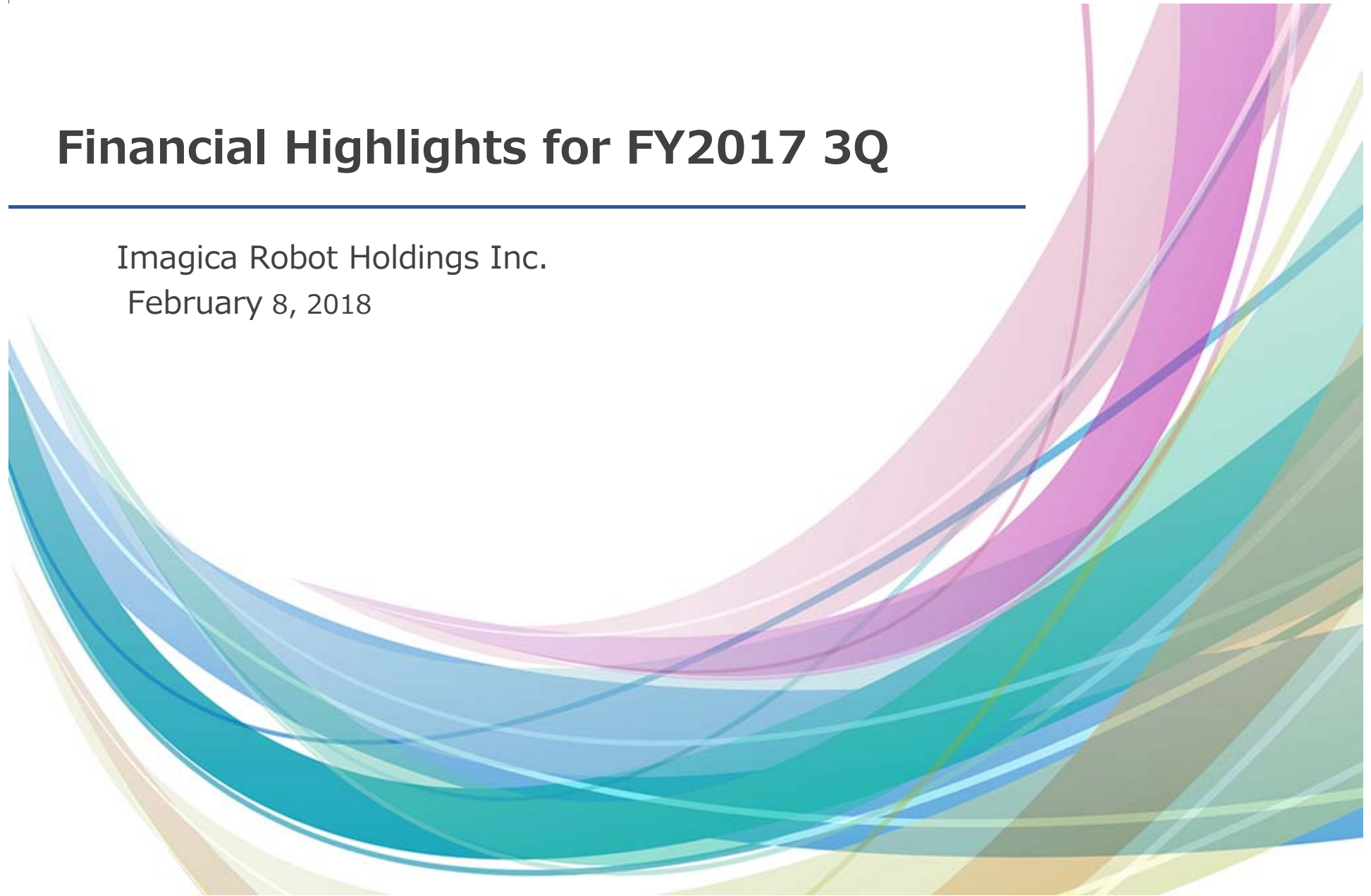


Financial Highlights for FY2017 3Q

Imagica Robot Holdings Inc.
February 8, 2018



Summary

- **Net sales increased 6.5% YoY**
(Excluding the impact of sales IMAGICA TV, 13.6% YoY)
- **OP reached ¥1.6bn (2.3 times YoY)**
Improvement of Media localization segment was attributable to this performance greatly.
- **Gain on sales of IMAGICA TV stocks are posted ¥2.1bn and Net profit records ¥2.1bn**
- **Consolidated forecast for FY2017 was revised based on 3Q performance**

Highlight of financial results

Nat sales

¥64.4bn

YoY
+¥3.9bn

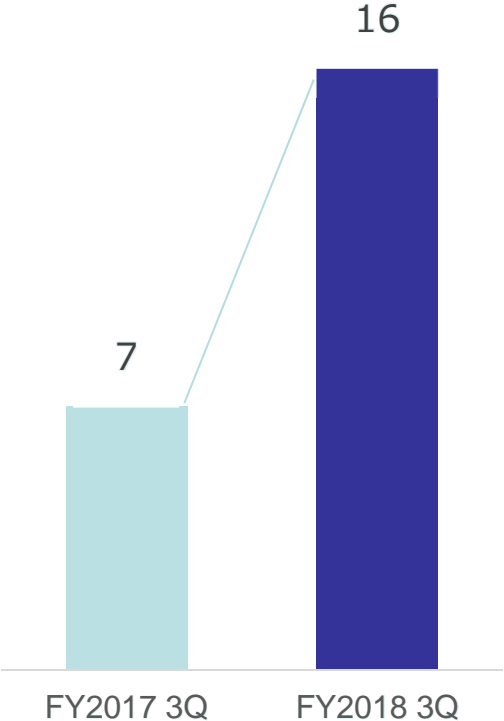
(100 millions of yen)



Operating income

¥1.6bn

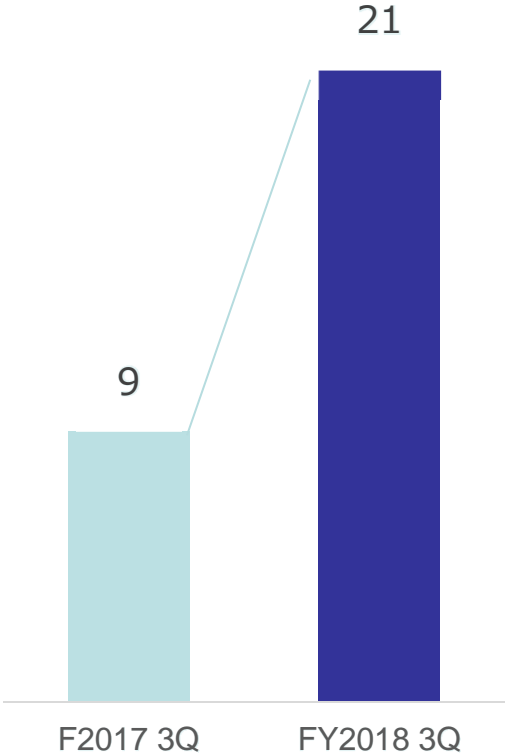
YoY
+¥0.9bn



Net income attributable to owners of the parent

¥2.1bn

YoY
+¥1.2bn



3Q Financial results by segments

(Millions of yen)

		FY2016	FY2017			Factor
		3Q Actual	3Q Actual	YoY ratio	YoY	
Content Creation	Net sales	14,724	17,523	19.0%	2,798	<ul style="list-style-type: none"> ➤ Cinema, TV animation and music live productions saw strong performance. ➤ Decrease YoY in film distribution from production committee
	Operating income (OP ratio)	826 (5.6%)	703 (4.0%)	△14.9%	△122	
Production Services	Net sales	18,877	20,360	7.9%	1,483	<ul style="list-style-type: none"> ➤ Orders of post-production from TV program was decreased due to TV programming reshuffle, etc. ➤ Business for Digital cinema and OTT were strong. ➤ Increase sales in the game CG and debugging businesses.
	Operating income (OP ratio)	754 (3.9%)	912 (4.4%)	21.0%	158	
Media Localization	Net sales	15,329	18,049	17.7%	2,719	<ul style="list-style-type: none"> ➤ Business for OTT saw strong performance ➤ Performance was improved due to improvement of direct margin in Europe.
	Operating income (OP ratio)	△ 1,204 (---%)	△ 362 (---%)	-	841	
Imaging Systems & Solutions	Net sales	8,364	9,620	15.0%	1,255	<ul style="list-style-type: none"> ➤ Increase sales in 4K-broadcasting system and maintenance service. ➤ Sales in LSI for film and images for China was strong.
	Operating income (OP ratio)	373 (4.4%)	635 (6.6%)	70.1%	261	

Revision on consolidated forecast

(Millions yen)

- Net sales, Operating income, Ordinary income and Net income were revised upward.

	FY2015	FY2016	FY2017			
	Actual	Actual	Forecast on November 7	Revised forecast	Difference ratio	Difference
Net sales	70,036	87,586	87,900	90,000	2.4%	2,100
Operating income	653	1,787	1,800	2,000	11.1%	200
(Ratio)	(0.9%)	(2.0%)	(2.0%)	(2.2%)		
Ordinary income	760	2,014	1,800	2,000	11.1%	200
(Ratio)	(1.1%)	(2.3%)	(2.0%)	(2.2%)		
Net income (loss) attributable to owners of the parent	△1,555	1,707	2,300	2,400	4.3%	100
Earnings per share of common	△34.93	38.35	51.6	53.9	4.4%	2.3

Revision on forecast by segments

(Millions yen)

Media Localization continues to grow than expected, Content Creation increases TV animation order and LSI for film and images are strong performance in Imaging Systems & Solutions

		FY2016 Full year Actual	FY2017 3Q Actual	FY2017 Forecast (Announced on November 7)	FY2017 Forecast (Announced on February 8)	YoY Difference	November 7 vs February 8 Difference
Content Creation	Net sales	21,560	17,523	24,300	25,000	3,440	700
	Operating income (Ratio)	908 (4.7%)	703 (4.0%)	700 (2.8%)	770 (3.1%)	△138	70
Production Services	Net sales	26,424	20,360	27,800	27,800	1,376	0
	Operating income (Ratio)	995 (---)	912 (4.4%)	1,100 (4.0%)	1,100 (4.0%)	105	0
Media Localization	Net sales	21,658	18,049	24,000	24,700	3,042	700
	Operating income (Ratio)	△ 1,161 (---%)	△ 362 (---%)	△ 650 (---%)	△ 550 (---%)	611	100
Imaging Systems & Solutions	Net sales	13,976	9,620	14,000	14,700	724	700
	Operating income (Ratio)	1,235 (8.8%)	635 (6.6%)	1,300 (9.3%)	1,330 (9.3%)	95	30

Appendix.

Consolidated profit and loss statement

(Million of yen)

	FY2016	FY2017		
	3Q Actual	3Q Actual	YoY ratio	YoY
Net sales	60,552	64,464	6.5%	3,912
Gross profit	17,980	17,426	△3.1%	△554
(Ratio)	(29.7%)	(27.0%)		
Operating income(loss)	712	1,646	131.1%	934
(Ratio)	(1.2%)	(2.6%)		
Ordinary income(loss)	1,051	1,721	63.7%	670
(Ratio)	(1.7%)	(2.7%)		
Net profit (loss) before taxes	1,255	3,700	194.8%	2,445
Net income attributable to profit	929	2,197	136.5%	1,268
(Reference) Operating income before goodwill	1,814	2,714	49.6%	900

Operating income before goodwill includes operating income, goodwill amortization and intangible fixed assets amortization.

Consolidated financial statements

	Year ended March 31, 2017	3Q FY2017	Difference
Current assets	38,706	38,861	+155
Cash and deposits	8,716	9,855	+1,138
Non-current assets	29,500	27,809	△1,691
Goodwill	7,203	6,499	△704
Total Assets	68,207	66,671	△1,536
Current liabilities	24,273	22,922	△1,351
Short-term loans payable	4,793	4,583	△209
Non-current liabilities	13,992	11,408	△2,583
Long-term loans payable	8,735	6,609	△2,125
Total Liabilities	38,265	34,330	△3,935
Shareholder's equity	25,690	27,444	+1,754
Accumulated other comprehensive income	622	1,425	+803
Non-controlling interests	3,628	3,471	△157
Total Net assets	29,941	32,340	+2,398
負債純資産合計	68,207	66,671	△1,536

Difference breakdown

Current assets△155M
 Cash and deposits +1,138M
 Notes and accounts receivable- trade
 △2,882M

Non-current assets△1,691M
 Goodwill△704M
 Others△525M
 Investments securities+1,162M
 Deferred tax asset△1,079M

Current liabilities△1,351M
 Notes and accounts payable- trade
 △1,281M
 Income taxes payable△673M
 Advance payment+1,301M

Shareholder's equity
 Net income +2,198M
 Dividend payment △445M

Non-controlling Interests
 Mainly for SDI Media Group,Inc

(Reference) Net Cash	△4,812	△1,337	3,475
(Reference) Equity	26,313 (38.6%)	28,869 (43.3%)	2,556

Net cash = Cash and deposits - debt
 9,855-(4,583+6,609)=△1,337