

**Consolidated Financial Highlights for  
the Third Quarter of the Fiscal Year Ending  
March 31, 2025  
Supplemental Materials**

---

**IMAGICA GROUP Inc.**

**Securities Code: 6879  
February 4, 2025**

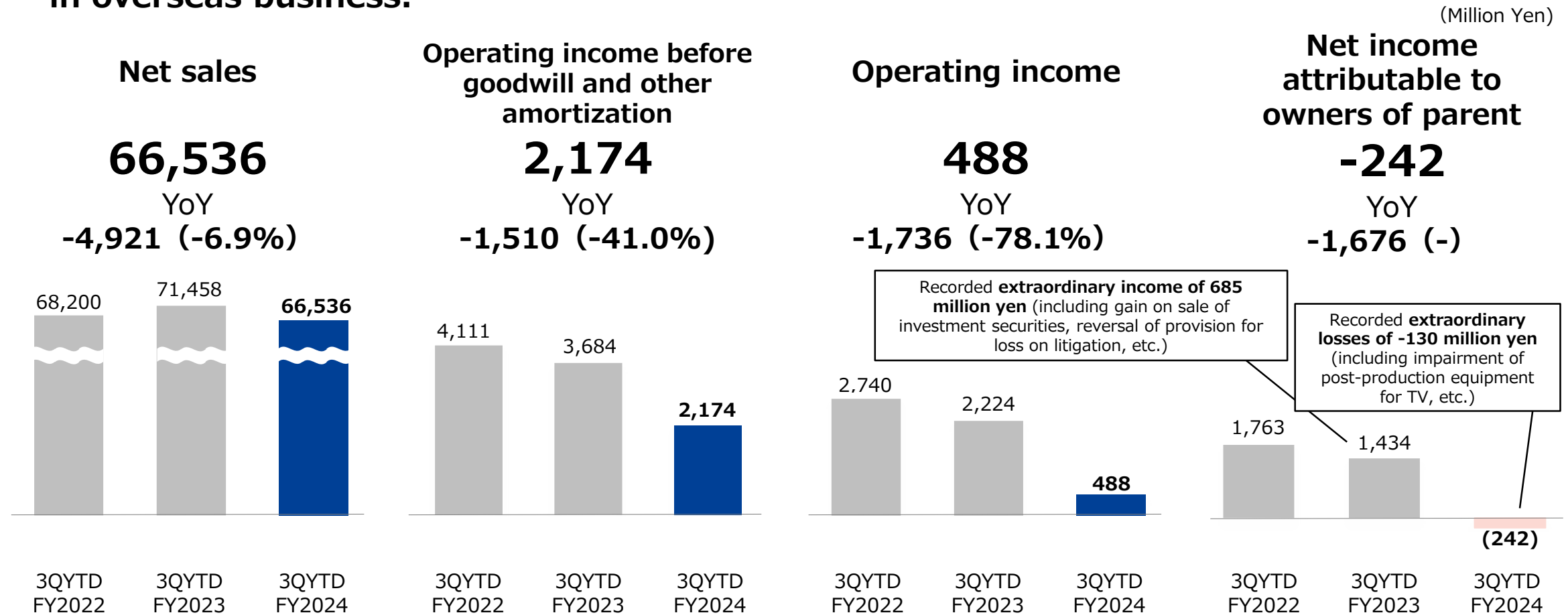


The fiscal year ending March 31, 2025: FY2024

©Copyright IMAGICA GROUP Inc.

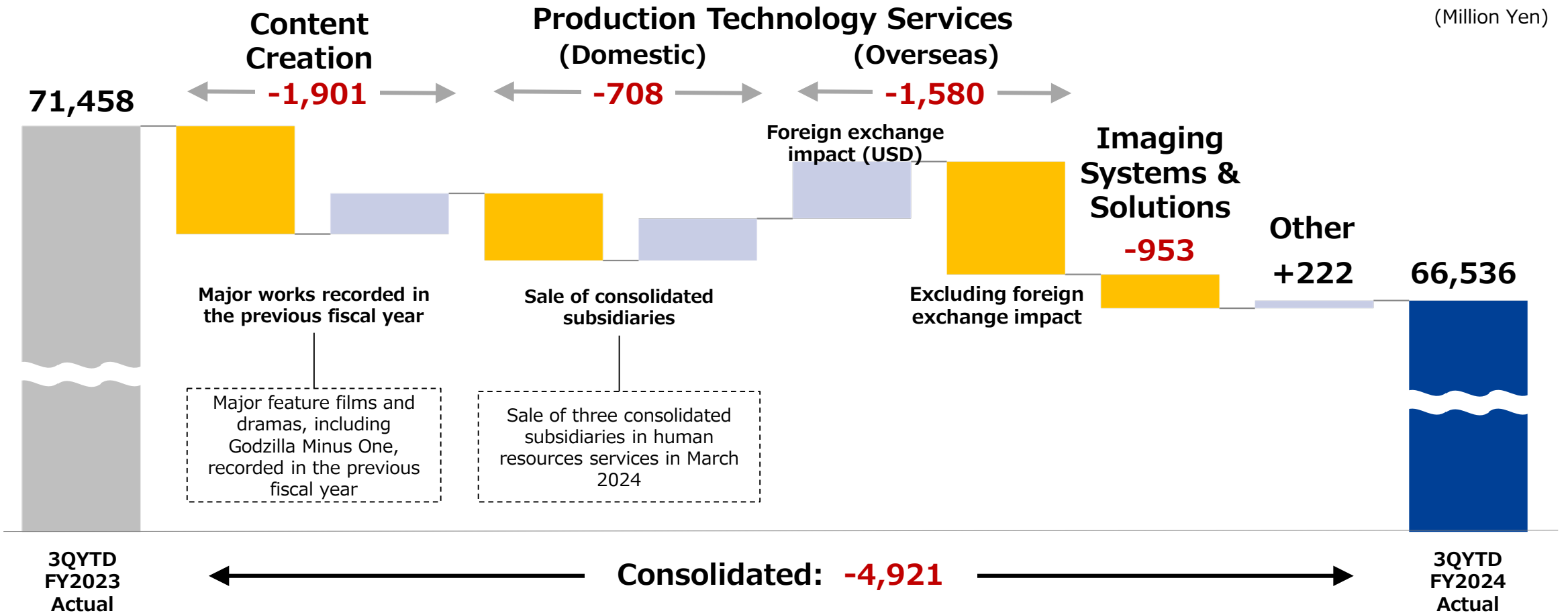
# Highlights of financial results

- Net sales and operating income decreased. Overseas business struggled and cost reductions done by workforce reductions, though domestic business performed well.
- Net loss recorded on the consolidated basis due to significant impact of operating loss in overseas business.



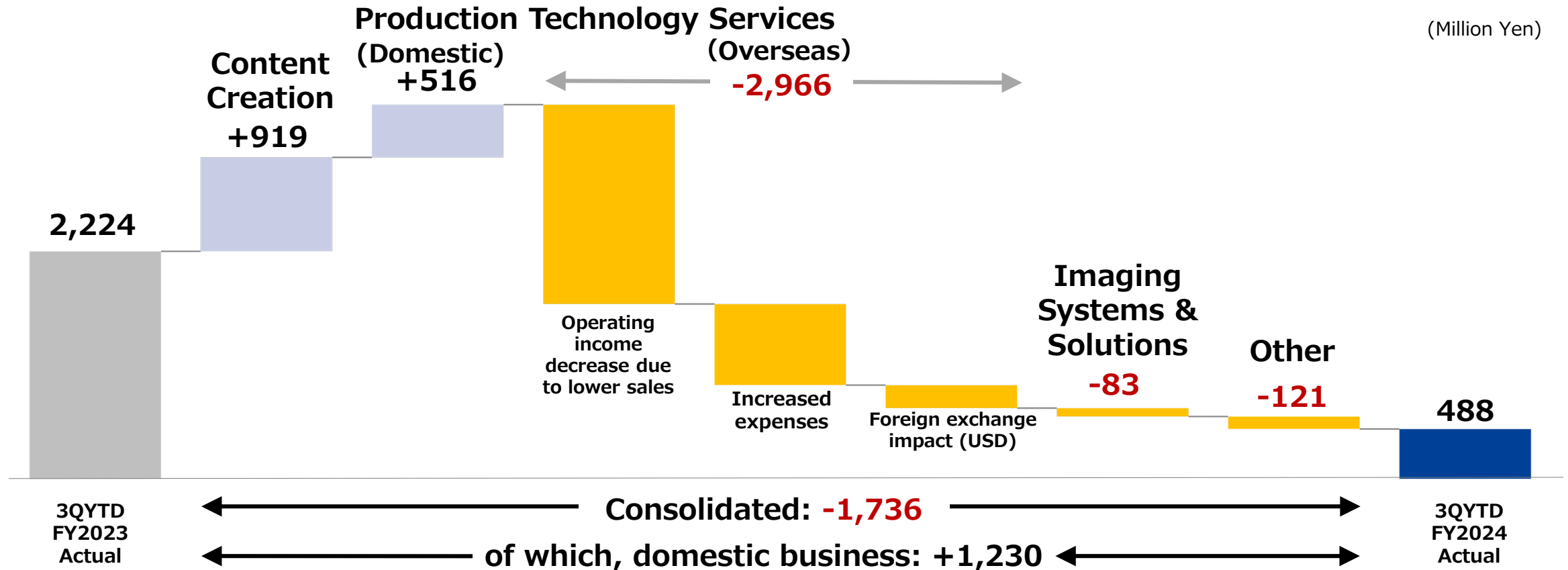
# Analysis of YoY change in net sales

- Sales in domestic business increased excluding impact of sale of the consolidated subsidiaries and major works in the previous fiscal year.
- Sales in overseas business decreased including foreign exchange impact.



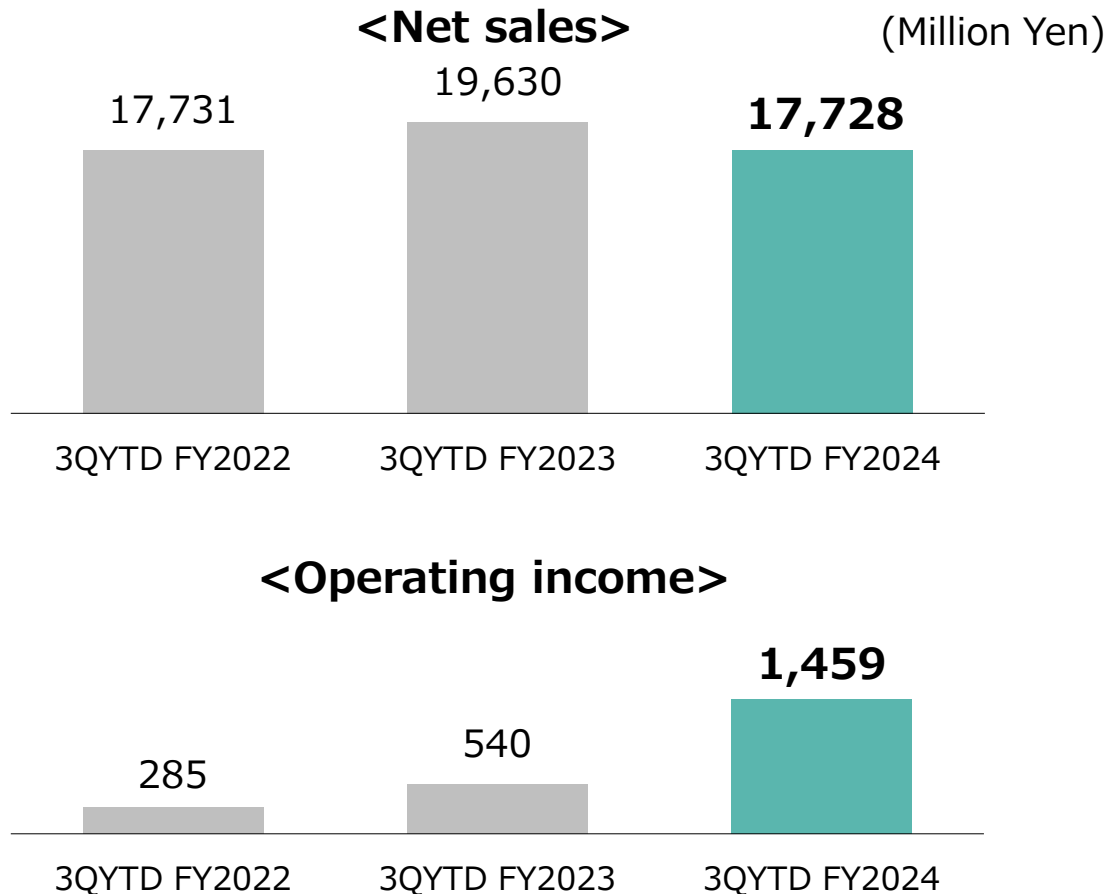
# Analysis of YoY change in operating income

- Operating income in domestic business increased, mainly supported by good performance in Content Creation.
- Operating income in overseas business decreased significantly due to reduced sales, increased expenses, and foreign exchange impact.



# Content creation

- Sales decreased due to impact of major works in the previous fiscal year, though operating income increased owing to incentive fees for films produced, publishing business and CM works, etc.



## Sales decreased but operating income increased.

Net sales (down)	-1,901	(-9.7%)
Operating income (up)	+919	(+170.2%)

### Feature films and dramas

- Sales decreased due to impact of major works in the previous fiscal year while operating income increased owing to incentive fees for films produced.

### Animation works

- Operating income increased contributed by CG animation works.

### Publishing Business

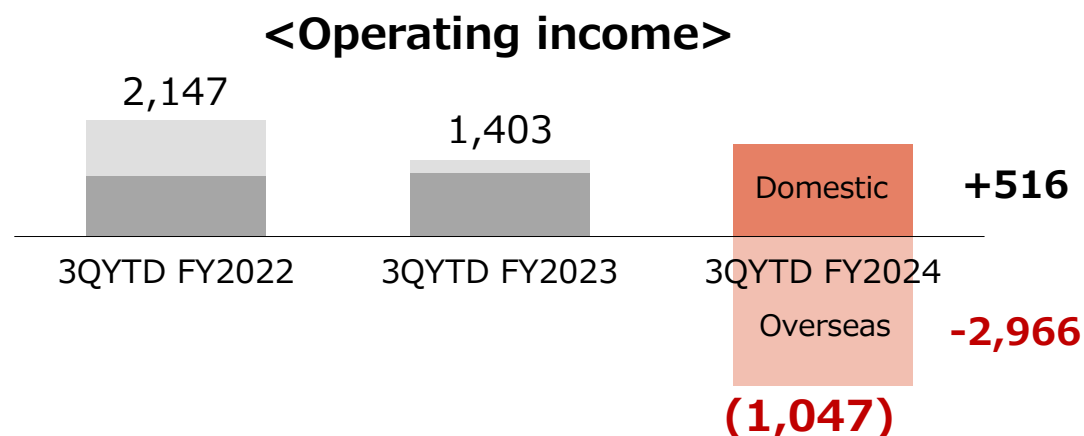
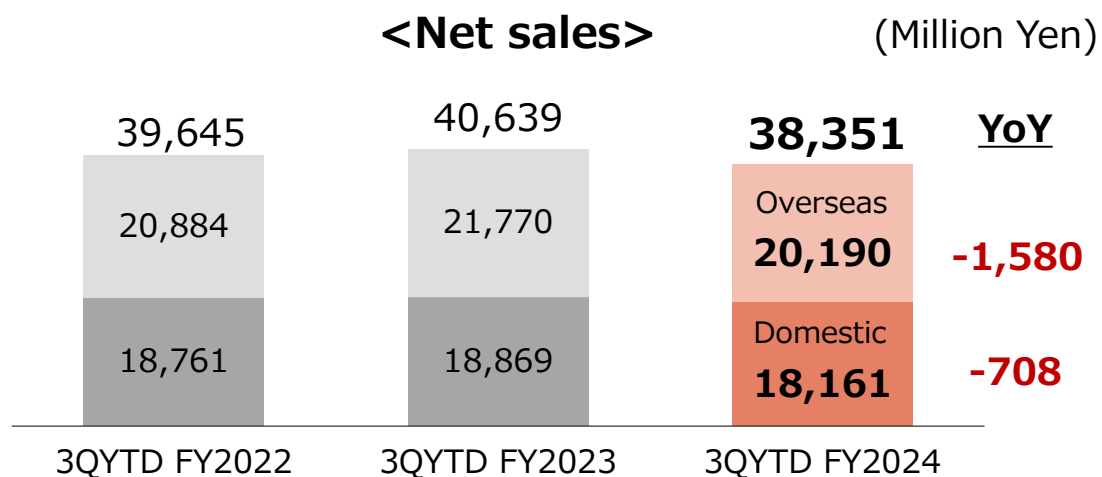
- Sales and operating increased owing to recording of distribution-related income from the TV animation “The Apothecary Diaries” production committee.

### CM works

- Steady inflows of orders for TV and Internet commercials.

# Production Technology Services

- Sales and operating income decreased due to deterioration of overseas business with increased expenses related to workforce reduction, though domestic business performed well with game-related business, etc.



## Sales and operating income decreased.

Net sales (down)	-2,288	(-5.6%)
Operating income (down)	-2,450	(-)

### Domestic

#### Domestic E2E services

- Sales increased mainly owing to solid sales of film-editing and digital cinema services.

#### 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 \*Details on next page

- Sluggish orders for TV despite steady orders for commercials

### Overseas

#### Overseas E2E services

- Sales decrease as orders for localization services were significantly lower than the previous fiscal year and workforce reductions were made in June and October 2024
- Operating income significantly decreased due to reduced sales and increased expenses related to workforce reduction.

# Withdrawal from TV post-production business

## Withdrawal from TV post-production business and call for voluntary retirement decided

For details, please refer to "Notice Regarding Withdrawal from a Business of Consolidated Subsidiary, Call for Voluntary Retirement and Recognition of Extraordinary Losses" dated December 26, 2024

### The business environment is changing dramatically

- The shrinking TV market and TV post-production market and the resulting intensified competition
- The lowering of barriers to entry due to the increasing use of freelancers

Considered possibility of continuing the business however concluded it will be difficult to achieve a quick recovery

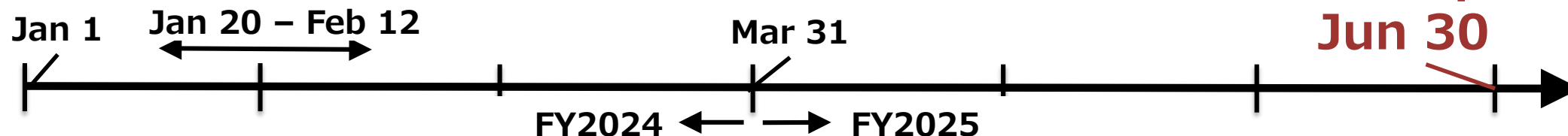
- **Withdraw from the business**
- **Call for voluntary retirement**

### Decided

Considering transfer to the other group companies and transfer of the business to the third parties

### Call for voluntary retirement

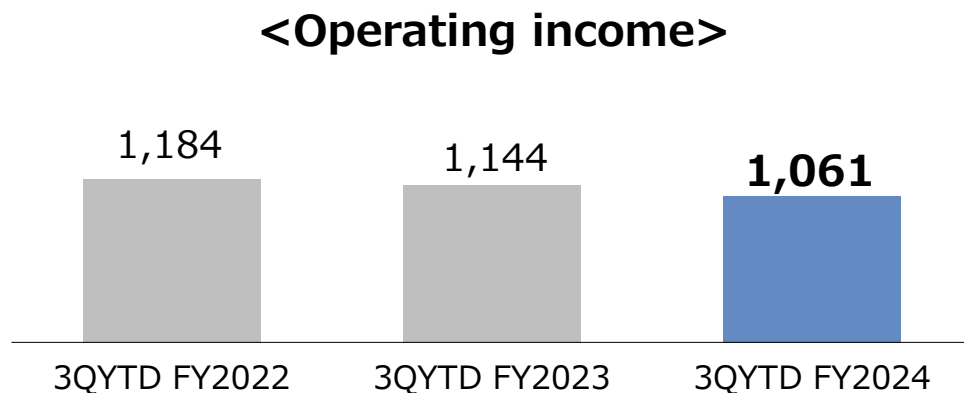
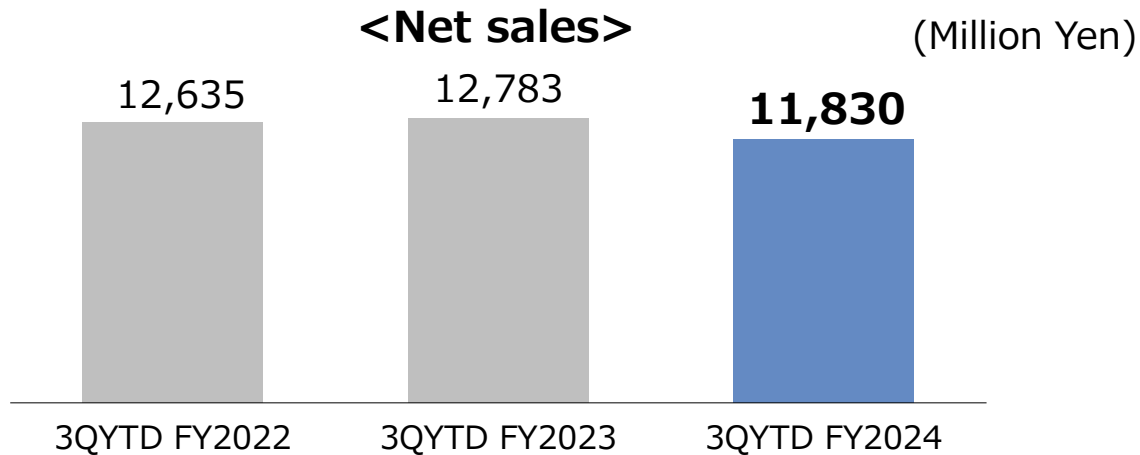
About 100-150



The expenses related to the withdrawal from the business are to be recognized as extraordinary losses in FY2024 or FY2025  
The impact on earnings will be announced as soon as it is determined.

# Imaging Systems & Solutions

- Sales and operating income decreased by slowdown of sales of high-speed cameras in China while steady sales in Europe and mostly unchanged in USA, lower orders in broadcast imaging systems & solutions and weak demand in optical measurements.



## Sales and operating income decreased.

Net sales (down) **-953 (-7.5%)**

Operating income (down) **-83 (-7.3%)**

### High-speed cameras

- Sales decreased due to slowdown in China despite steady sales in Europe and mostly unchanged in USA.

### Broadcast imaging systems & solutions

- Sales decreased due to the lower orders than the previous fiscal year.

### Optical measurements

- Sales declined due to weak demand for measurement equipment overseas.



# Full-year financial forecast for FY2024

- Progress to the latest forecast on 31 October, 2024 is generally in line.
- Extraordinary losses related to withdrawal from TV post-production business are to be included once it is determined.

(Million Yen)	FY2023	FY2024		YoY	
	Actual	May 9 Forecast	Oct 31 Forecast	Change from FY2023	% change from FY2023
Net sales	99,684	98,000	96,000	-3,684	-3.7%
Operating income before goodwill and other amortization	5,901	5,800	3,400	-2,501	-42.4%
(Margin)	5.9%	5.9%	3.5%		
Operating income	3,924	3,700	1,200	-2,724	-69.4%
(Margin)	3.9%	3.8%	1.3%		
Ordinary income	3,727	3,200	800	-2,927	-78.5%
Net income attributable to owners of parent	2,373	2,000	(900)	-3,273	-
Earnings per share (yen)	53.57	45.25	(20.36)	-73.93	-
Dividend per share (yen)	15.0	15.0	15.0	0.0	

# Full-year financial forecast for FY2024 by segment

- Net sales and operating income will decrease due to deterioration of overseas business, impact of major works in the previous fiscal year, etc.

(Million Yen)		FY2023	FY2024	YoY
		Actual	Oct 31 Forecast	
Content Creation	Net sales	28,186	<b>25,300</b>	<b>-2,886</b>
	Operating income	1,276	<b>1,660</b>	384
Production Technology Services	Net sales	53,967	<b>52,100</b>	<b>-1,867</b>
	Operating income	1,430	<b>(1,500)</b>	<b>-2,930</b>
Imaging Systems & Solutions	Net sales	19,756	<b>20,300</b>	544
	Operating income	2,404	<b>2,270</b>	<b>-134</b>
Consolidated total	Net sales	99,684	<b>96,000</b>	<b>-3,684</b>
	Operating income	3,924	<b>1,200</b>	<b>-2,724</b>

## Breakdown of YoY

### Content Creation

- Sales will decrease due to impact of major works in the previous fiscal year though operating income will increase owing to incentive fees for films produced, etc.

### Production Technology Services \*Details on next page

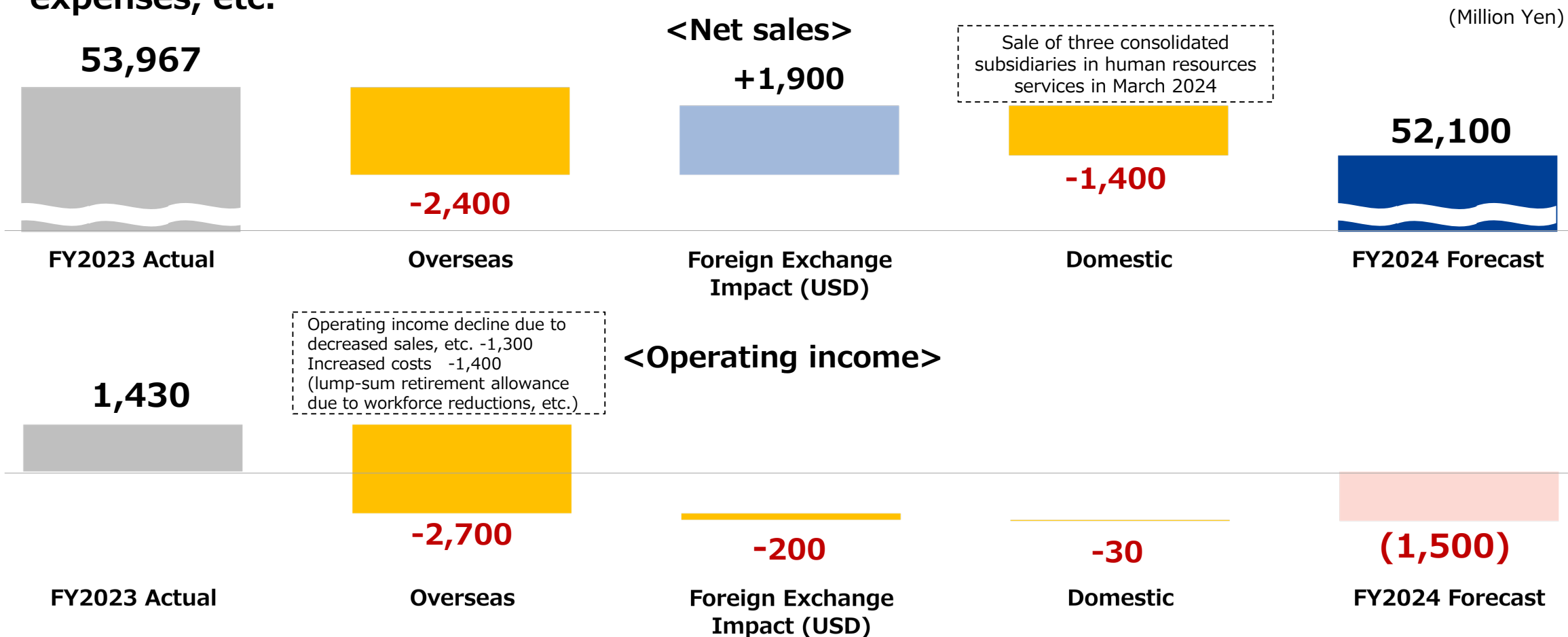
- Sales and operating income in overseas business will decrease including foreign exchange impact due to significant drop of the demand.
- In overseas business, workforce reductions were done in June and October 2024 and it is focusing on improvement of profitability.
- Sales in domestic business will decrease due to impact of sale of consolidated subsidiaries.

### Imaging Systems & Solutions

- Sales in broadcast imaging systems & solutions will decrease due to higher procurement cost caused by depreciation of yen
- Operating income in optical measurements will decrease due to the lower demand.

# Production Technology Services: Breakdown of YoY

- Due to operating losses in overseas business, foreign exchange impact (USD) was positive for net sales though negative for operating income.
- Operating income in overseas business will decrease due to reduced sales, increased expenses, etc.



**Appendix.**

# Consolidated Statement of Income

(Million Yen)	3QYTD FY2023 Actual	3QYTD FY2024 Actual	YoY	% YoY
<b>Net sales</b>	<b>71,458</b>	<b>66,536</b>	<b>-4,921</b>	<b>-6.9%</b>
<b>Gross profit</b>	<b>20,508</b>	<b>20,051</b>	<b>-456</b>	<b>-2.2%</b>
(Margin)	28.7%	30.1%		
<b>Operating income</b>	<b>2,224</b>	<b>488</b>	<b>-1,736</b>	<b>-78.1%</b>
(Margin)	3.1%	0.7%		
<b>Ordinary income</b>	<b>2,003</b>	<b>252</b>	<b>-1,750</b>	<b>-87.4%</b>
(Margin)	2.8%	0.4%		
<b>Extraordinary income</b>	<b>685</b>	<b>100</b>	<b>-584</b>	<b>-85.3%</b>
<b>Extraordinary losses</b>	<b>76</b>	<b>130</b>	<b>54</b>	<b>71.2%</b>
<b>Net income before income taxes</b>	<b>2,612</b>	<b>223</b>	<b>-2,389</b>	<b>-91.4%</b>
<b>Net income attributable to owners of parent</b>	<b>1,434</b>	<b>(242)</b>	<b>-1,676</b>	<b>-</b>
<b>EBITDA</b>	<b>5,573</b>	<b>4,411</b>	<b>-1,161</b>	<b>-20.8%</b>
(Reference) Operating income before goodwill and other amortization	<b>3,684</b>	<b>2,174</b>	<b>-1,510</b>	<b>-41.0%</b>

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

# Consolidated Balance Sheet

\*Figures as of March 31, 2024 reflect finalized provisional accounting treatment related to business combinations in the previous fiscal year.

(Million Yen)	March 31, 2024*	December 31, 2024	Increase/Decrease	Main factors for increase/decrease
<b>Assets</b>				
Current assets	<b>41,288</b>	<b>43,291</b>	2,002	Notes and accounts receivable - trade, and contract assets: <b>-3,558</b> Inventories: +4,539
Cash and deposits	5,242	5,808	565	
Non-current assets	<b>37,405</b>	<b>34,986</b>	<b>-2,419</b>	
Goodwill	11,411	10,212	<b>-1,198</b>	
<b>Total assets</b>	<b>78,694</b>	<b>78,278</b>	<b>-416</b>	
<b>Liabilities / Net assets</b>				
Current liabilities	<b>28,950</b>	<b>31,613</b>	2,663	Contract liabilities: +2,784 Accounts payable: <b>-466</b> Provision for bonuses: <b>-698</b>
Short-term borrowings	5,143	7,229	2,086	
Non-current liabilities	<b>9,837</b>	<b>7,957</b>	<b>-1,880</b>	
Long-term borrowings	3,120	2,066	<b>-1,054</b>	
<b>Total liabilities</b>	<b>38,788</b>	<b>39,570</b>	782	
Shareholders' equity	33,731	32,542	<b>-1,188</b>	
Accumulated other comprehensive income	4,097	4,439	342	
Non-controlling interests	2,077	1,724	<b>-353</b>	
<b>Total net assets</b>	<b>39,906</b>	<b>38,707</b>	<b>-1,199</b>	
<b>Total liabilities and net assets</b>	<b>78,694</b>	<b>78,278</b>	<b>-416</b>	
Net cash	(3,021)	(3,487)	<b>-465</b>	Cash and deposits - long-term and short-term borrowings

# List of consolidated subsidiaries by business segment

(as of December 31, 2024)



# Company overview

## Group Mission

We strive to create new value with honesty and sincerity, and aim to be a visual communications group that provides the world with surprise and excitement.



Company Name	IMAGICA GROUP Inc.
Representative	Shunjiro Nagase President and Representative Director, President and Chief Executive Officer
Established	June 10, 1974 (Founded February 18, 1935)
Head Office	1-14-2 Kaigan, Minato-ku, Tokyo 105-0022, Japan
Consolidated subsidiaries	37 (as of April 1, 2024)
Capital	3,306 million yen
Business Description	Shareholding, management, and operation of Group companies engaged in Content Creation, Production Technology Services, Imaging Systems & Solutions, and other businesses
Number of Employees	4,202 (1,277) (as of March 31, 2024) *Number of employees are those who are regularly employed. Number of temporary workers are in brackets.
Group Sales	99,684 million yen (fiscal year ended March 31, 2024)



# Contact for inquiries

IMAGICA GROUP Inc.  
Corporate Strategy Department

Email: [ir@imagicagroup.co.jp](mailto:ir@imagicagroup.co.jp)

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

X (formerly Twitter): <https://twitter.com/IMAGICAGROUP>

**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.