

Consolidated Financial Highlights for the First Quarter of FY2024 Supplemental Materials

IMAGICA GROUP Inc.

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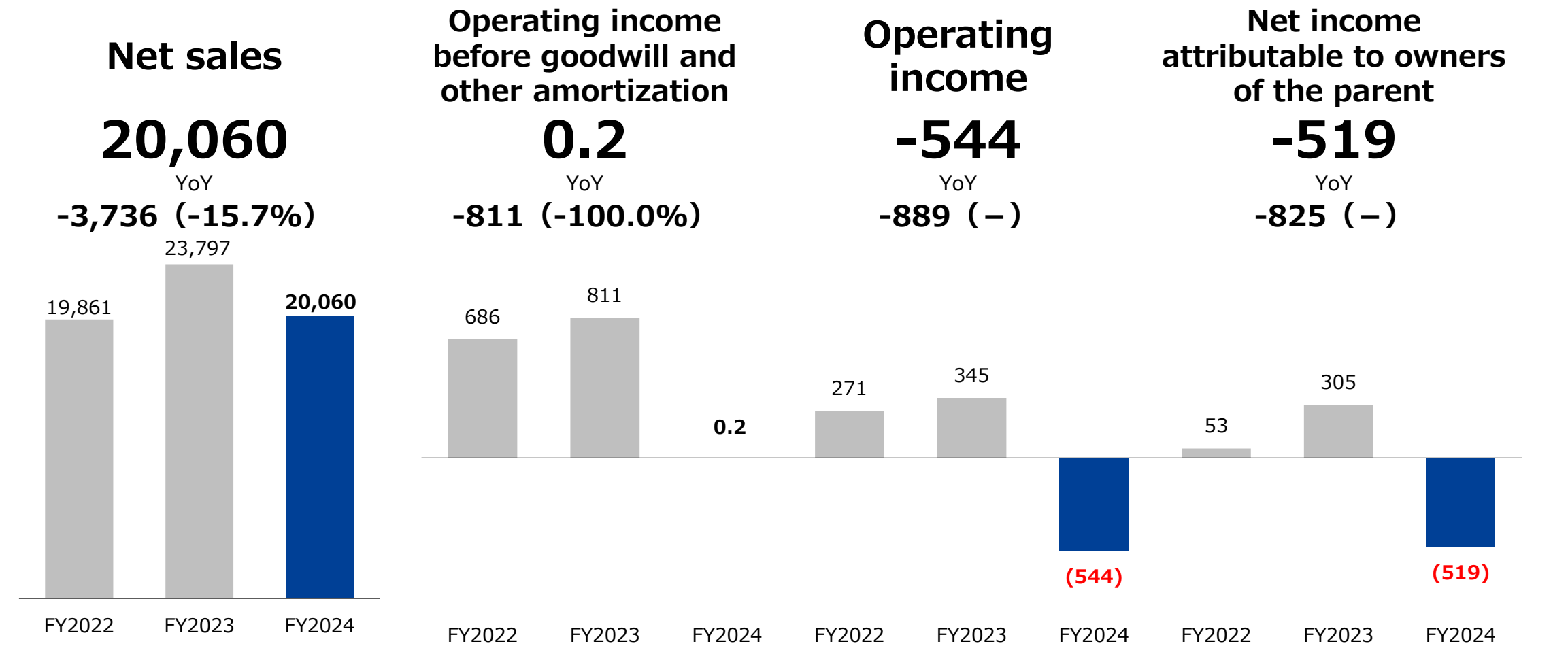


FY2024: The fiscal year ending March 31, 2025

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Highlights of financial results for the first quarter

Net sales and operating income decreased due to recording of sales of several major works in the previous year, impact of the Hollywood’s strike, etc. (Million Yen)



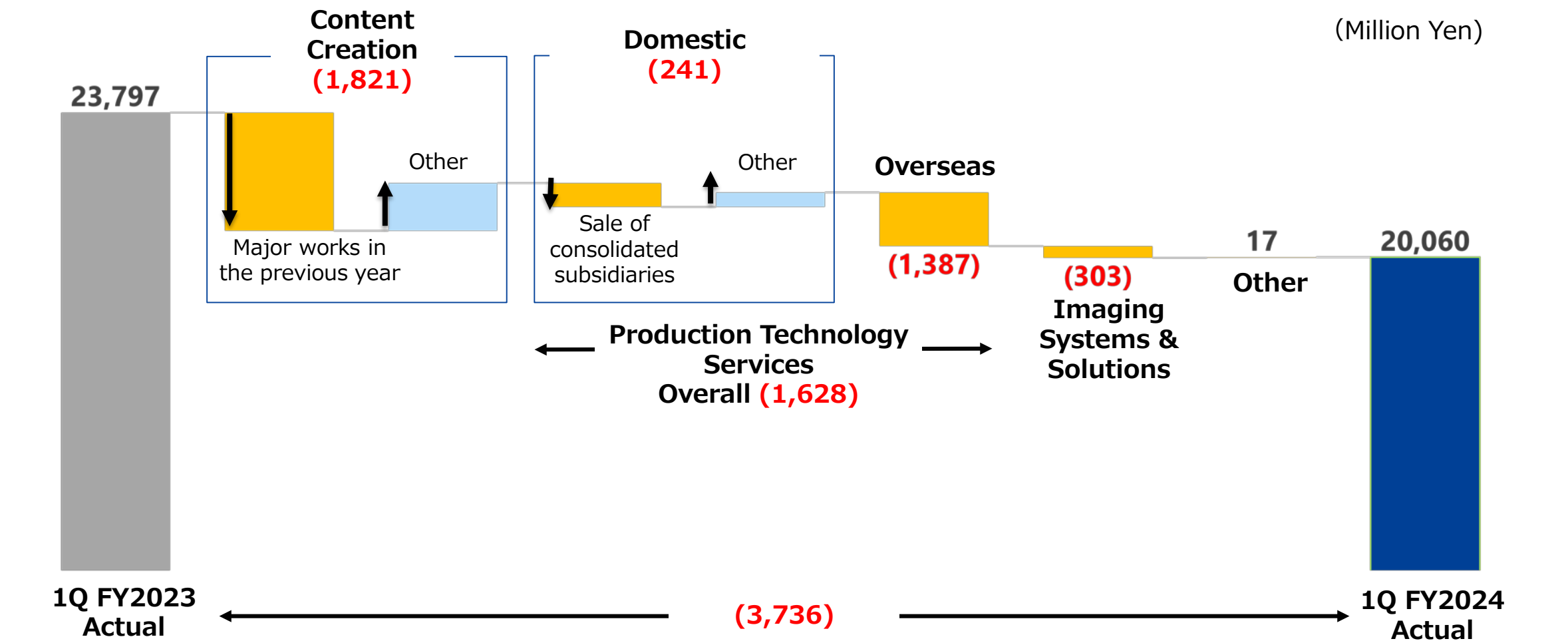
Performance by segment (vs. forecast)

Operating income achieved the target for this first quarter although it fell short of the target in Production Technology Services.

(Million Yen)		1Q FY2024 Actual	vs. forecast		
			Net sales	Operating income before goodwill and other amortization	
Content Creation	Net sales	5,345			Strong sales of the original "The Apothecary Diaries" novel and recording of distribution-related income
	Operating income before goodwill and other amortization	484	→	↗	
	Operating income	481			
Production Technology Services	Net sales	11,571			Sluggish sales of localization services in overseas
	Operating income before goodwill and other amortization	(483)	→	↘	
	Operating income	(1,016)			
Imaging Systems & Solutions	Net sales	3,579			Strong sales of high-speed cameras in Europe
	Operating income before goodwill and other amortization	334	↗	↗	
	Operating income	325			
Consolidated total	Net sales	20,060			Operating income achieved the target on the consolidated total
	Operating income before goodwill and other amortization	0.2	→	↗	
	Operating income	(544)			

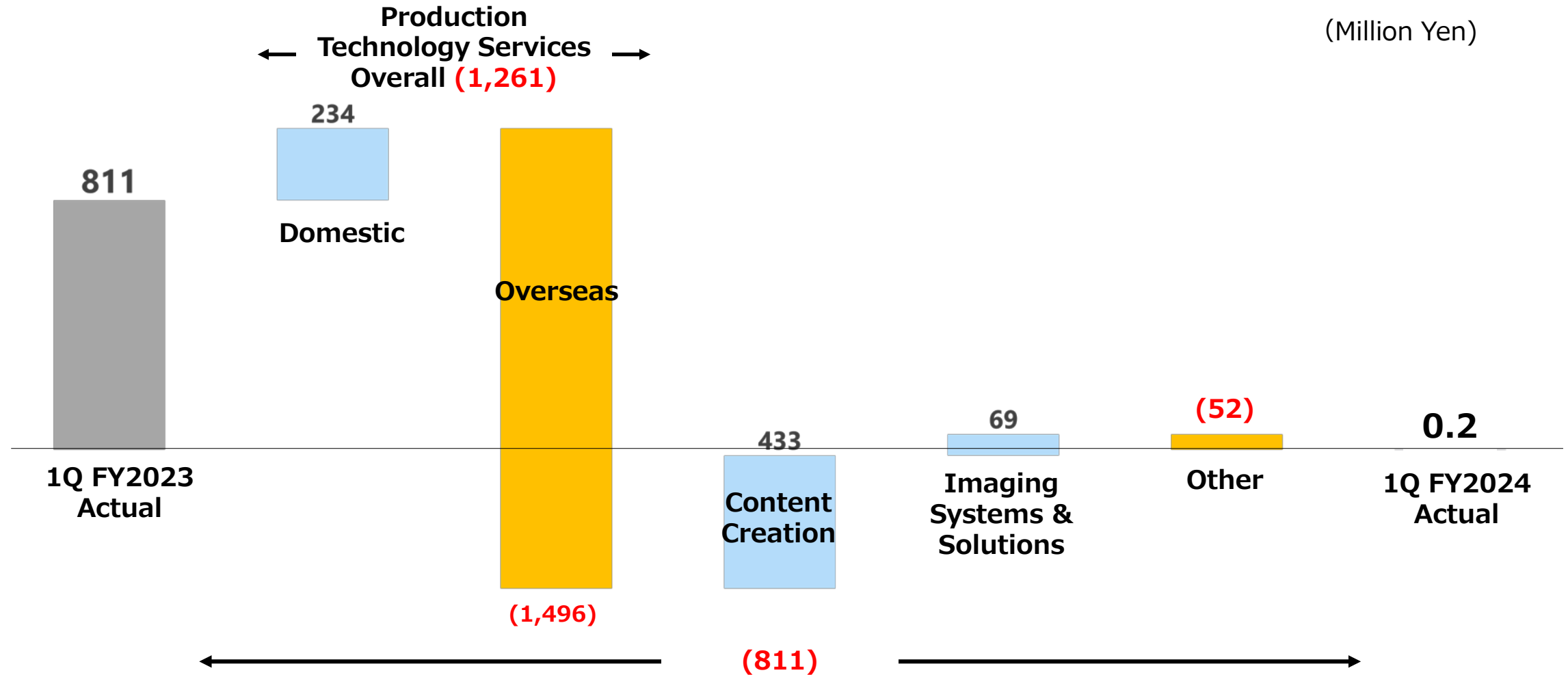
Analysis of increase/decrease of Net sales (YoY)

Net sales decreased due to recording of sales of several major works in the previous year, sale of consolidated subsidiaries, impact of the Hollywood's strike, etc.



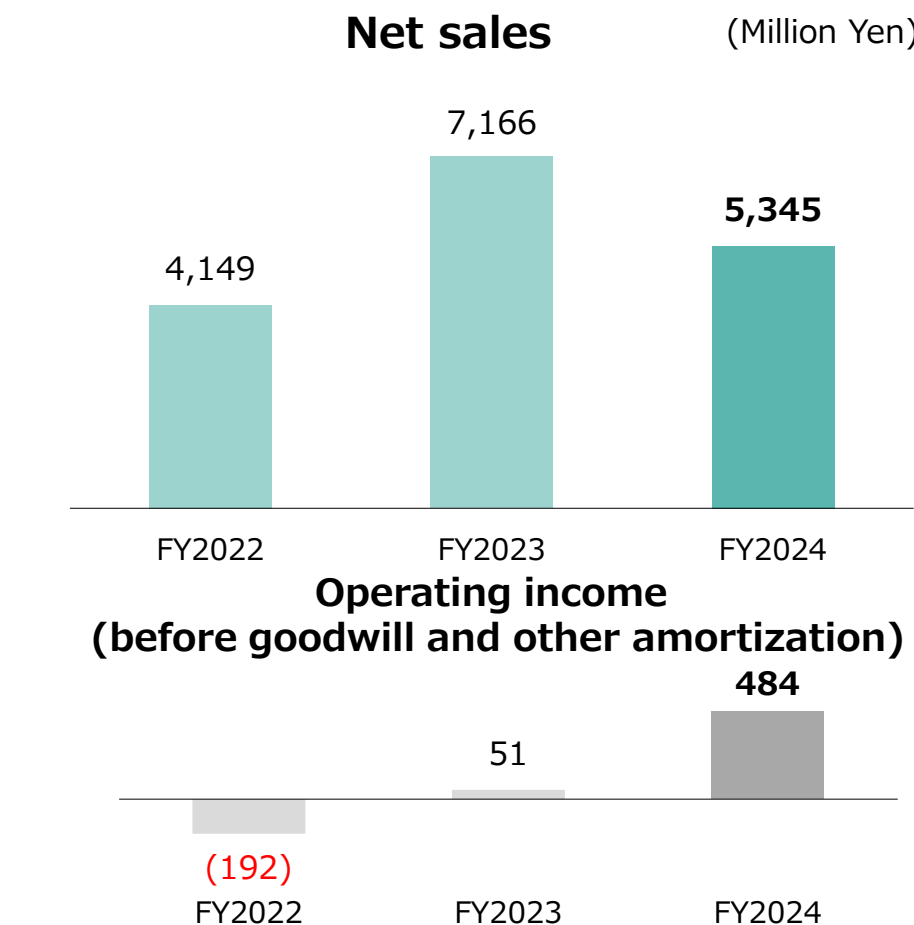
Analysis of increase/decrease of Operating income before goodwill and other amortization (YoY)

Operating income increased in all the segments except Production Technology Services (Overseas)



Content Creation for the first quarter

Sales decreased due to recording of sales of several major works in the previous year but operating income significantly increased with strong sales related to “The Apothecary Diaries”, etc.



Sales decreased but operating income increased.

Net sales	-1,821 (-25.4%)
Operating income	+433 (+846.0%)

✓ **Feature films and dramas**

Sales significantly decreased due to recording of sales of several major works in the previous year.

✓ **Animation works**

Sales increased with strong orders for CG animation and TV series.

✓ **Publishing business**

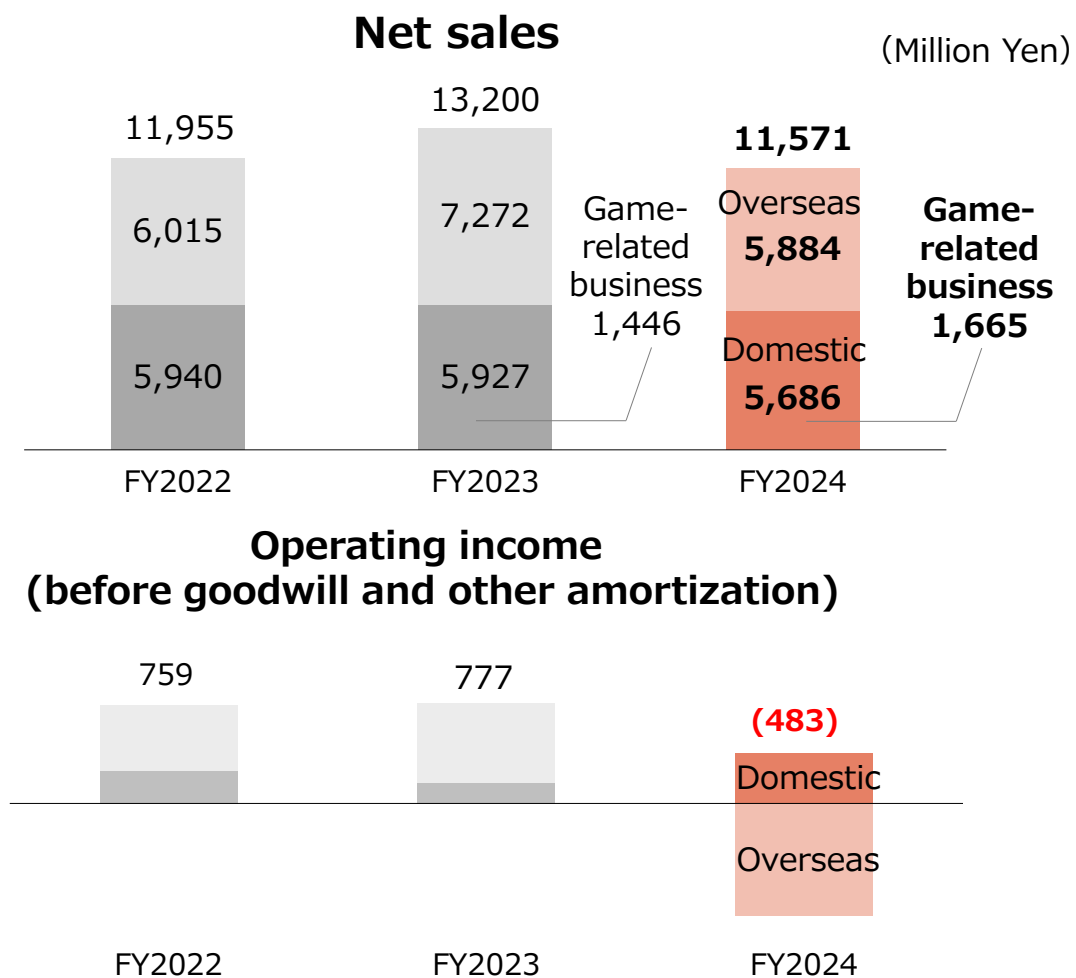
Sales increased with strong sales of the original “The Apothecary Diaries” novel and its accompanying comic book series, and recording of distribution-related income from the TV animation production committee.

✓ **CM works**

Solid inflows of orders for TV commercials.

Production Technology Services for the first quarter

Sales and operating income decreased impacted by the Hollywood's strike, although domestic E2E services and game-related business went well.



Sales and operating income decreased.

Net sales	-1,628	(-12.3%)
Operating income	-1,261	(-)

✓ Domestic E2E services*

Sales increased with solid sales of film-editing and digital cinema services*.

✓ Overseas E2E services*

Sales decreased due to sluggish sales of localization services as a result of production delays caused by the Hollywood's strike. Operating income decreased with a fall in gross profit resulting from the decrease in sales.

✓ Game-related business

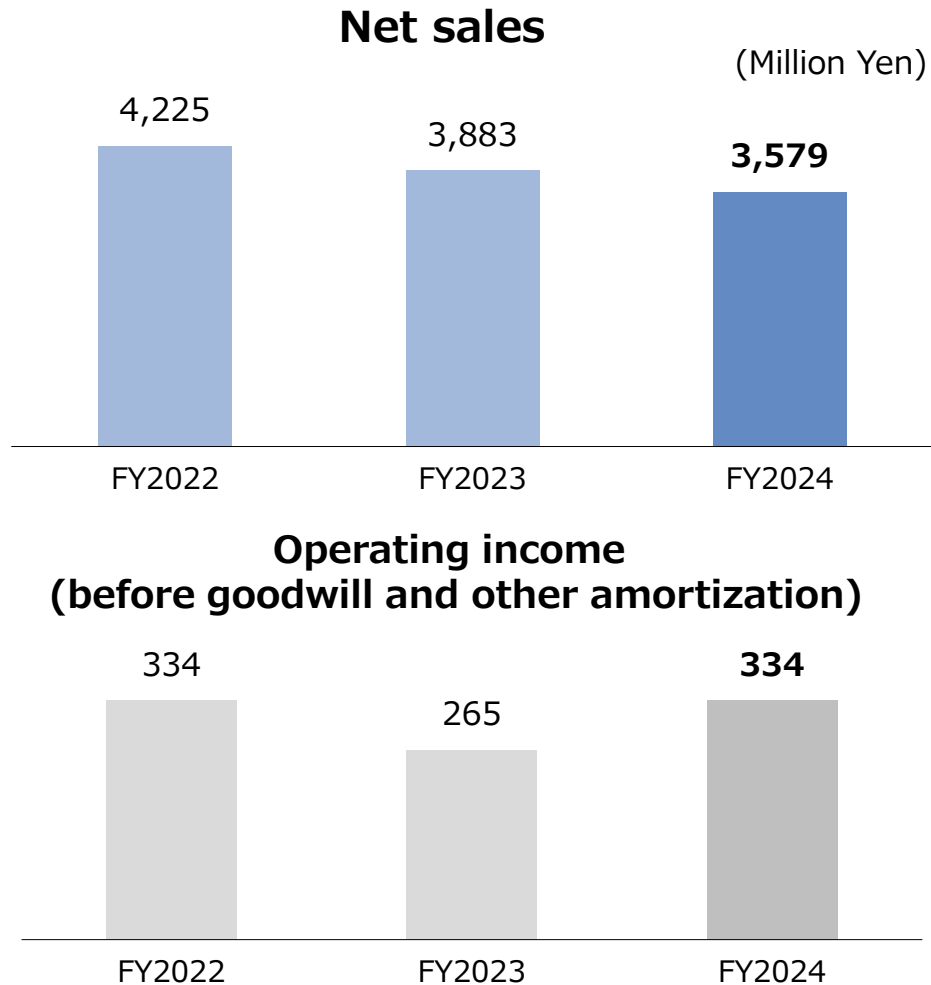
Sales increased as orders for Game 3DCG production increased in response to a scaling-up of our production system.

✓ Post-production services for TV

Sales decreased due to changes in the environment surrounding the domestic TV industry.

Imaging Systems & Solutions for the first quarter

Operating income increased with solid sales from European automobile customers.



Sales decreased but operating income increased.

Net sales	-303	(-7.8%)
Operating income	+69	(+26.1%)

✓ **High-speed cameras**

Sales increased with solid orders from European automobile customers.

✓ **Broadcast imaging systems & solutions**

Sales decreased following recording of sales of large projects in the previous year.

✓ **Video and image processing LSI**

Sales declined due to a lack of slower recovery in orders for inventory adjustment of the domestic customers.



Photron Ltd. released new high-speed camera "FASTCAM Mini R5-4K" on July 11, which is small and light weight with 4K resolution.

Full-year financial forecast for FY2024

No change of the forecast.

(Million Yen)	FY2023		FY2024	
	Actual	Financial Forecast	YoY	% YoY
Net sales	99,684	98,000	(1,684)	(1.6%)
Operating income before goodwill and other amortization	5,901	5,800	(101)	(1.7%)
(Margin)	5.9%	5.9%		
Operating income	3,924	3,700	(224)	(5.7%)
(Margin)	3.9%	3.8%		
Ordinary income	3,727	3,200	(527)	(14.1%)
Net income attributable to owners of the parent	2,373	2,000	(373)	(15.7%)
Dividend per share (yen)	15.0	15.0	0.0	0.0%

Notes

*E2E services

Refers to an integrated end-to-end (E2E) service that covers the entire post-production process for feature films, TV dramas, animation, and other audio/video content up to media services for localization (subtitling/dubbing) and distribution of these through all kinds of media, including theaters, TV, and video streaming via the Internet.

*Digital cinema services

Refers to services for DCP (Digital Cinema Package) production and DCP delivery for digital showing in movie theaters, KDM distribution, and other services (KDM: An abbreviation of Key Delivery Message, the key for unlocking DCP encryption).

Appendix.

Consolidated Income Statement

(Million Yen)	1Q FY2023 Actual	1Q FY2024 Actual	YoY	%YoY
Net sales	23,797	20,060	(3,736)	(15.7%)
Gross profit	6,210	5,887	(323)	(5.2%)
(Margin)	26.1%	29.3%		
Operating income before goodwill and other amortization	811	0.2	(811)	(100.0%)
(Margin)	3.4%	0.0%		
Operating income	345	(544)	(889)	-
(Margin)	1.5%	-		
Ordinary income	394	(498)	(892)	-
(Margin)	1.7%	-		
Extraordinary income	281	0	(281)	(100.0%)
Extraordinary loss	1	0	0	(67.7%)
Net income before income taxes	674	(498)	(1,173)	-
Net income attributable to owners of the parent	305	(519)	(825)	-
EBITDA	1,382	739	(642)	(46.5%)

- Operating income before goodwill and other amortization = Operating income + Goodwill amortization + Amortization of intangible fixed assets including trademarks
- EBITDA = Operating income + Goodwill amortization + Amortization of intangible fixed assets including trademarks + Depreciation

Consolidated Balance Sheet

(Million Yen)	March 31, 2024	June 30, 2024	Increase/Decrease
Assets			
Current asset	41,288	39,943	(1,345)
Cash and deposits	5,242	5,961	718
Non-current assets	37,405	37,086	(318)
Goodwill	11,411	11,719	308
Total assets	78,694	77,030	(1,664)
Liabilities / Net assets			
Current liabilities	28,950	28,739	(211)
Short-term borrowings	5,143	6,790	1,647
Non-current liabilities	9,837	9,077	(760)
Long-term borrowings	3,120	2,797	(323)
Total liabilities	38,788	37,816	(971)
Shareholders' equity	33,731	32,560	(1,170)
Accumulated other comprehensive income	4,097	4,684	586
Non-controlling interests	2,077	1,969	(108)
Net assets	39,906	39,213	(692)
Total liabilities and net assets	78,694	77,030	(1,664)
Net cash	(3,021)	(3,626)	(605)

(Note)
In the first quarter of the fiscal year ending March 31, 2025, the Company finalized the provisional accounting treatments related to business combinations, and the figures for the fiscal year ended March 31, 2024 reflect the details of the provisional accounting treatments.

(605) Cash and deposits - long-term and short-term borrowings

FY2024 Full-year forecast by segment

(Million Yen)		FY2022	FY2023	FY2024		
		Actual	Actual	Forecast	YoY	% YoY
Content Creation	Net sales	23,537	28,186	24,300	(3,886)	(13.8%)
	Operating income before goodwill and other amortization	540	1,281	1,320	39	3.0%
	Operating income	535	1,276	1,310	34	2.7%
Production Technology Services	Net sales	54,128	53,967	55,100	1,133	2.1%
	Operating income before goodwill and other amortization	4,361	3,367	3,400	33	1.0%
	Operating income	2,532	1,430	1,350	(80)	(5.6%)
Imaging Systems & Solutions	Net sales	18,930	19,756	20,300	544	2.8%
	Operating income before goodwill and other amortization	2,122	2,440	2,300	(140)	(5.7%)
	Operating income	2,086	2,404	2,270	(134)	(5.6%)
Consolidated total	Net sales	94,147	99,684	98,000	(1,684)	(1.7%)
	Operating income before goodwill and other amortization	5,738	5,901	5,800	(101)	(1.7%)
	Operating income	3,868	3,924	3,700	(224)	(5.7%)

Contact for inquiries

IMAGICA GROUP Inc.

Corporate Management Department

1-14-2 Kaigan, Minato-ku, Tokyo 105-0022, Japan

Email : ir@imagicagroup.co.jp

URL : <https://www.imagicagroup.co.jp/en/>

DISCLAIMER:

The forward-looking statements for the current and future business periods described in this document are formulated based on the plans and prospects of the group as of the date on which these materials were disclosed. Actual performance may differ from numerical forecasts due to the uncertainties inherent in the judgments and assumptions made, as well as possibility of future changes that may occur in business management and internal and external circumstances.