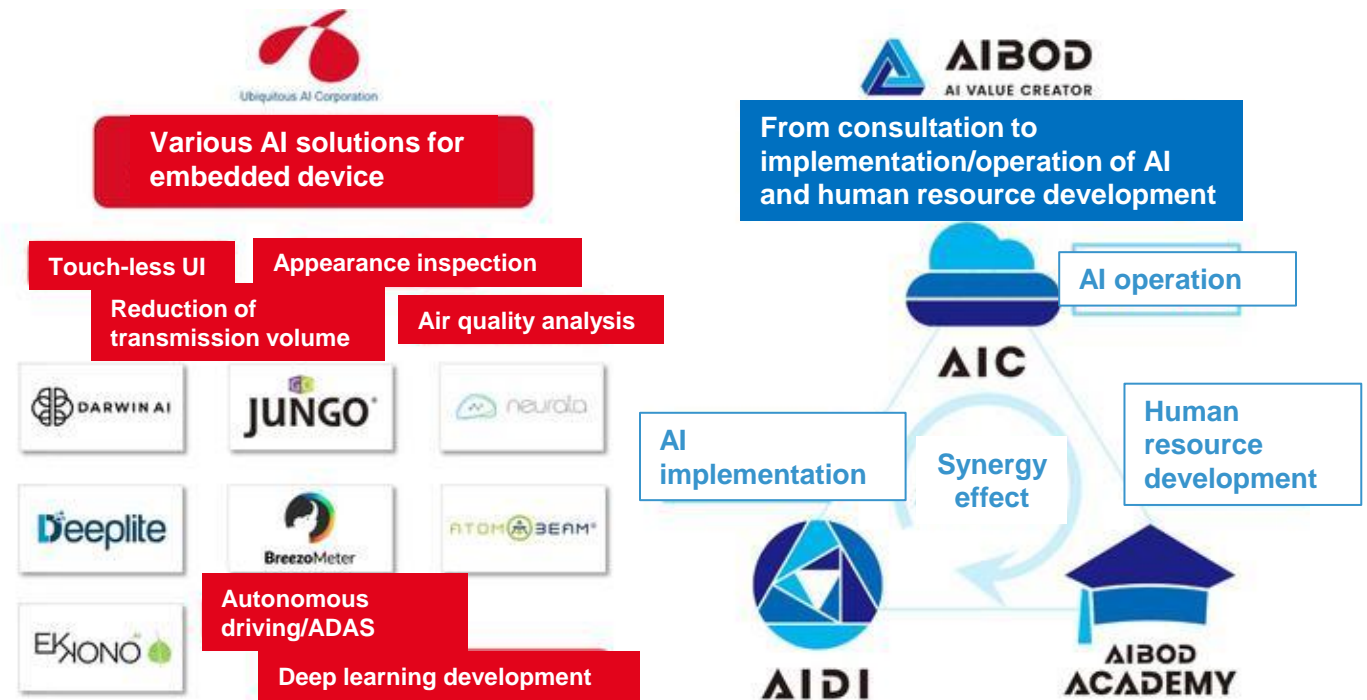
Provide a wide range of products and services to the manufacturing industry from AI development to introduction support & education

■ Background

- Development of intelligent IoT device has further progressed as the manufacturing industry has sought to achieve the improvement of production process, introduction of automation, and higher efficiency using the AI technology as well as use of Edge AI as a result of dissemination of IoT

■ Forecast

- We will provide our customers with AI solutions for the manufacturing industry that were developed by Team AIBOD to contribute to the progress of DX evolution in the manufacturing industry.



<Image of Collaboration>

Simulation Toll for developing in-vehicle ECU software:
Start marketing “GSIL” (March 24)

Verify ECU software on the PC before completing hardware

Significantly improve the test efficiency supported by the collaboration in SILS/HILS

■ Background

- It was developed in combination of our experience in ECU software development support with a long-term experience of A&D on the development and support of ECU measuring hardware.
- There are needs to debug/verify the ECU application before completing hardware.

■ Major features of “GSIL”

- Easily construct the environment using the virtual ECU semi-automatic generation (a few days in the shortest time)
- A test case can be re-used at HILS.
- Can verify the performance and timing.
- Flexible licensing system to meet various needs of customers (can be used in the model distribution and the remote working system)



<Image of using GSIL>

Appendix

Disclosures in FY 2021 Q4

Announcement Date		Press Release
Q4	January 13	<ul style="list-style-type: none"> ■ Ubiquitous AI Corporation signed a distributor agreement with Deeplite and started marketing of “Neutrino™”, DNN model optimization/compression software on January 13, 2021. <ul style="list-style-type: none"> - Reduce the number of days required for the optimization process to a few days from six months, and provide AI application for embedded equipment -
	February 26	<ul style="list-style-type: none"> ■ Ubiquitous AI Corporation agreed a capital and business collaboration with Team AIBOD in the AI field. <ul style="list-style-type: none"> - Provide the manufacturing industry with a wide range of products and services from AI development to introduction support/education -
	March 24	<ul style="list-style-type: none"> ■ Ubiquitous AI Corporation started marketing a simulation tool for developing in-vehicle ECU software “GSIL” on April 1, 2021. <ul style="list-style-type: none"> - Verify the ECU software before completing hardware; significantly improve the test efficiency supported by the collaboration in SILS/HILS -

Connecting the Future



Ubiquitous AI Corporation