

Consolidated Financial Highlights for the Fiscal Year Ended March 31, 2025 Supplemental Materials

IMAGICA GROUP Inc.

Securities Code: 6879

May 9, 2025

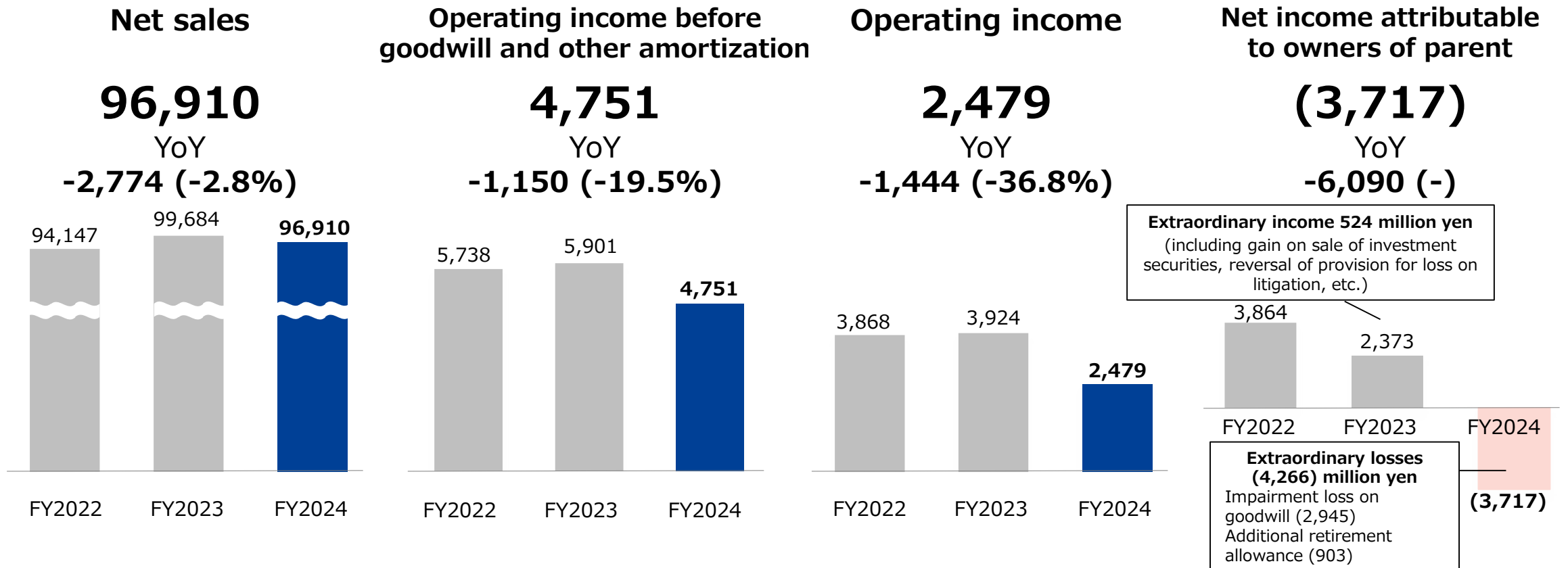


The fiscal year ended March 31, 2025: FY2024

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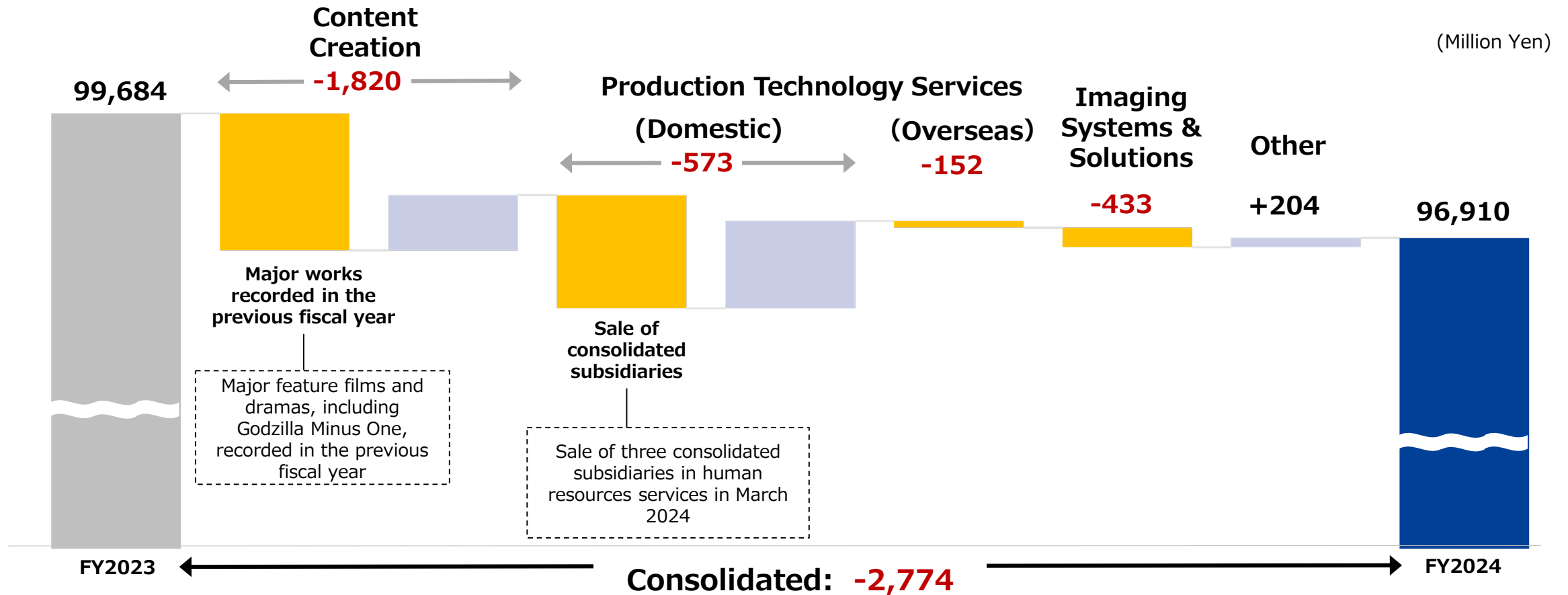
Financial Highlights

- 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 and extraordinary losses including goodwill impairment loss related to overseas business and additional retirement allowance by withdrawal from business.



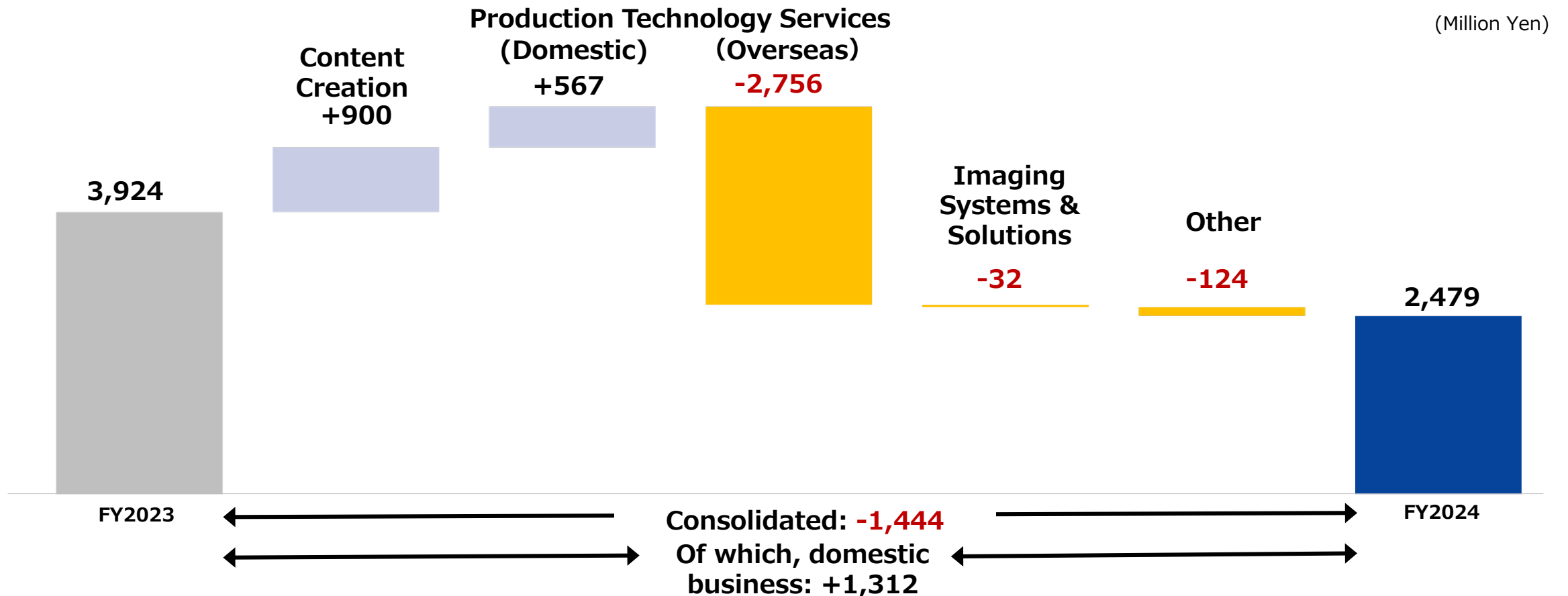
Analysis of YoY change in net sales

- Sales in domestic business declined due to sale of consolidated subsidiaries and absence of major works recorded in the previous fiscal year.
- Sales in overseas business declined significantly on a local currency basis, but remained on par with the previous year due to impact of foreign exchange rate.



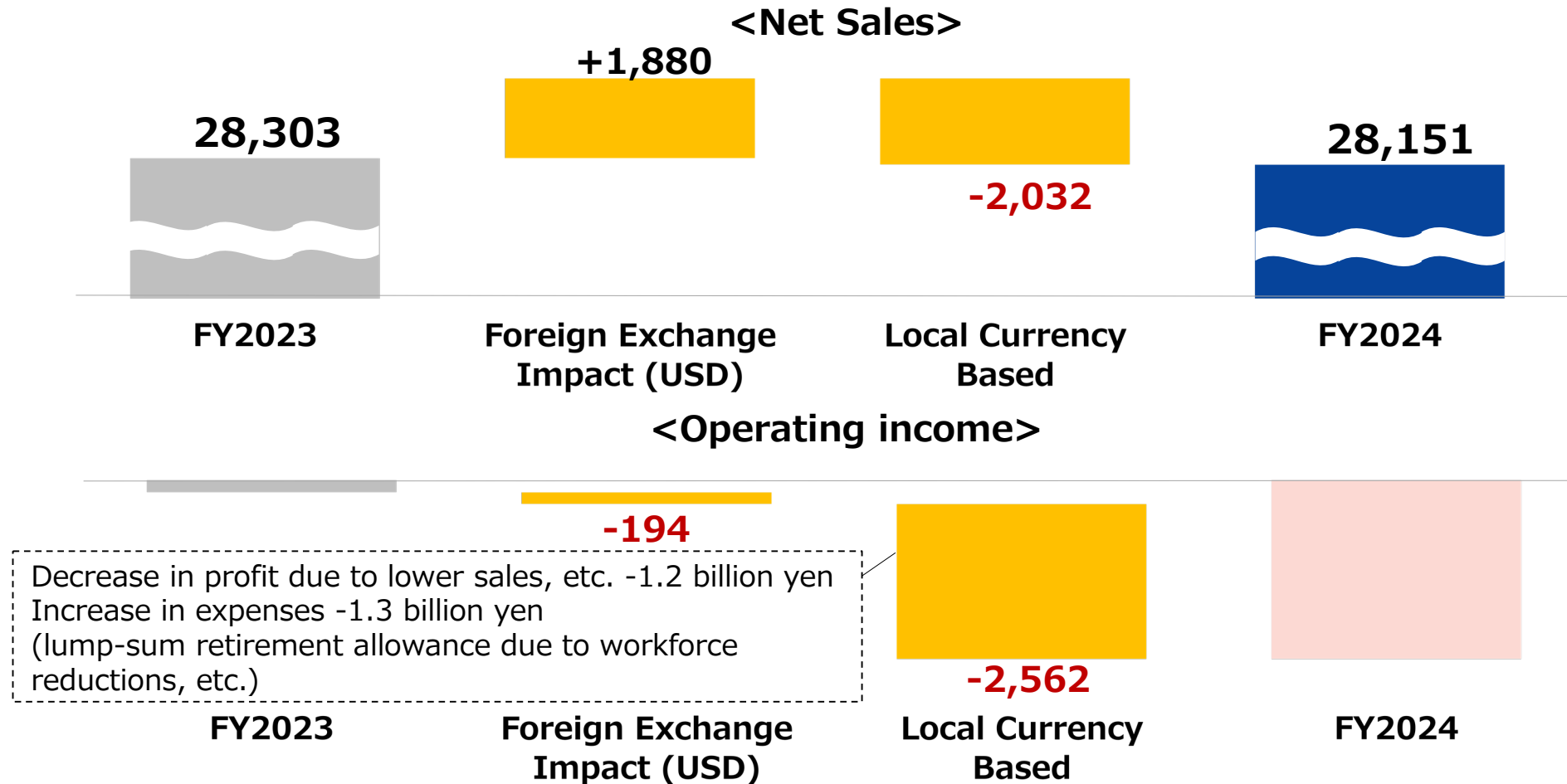
Analysis of YoY change in operating income

- Operating income in domestic business increased mainly supported by strong performance of Content Creation.
- Operating income in overseas business decreased significantly due to lower sales and other factors, as well as increased expenses and impact of foreign exchange rate.



Production Technology Services: Breakdown of YoY

- Due to operating loss in overseas business, foreign exchange impact (USD) was positive for net sales though negative for operating income. Operating income declined significantly due to lower sales, increased expenses, etc.



Business transformation implemented in FY2024

E2E Business (Overseas)

- Two rounds of workforce reductions in FY2024.
 - In June 2024 (90 employees)
 - In October 2024 (70 employees)

Annual cost reduction of approximately \$13 million through two rounds of workforce reductions

- Impairment of related goodwill at the end of FY2024

Impairment loss of 2,945 million yen was recorded as extraordinary loss in FY2024.

TV post-production business

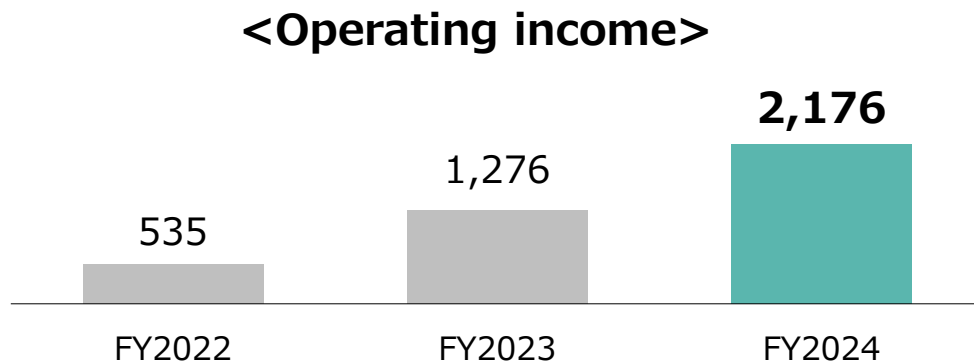
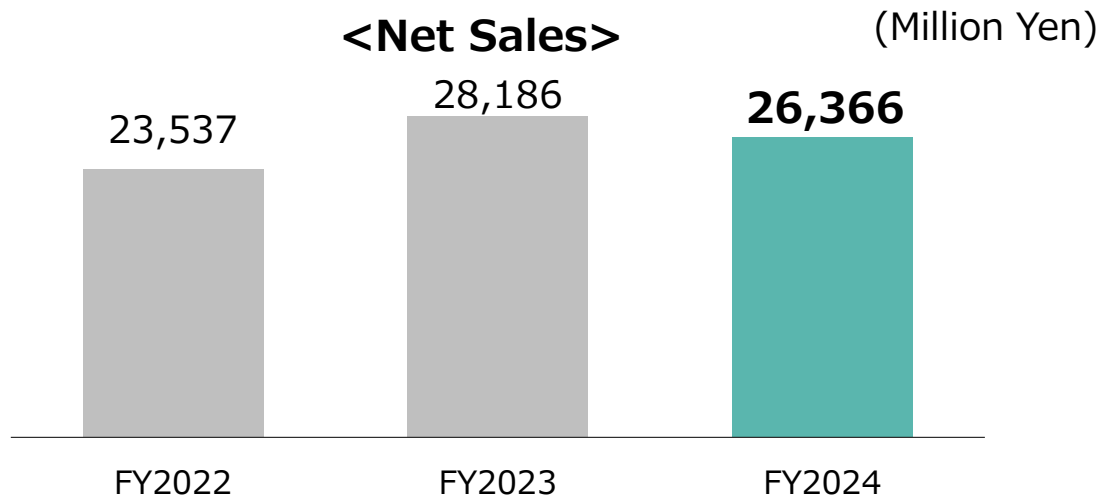
- Withdraw from TV post-production business conducted by consolidated subsidiary IMAGICA Lab. and call for voluntary retirement, was decided.
- Withdrawal is to be completed by June 30, 2025.

December 26, 2024	Withdraw from the business decided
January 20, 2025 -February 16	Call for Voluntary Retirement
March 4, 2025	Announcement of the results (94 applicants)

Additional retirement allowance of 903 million yen was recorded as extraordinary loss in FY2024.

Content Creation

- Sales decreased due to impact of major works in the previous fiscal year, though operating income increased due to incentive fees for films produced, CM works and animation production. Best operating margin ever was achieved.



Sales decreased but operating income increased.

Net sales (down)	-1,820 (-6.5%)
Operating income (up)	+900 (+70.6%)

Feature films and dramas

- Sales decreased due to absence of major films recorded in the previous fiscal year, while operating income increased due to incentive fees for films produced, etc.

CM works

- Operating income increased due to strong orders.

Animation works

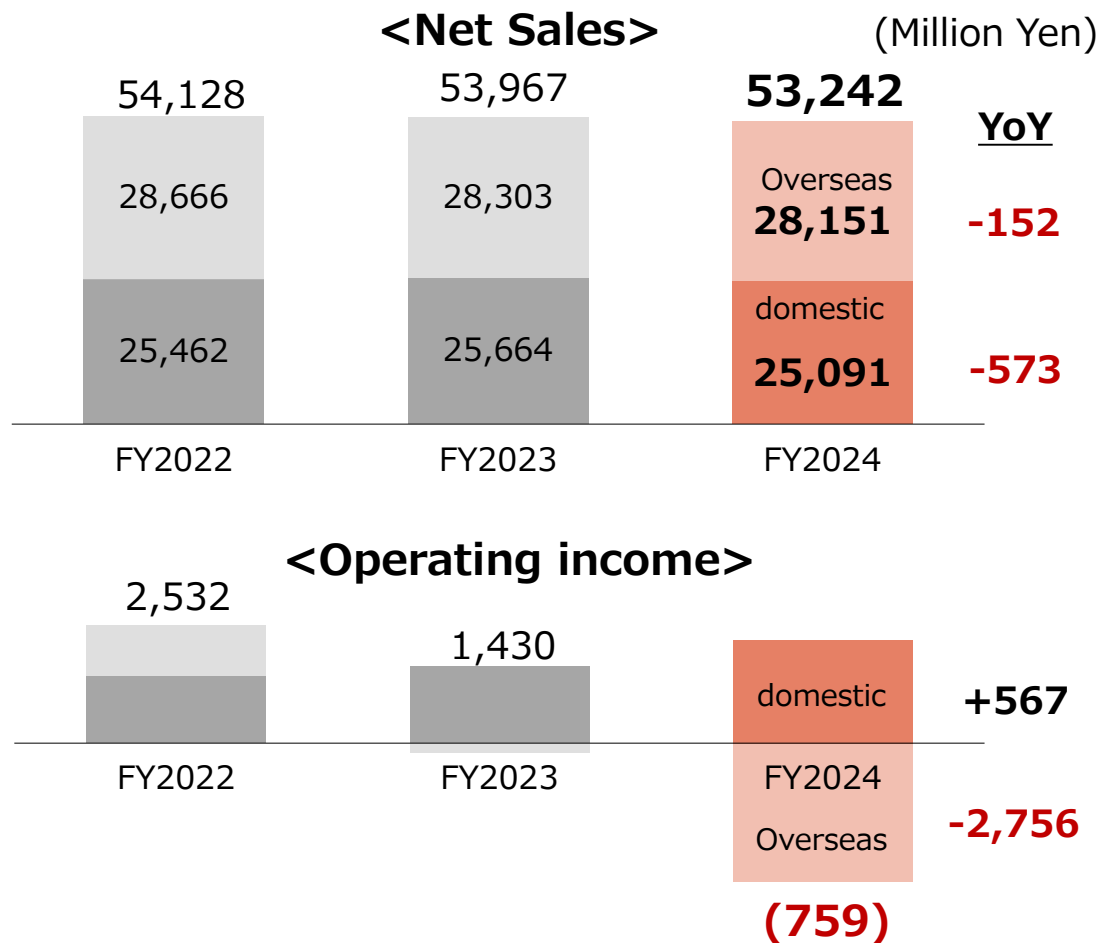
- Operating increased due to contribution of CG animation productions, etc.

Publishing business

- Sales increased due to recording of distribution income from the TV animation "The Apothecary Diaries" production committee.

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)	-724	(-1.3%)
Operating income (down)	-2,189	(-)

Domestic

E2E Service (Domestic)

- Sales increased mainly due to strong 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 business

- Sluggish orders for TV business and withdraw from the business was decided.

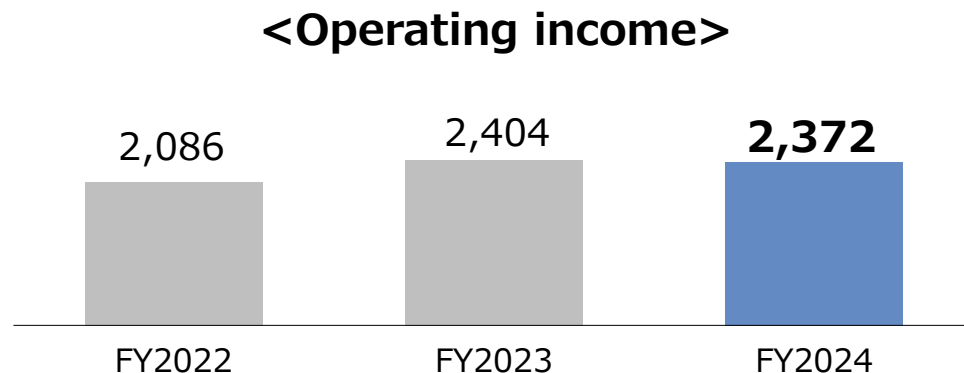
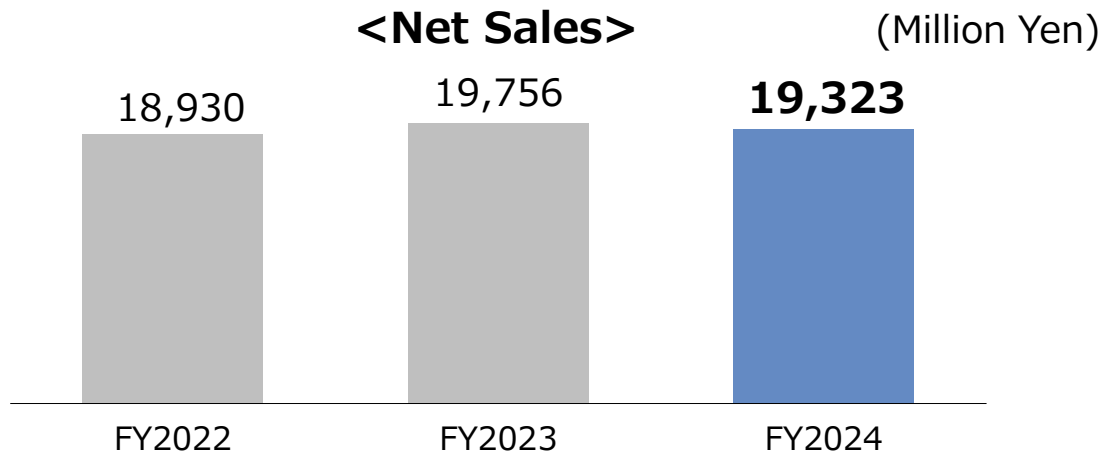
Overseas

E2E Services (Overseas)

- 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 lower sales and increased expenses related to workforce reduction, etc.

Imaging Systems & Solutions

- Sales and operating income decreased by slowdown of sales of high-speed cameras in China while solid sales in Europe and steady sales in USA and weak demand in optical measurements.



Sales and operating income decreased.

Net sales (down) **-433 (-2.2%)**

Operating income (down) **-32 (-1.3%)**

High-speed camera

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

Broadcast imaging systems & solutions

- Sales increased with concentrated deliveries at the end of the period.

Optical measurements

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

FY2024 Results (vs. forecast)

For details, please refer to "Notice of Recording of Extraordinary Loss and Difference between Forecast and Actual Results" dated May 9, 2025

- Operating income exceeded the forecast but net income fell short of the forecast due to recording of goodwill impairment loss related to overseas business as an extraordinary loss.

(Millions of yen)	FY2023	FY2024				
	Actual	Mar 4 Forecast	Actual	Change from Mar 4 forecast	Change from FY2023	%Change from FY2023
Net sales	99,684	96,000	96,910	910	-2,774	-2.8%
Operating income	3,924	1,200	2,479	1,279	-1,444	-36.8%
(Margin)	3.9%	1.3%	2.6%			
Ordinary income	3,727	800	1,866	1,066	-1,861	-49.9%
Net income attributable to owners of parent	2,373	(1,500)	(3,717)	-2,217	-6,090	-
Net income per share (yen)	53.57	(33.94)	(83.97)	-50.03	-137.54	-
Dividend per share (yen)	15.0	15.0	15.0	0.0	0.0	

Appendix.

Consolidated Statements of Income

(Millions of yen)	FY2023 Actual	FY2024 Actual	YoY	%YoY
Net sales	99,684	96,910	-2,774	-2.8%
Gross profit	28,587	29,091	504	1.8%
(Margin)	28.7%	30.0%		
Operating income	3,924	2,479	-1,444	-36.8%
(Margin)	3.9%	2.6%		
Ordinary income	3,727	1,866	-1,861	-49.9%
(Margin)	3.7%	(1.9%)		
Extraordinary income	888	282	-606	-68.2%
Extraordinary losses	216	4,266	4,049	1,868.4%
Net income before income taxes	4,399	(2,117)	-6,517	-
Net income attributable to owners of parent	2,373	(3,717)	-6,090	-
EBITDA	8,520	7,772	-747	-8.8%
(Reference) Operating income before goodwill and other amortization	5,901	4,751	-1,150	-19.5%

- 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 Sheets

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

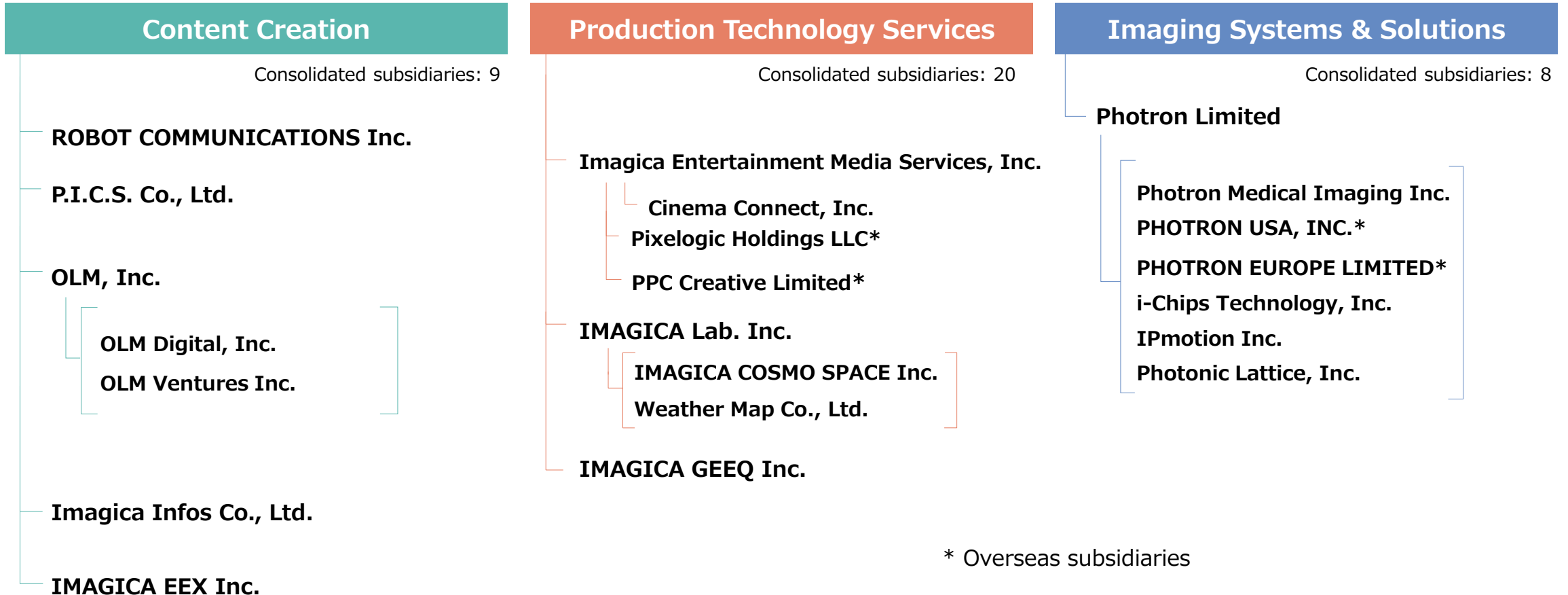
(Millions of yen)	March 31, 2024*	March 31, 2025	Increase/Decrease	Main factors for increase/decrease
Assets				
Current assets	41,288	48,672	7,383	Accounts receivable-trade +4,776 Inventories +1,454
Cash and deposits	5,242	6,515	1,272	
Non-current assets	37,405	32,047	-5,358	
Goodwill	11,411	8,220	-3,191	
Total assets	78,694	80,719	2,025	
Liabilities / Net Assets				
Current liabilities	28,950	36,890	7,940	Notes and accounts payable-trade +1,046 Contract liabilities +1,911
Short-term debt	5,143	8,475	3,331	
Non-current liabilities	9,837	7,674	-2,163	
Long-term debt	3,120	1,985	-1,135	
Total liabilities	38,788	44,565	5,777	
Shareholders' equity	33,731	28,955	-4,775	
Accumulated other comprehensive income	4,097	5,584	1,487	
Non-controlling interests	2,077	1,613	-464	
Total net assets	39,906	36,154	-3,752	
Total liabilities and net assets	78,694	80,719	2,025	
Net cash	(3,021)	(3,945)	-924	Cash and deposits - long-term and short-term debt

Consolidated Statements of Cash Flows

(Millions of yen)	FY2023	FY2024
Cash flows from operating activities	5,730	3,891
Net income before income taxes	4,399	(2,117)
Depreciation and amortization	2,941	3,453
Amortization of goodwill	1,655	1,839
Decrease (increase) in trade receivables and contract assets	1,928	(3,750)
Decrease (increase) in inventories	1,007	(1,581)
Increase (decrease) in notes and accounts payable-trade	(523)	919
Increase (decrease) in contract liabilities	(2,668)	2,049
Cash flows from investing activities	(4,461)	(2,860)
Purchase of property, plant and equipment	(2,291)	(1,470)
Purchase of intangible assets	(781)	(1,174)
Acquisition and sales of subsidiaries' stock with change in scope of consolidation	(470)	(201)
Cash flows from financing activities	(4,117)	(284)
Net increase (decrease) in short-term debt	(272)	3,228
Net increase (decrease) in long-term debt	431	(1,756)
Dividends paid	(668)	(663)
Distributions paid to non-controlling interests	(1,379)	(48)
Acquisition of subsidiaries' shares without change in scope of consolidation	(1,522)	(680)

List of Consolidated Subsidiaries by Business Segment

(As of March 31, 2025)



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 March 31, 2025)
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	4,222 (1,364) (as of March 31, 2025) *Number of employees are those who are regularly employed. Number of temporary workers are in brackets.
Group Sales	96,910 million yen (fiscal year ended March 31, 2025)

For inquiries, please contact

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[About future projections].

Forecasts, plans and prospects for the current and future business performance described in this document are based on the information currently available.

Please be aware that actual results may differ from these forecasts due to uncertainties inherent in judgments and assumptions and the possibility of changes in future business operations, internal and external conditions, and other factors.