

# Financial Results Presentation

**Fiscal Year Ended March 31, 2022  
(FYE Mar. 2022)**

May 17, 2022

Stock code: 6879

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



# Contents of Today's Presentation

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- I Financial Results Summary for FYE Mar. 2022**
- II Progress of the Mid-Term Plan "G-EST2025"**

**G-EST means: From four key strategies**

**G: The "3 Gs," Growth, Global, and Group**

**E: E2E and Live Entertainment** (global E2E business, live entertainment business)

**S: System** (Imaging Systems & Solutions business)

**T: Transformation** (Transformation business)

\* Fiscal years in this presentation are abbreviated as follows: Fiscal year ended March 31, 2022 → FYE Mar. 2022

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# Key Points of Financial Results

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1

**Company-wide operating income before goodwill amortization was 5.1 billion yen, the highest since the listing.**

2

**Operating income before goodwill amortization returned to positive in all segments**

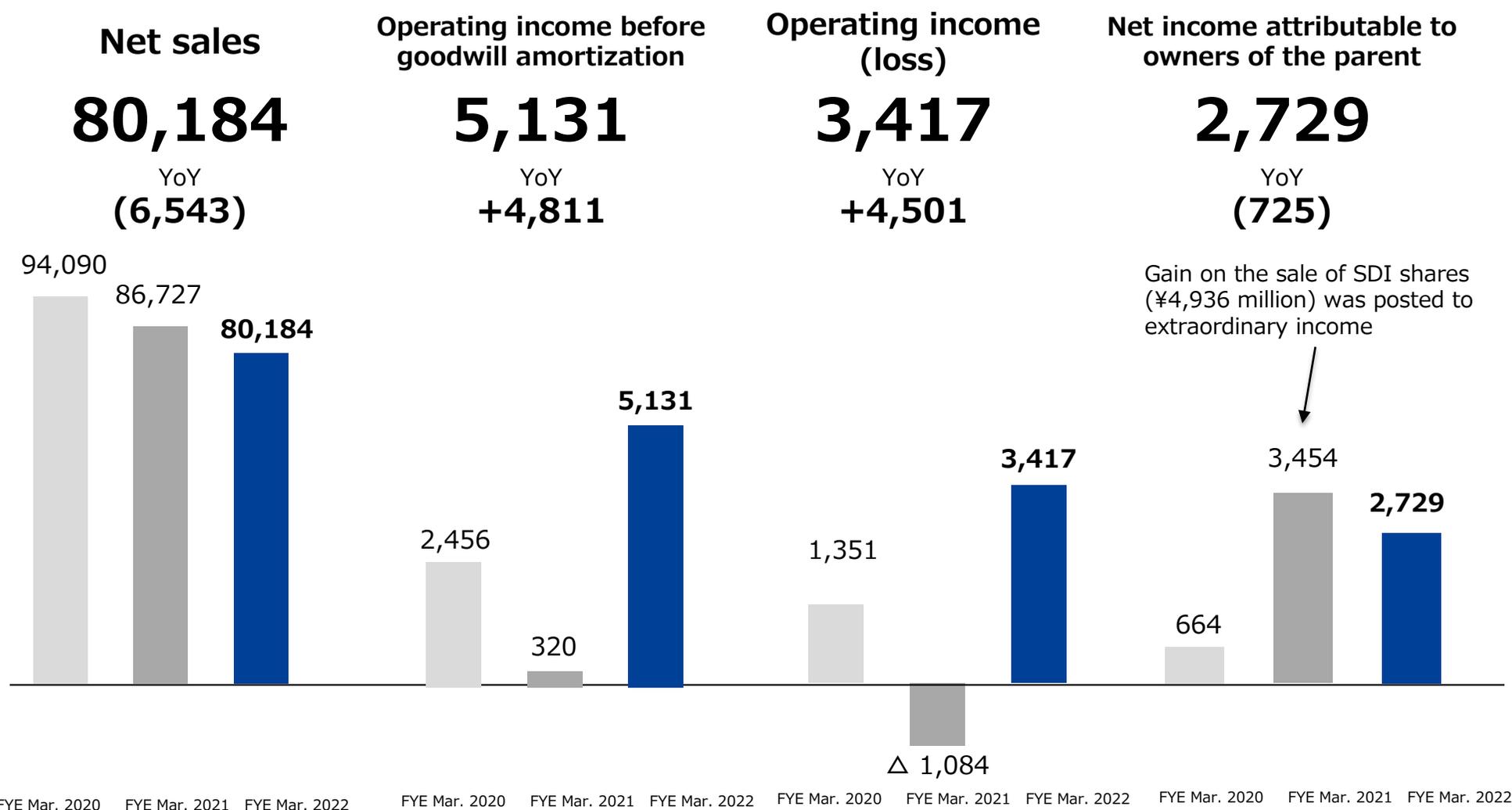
3

**Net income decreased by 700 million yen due to the sale of a subsidiary in the previous year**

# Highlights of Financial Results

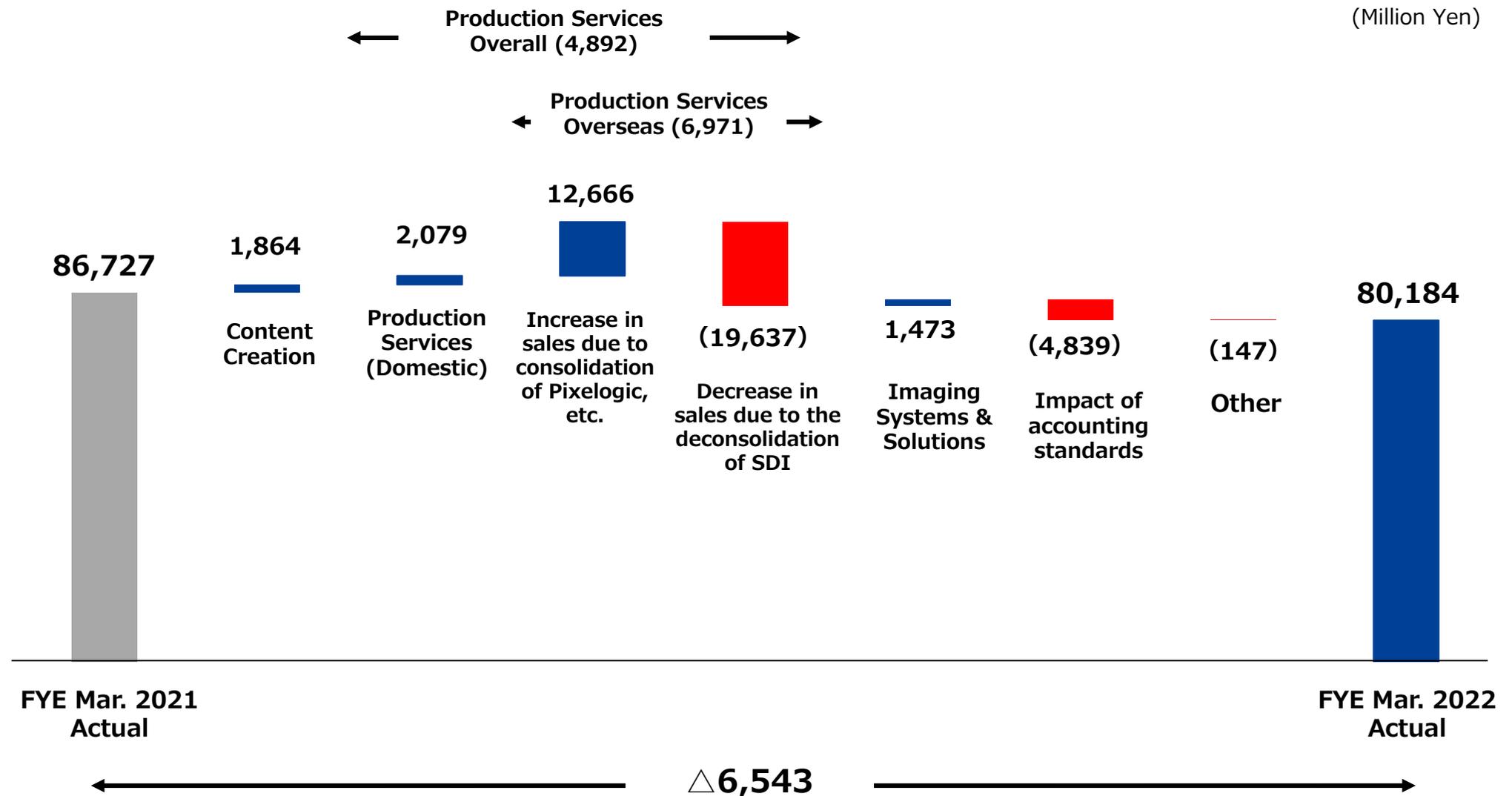
Sales decreased mainly due to sales of a subsidiary, etc., but both operating income before goodwill amortization and operating income substantially increased.

(Million Yen)



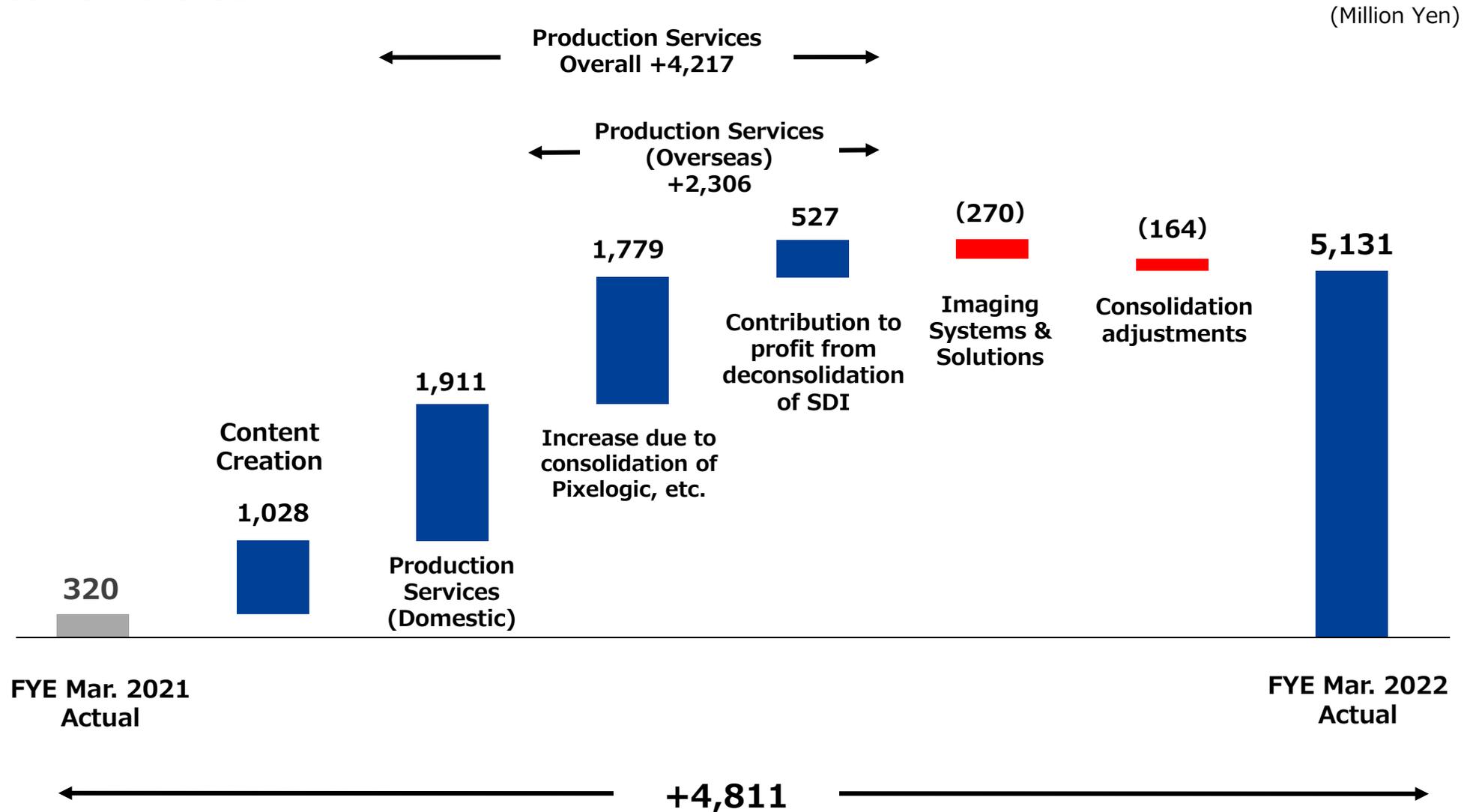
# Analysis of Changes in Net Sales (YoY)

Excluding the sale of a subsidiary (SDI) and the impact of accounting standards, sales increased in all segments.



# Analysis of Changes in Operating Income before goodwill amortization (YoY)

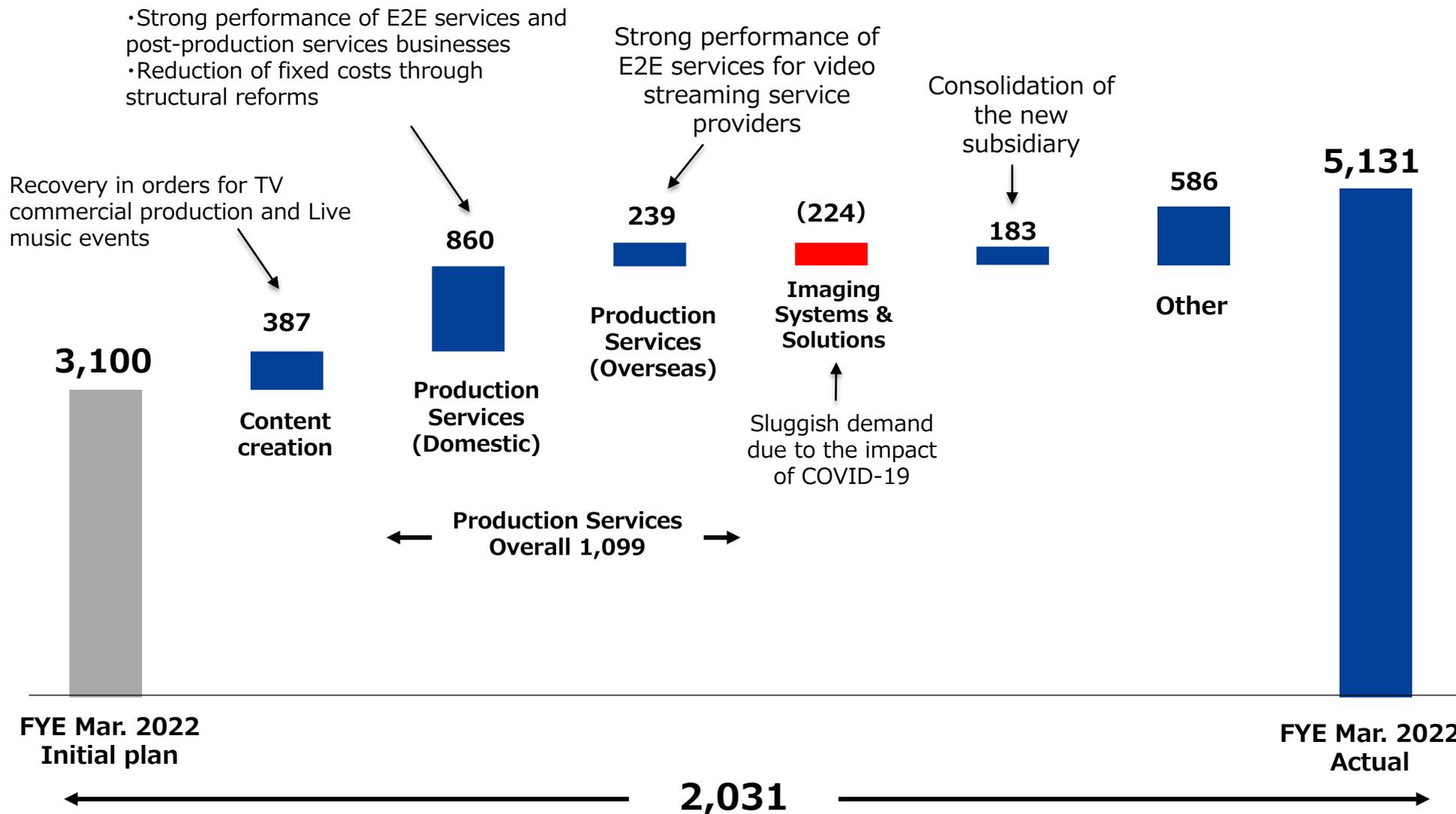
Production Services 4.2bn yen, Content Creation 1.0bn yen, Consolidated: 4.8bn yen income increase



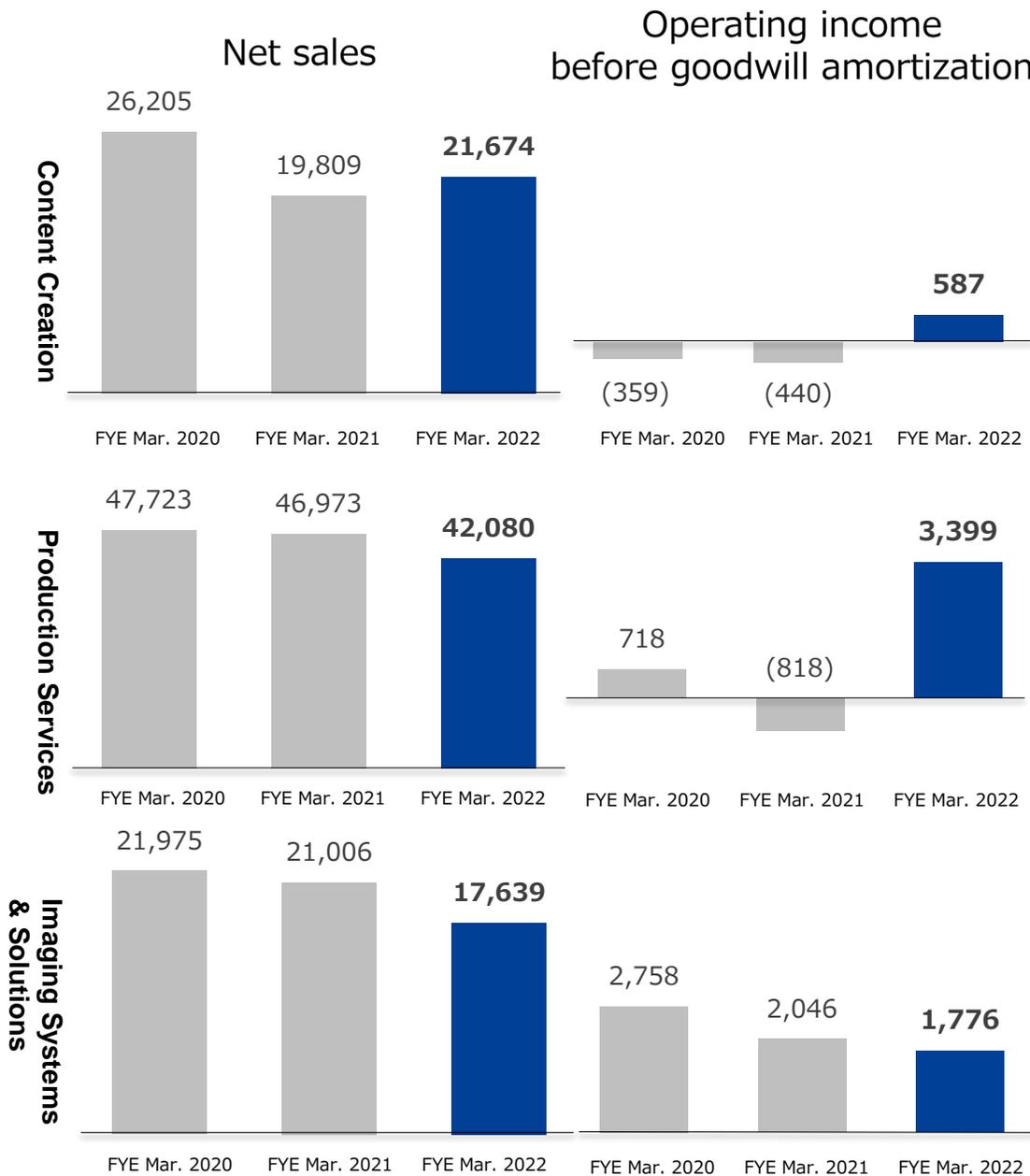
# Analysis of Changes in Operating Income before goodwill amortization (Vs. Initial Plan)

Increased by 2 billion yen from the initial plan thanks to recovering orders received, strong E2E services, and the effect of restructuring

(Million Yen)



# Overview by Segment (FYE Mar. 2020-FYE Mar. 2022)



## Increases in sales and profits

- ✓ Recovery in orders for TV commercial production and live music events
- ✓ Thorough cost management at theater movie and TV animation

## Significant increase in profit despite lower sales due to sale of SDI

- ✓ Domestic: Reduced fixed costs due to restructuring and strong sales of E2E services and game production-related services (3DCG production and debugging)
- ✓ Overseas: Strong performance of E2E services for video streaming service providers

## Decrease in sales and profits

- ✓ Systems for broadcasting stations : Struggle due to sluggish demand and limitations on sales activities
- ✓ High-speed cameras: Struggled in the 1H due to the impact of COVID-19, but recovered from the 2H onwards

# FYE Mar. 2023 Full-year Forecasts

(Million Yen)	FYE Mar. 2022	FYE Mar. 2023		
	Actual	Forecast	YoY	% YoY
Net sales	<b>80,184</b>	<b>88,000</b>	<b>7,816</b>	<b>9.7%</b>
Operating income before goodwill amortization	<b>5,131</b>	<b>5,200</b>	<b>69</b>	<b>1.3%</b>
(Margin)	<b>6.4%</b>	<b>5.9%</b>		
Operating income	<b>3,417</b>	<b>3,600</b>	<b>183</b>	<b>5.3%</b>
(Margin)	<b>4.3%</b>	<b>4.1%</b>		
Ordinary income	<b>3,934</b>	<b>3,300</b>	<b>(634)</b>	<b>(16.1%)</b>
Net income attributable to owners of parent	<b>2,729</b>	<b>2,100</b>	<b>(629)</b>	<b>(23.0%)</b>
Earnings per share (Yen)	<b>61.49</b>	<b>47.30</b>	<b>(14.19)</b>	<b>(23.0%)</b>
Dividend per share	<b>15.0 yen</b>	<b>15.0 yen</b>	<b>-</b>	<b>-</b>

## Topics

### Net sales

**+7.8 billion yen (+9.7%)**

- ✓ Content Creation  
TV Commercial production, drama delivery for OTT, etc.
- ✓ Production Services  
Continued strong performance for overseas OTT
- ✓ Imaging Systems & Solutions  
Improved profitability in systems for broadcasting stations, etc.

### Operating income

Depreciation increased due to the transfer of the Takeshiba office and investment for growth.

### Net income

Forecast a decrease YoY due to a decrease in income taxes (profit) resulting from tax-effect accounting

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# (Re-posting) Mid-Term Plan “G-EST2025”

Become a Group consisted of a balanced, highly profitable businesses that is resilient even under adverse circumstances

## <Key Strategies>

1.  
Expand “Global  
E2E” Business

2.  
Establish a new  
Live Entertainment  
business

3.  
Generate Additional  
Business Value in  
the Imaging  
Systems &  
Solutions business

4.  
Complete  
Transformation in  
the  
“Transformational  
business”

## <Strategic Measures>

Achieve company  
transformation  
through DX

Strengthen R&D  
capabilities

Secure & activate  
talented employees

## <Resolve Social Challenges and Achieve Sustainable Growth>

SDGs initiatives

# (Re-posting) Financial Goals in the Mid-Term Plan "G-EST2025"

Targeting to become a balanced business structure

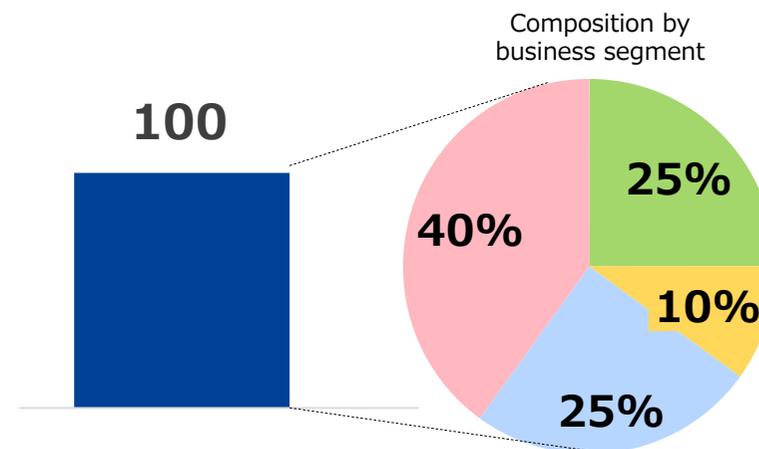
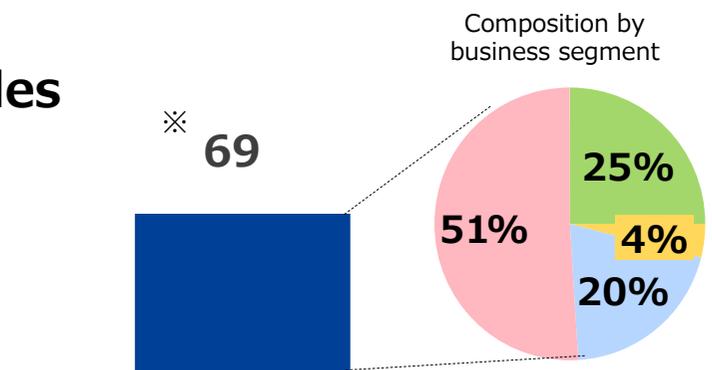
(billion yen)



FYE Mar. 2021 Actual

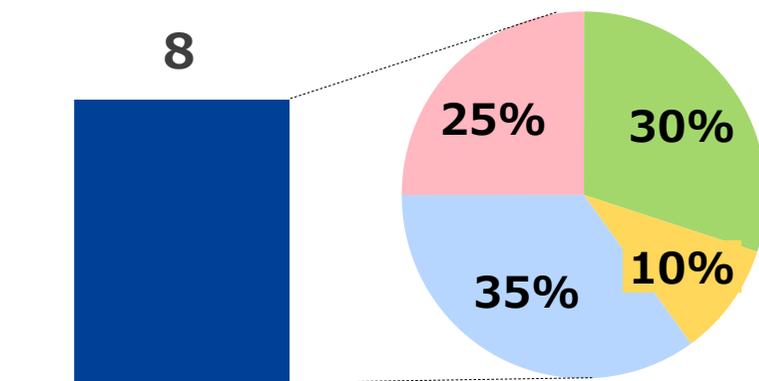
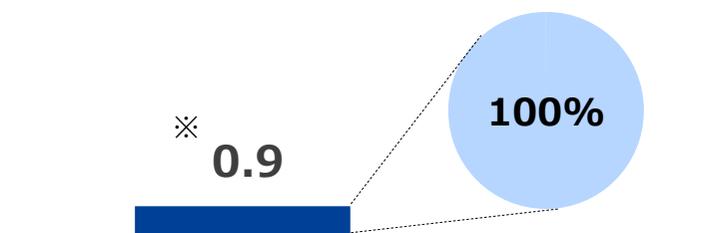
FYE Mar. 2026 Target

Net sales



Operating income

(Before goodwill amortization)

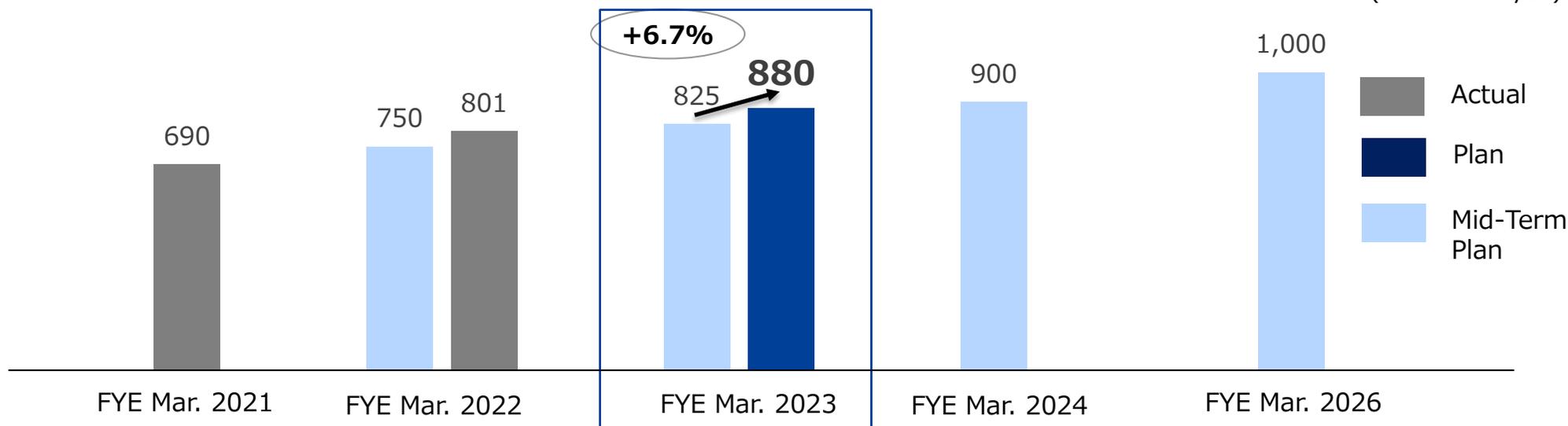


\*Net sales and operating income for FYE Mar. 2021 were adjusted for the impact of changes in accounting standards in overseas subsidiaries and the Imaging Systems & Solutions for comparison.

# Management Indicators for FYE Mar. 2023

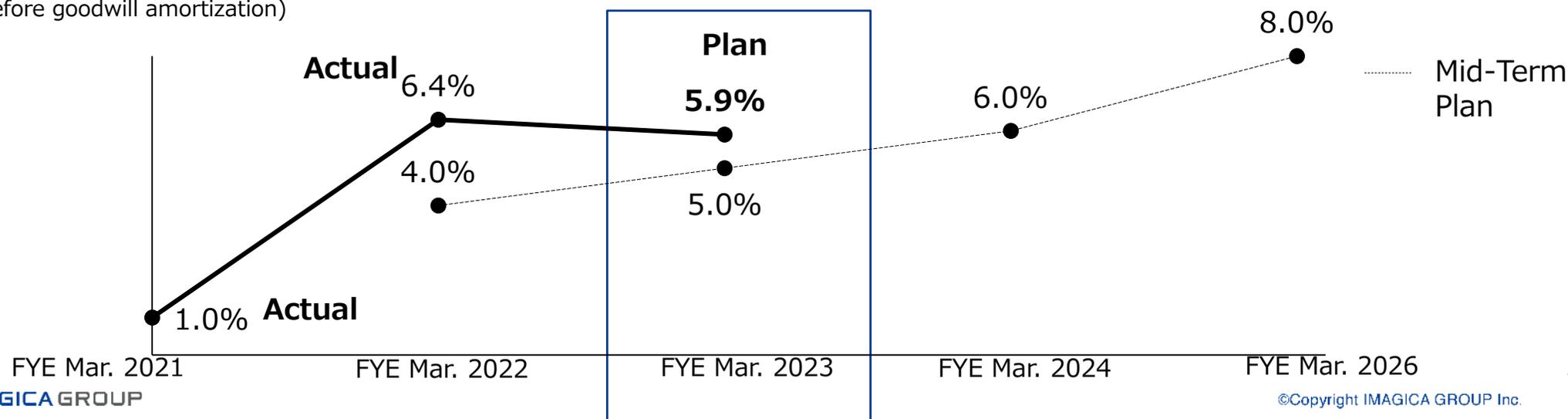
**Net sales: Aim to exceed the Mid-Term Plan by at least 6%, and to exceed the YoY results by at least 10%.**

(100 million yen)



**Operating income margin: Aim to exceed Mid-Term Plan despite a YoY decline in profit margin due to investments for growth.**

(Before goodwill amortization)



# Key Points of Performance for FYE Mar. 2023

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1

**Investment for growth towards 2025 (approx. 3.5 billion yen)**

2

**Aiming for sales in Global E2E, Live Entertainment, and Transformation businesses to exceed planned targets in the Mid-Term Plan**

3

**Aiming for higher sales and profits in Imaging Systems & Solutions business by improving profitability**

# Initiatives by Key Strategy

Become a Group consisted of a balanced, highly profitable businesses that is resilient even under adverse circumstances

## <Key Strategies>

1. Expand "Global E2E" Business

2. Establish a new Live Entertainment business

3. Generate Additional Business Value in the Imaging Systems & Solutions business

4. Complete Transformation in the "Transformational business"

## <Strategic Measures>

Achieve company transformation through DX

Strengthen R&D capabilities

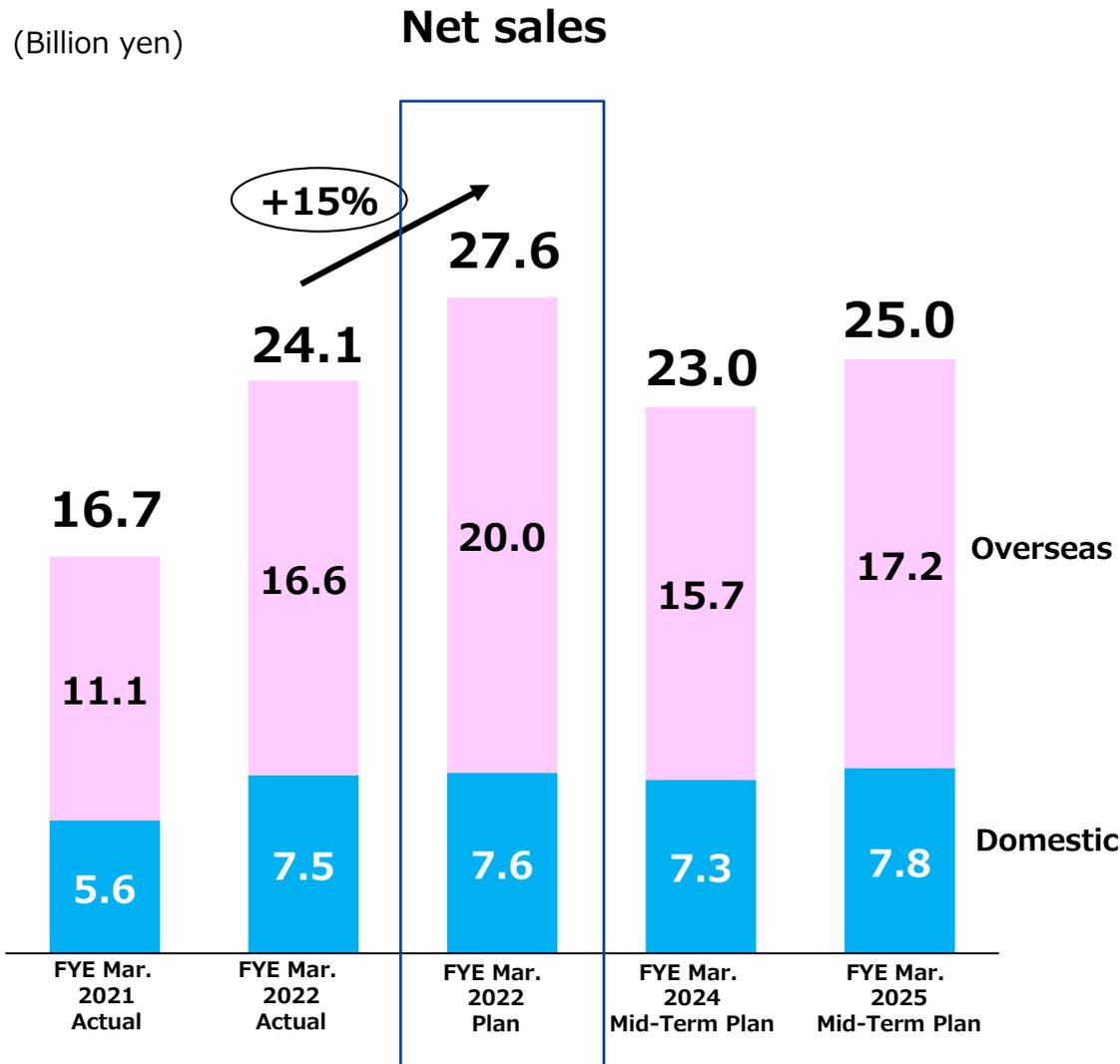
Secure & activate talented employees

## <Resolve Social Challenges and Achieve Sustainable Growth>

SDGs initiatives

# Expand Global E2E Business

In FYE Mar. 2023, we intend to increase sales by 15% YoY, aiming for a level significantly higher than Mid-Term Plan for FYE Mar. 2026.



## Strategies for FYE Mar. 2023

- ✓ Continue to focus on services for video streaming service providers in strong demand
- ✓ Forward-looking investments for growth
  - (1) Expand capacity
  - (2) Improve productivity and reduce costs

# Forward-looking Investments for Growth

Continue to secure competitive advantage through “Expand capacity” and “Raise productivity and reduce costs ”

## Expand Capacity

- **Expand LA office and London office**  
Expand audio-related facilities and creative services
- **Relocate Egypt office**  
Expand audio-related facilities through the transfer of a new office, improving the security level
- **Invest in a digital cinema distribution company**  
Use partnerships with MetaMedia, which provides distribution services to theaters

LA Office



## Raise productivity and reduce costs

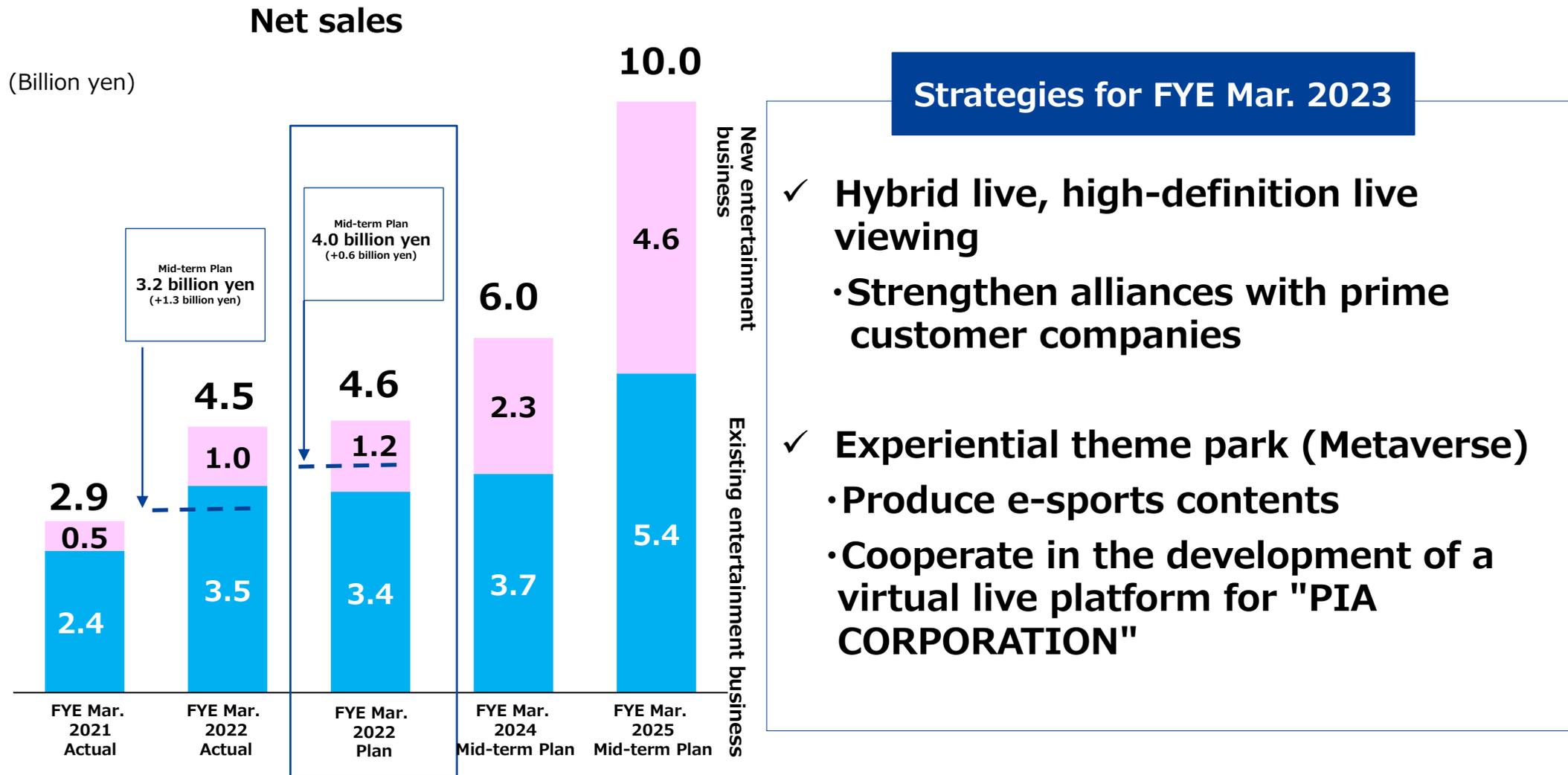
- **Make additional investment in pHelix, our proprietary IT system**  
Further streamlining of E2E-related operations by promoting development
- **Acquire excellent human resources in Egypt**  
Achieve low-cost operations and 24-hour response to customers
- **Expand the English service team in South Africa**  
Low-cost translation of subtitled/dubbed English files by native South African English speakers

New Egypt office



# Establish a new live entertainment business

We operate businesses in 3 domains. In FYE Mar. 2023, we aim for sales to exceed the Mid-Term Plan.



# Produce Virtual Spaces

Leveraging the visualization technology cultivated through live entertainment in the metaverse world

## Hybrid Live

Live streaming in collaboration with NTT DoCoMo



## High-definition live viewing

Three-screen high-definition video in collaboration with partners companies

## Experiential theme park

Combining physical and virtual experience

E-sports theme park  
Content production

Music live in the VR space provided by PIA



## Priority fields

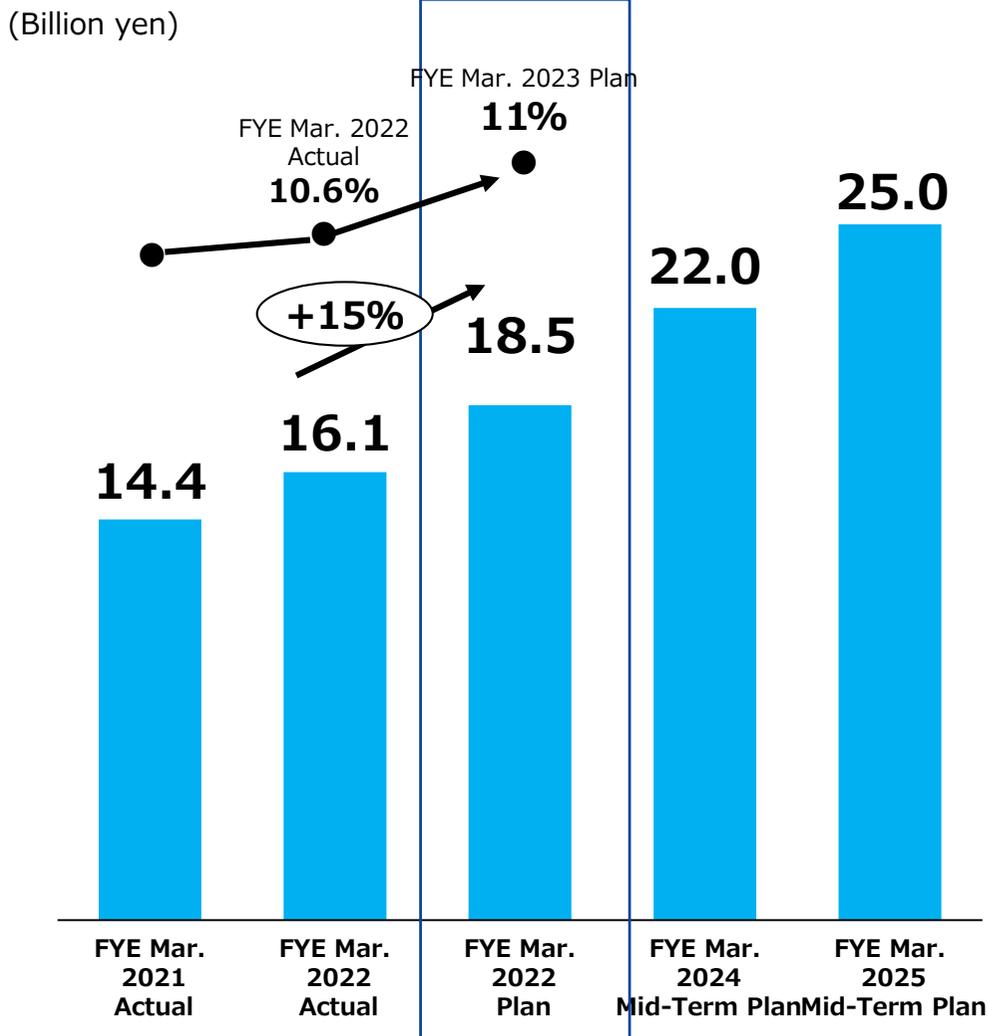
Entertainment Metaverse

Urban Space Metaverse

# Generate Additional Business Value in the Imaging Systems & Solutions business

In FYE Mar 2023, we are aiming for a 15% increase in net sales YoY and a 11% range in operating income margin.

Net sales and operating income margin  
(before goodwill amortization)

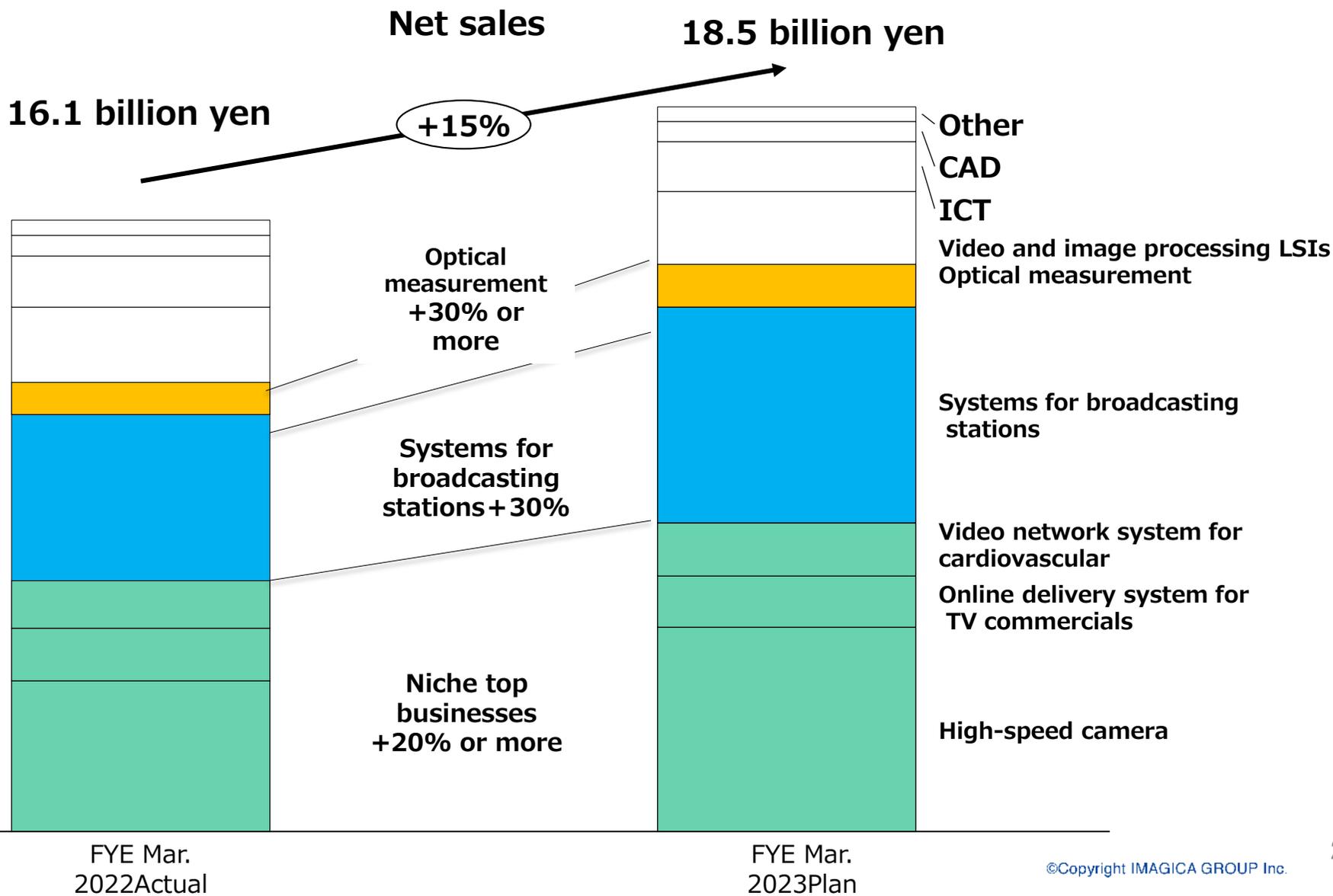


## Strategies for FYE Mar. 2023

- ✓ **Expand and secure earnings in niche top businesses**  
(Business that are targeting niche markets but have high market share and profitability)
  - (1) High-speed camera (Market share: Approx. 25%)
  - (2) Online delivery system for TV commercials (Market share: Approx. 30%)
  - (3) Video network system for cardiovascular systems (Market share: Approx. 30% share)
- ✓ **Improve profitability in systems for broadcasting stations**
- ✓ **Expand optical measurement business**

# Sales Breakdown by Business Segment and Growth Image for FYE Mar. 2023

Aiming for more than 20% growth in niche-top businesses and more than 30% growth in systems for broadcasting stations and optical measurement businesses



# Strategies for Niche Top Businesses

- Aiming to further expand and secure earnings through new product releases, expansion of market share, etc.

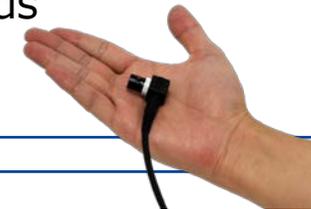
## High-speed camera (Increase profits)

- ✓ Strengthen sales by releasing new products (3 products in year)

"FASTCAM Nova S20" launched April 5

- ✓ Steady growth in market share for automotive crash experiments due to sales of micro camera heads

Ultra-compact camera head "MH6 ST Camera Head"



## Online delivery system for TV (Secure profits)

- ✓ Strengthen sales capabilities by enhancing human resources to further increase market share by 30%
- ✓ Continued stable operation for repeat use by existing customers

## Video network system for cardiovascular (Secure profits)

- ✓ Provides medical information systems for diagnostic imaging that specialize in the cardiovascular field, and has been installed in many hospitals throughout Japan (over 30% market share).
- ✓ Aiming to further expand market share by launching cloud services, etc.



# Strategies for systems for broadcasting stations

- Improve profitability of "selling products" business and expand business of "selling services" business

## Improve profitability of "selling products" business

Results for FYE Mar. 2022 struggled due to limited sales activities caused by the impact of COVID-19. In FYE Mar. 2023, we aim to increase sales and improve profitability by proposing new services, strengthening sales force, etc.

- ✓ Propose a system that can be operated by a small number of people by automating the process of managing, editing, and sending out video material for news programs for broadcasting stations.
- ✓ Acquire MEDIA SOLUTIONS.INC to further strengthen sales capabilities

## Expansion of "selling products" business

- ✓ Providing a new video transmission and production environment for remote production in a subscription system

### "Photron Live Cloud Service"

- Started sales in January 2022
- Video transmission service available over the general Internet, low-cost and easy for everyone to use.

- ✓ Prepare for deployment of network operation monitoring services
  - \*Service that monitors video equipment and other problems on the network

Usage example at home



# Strategies for Optical Measurement Business

## Developing 2 businesses: Optical Elements and Optical Measurement Equipment



### Optical Element

- ✓ Designing and marketing optical elements using "photonic crystals," a cutting-edge light control technology, to meet customer needs.
- ✓ Developing in fields such as **high-speed optical communications and semiconductor inspection**

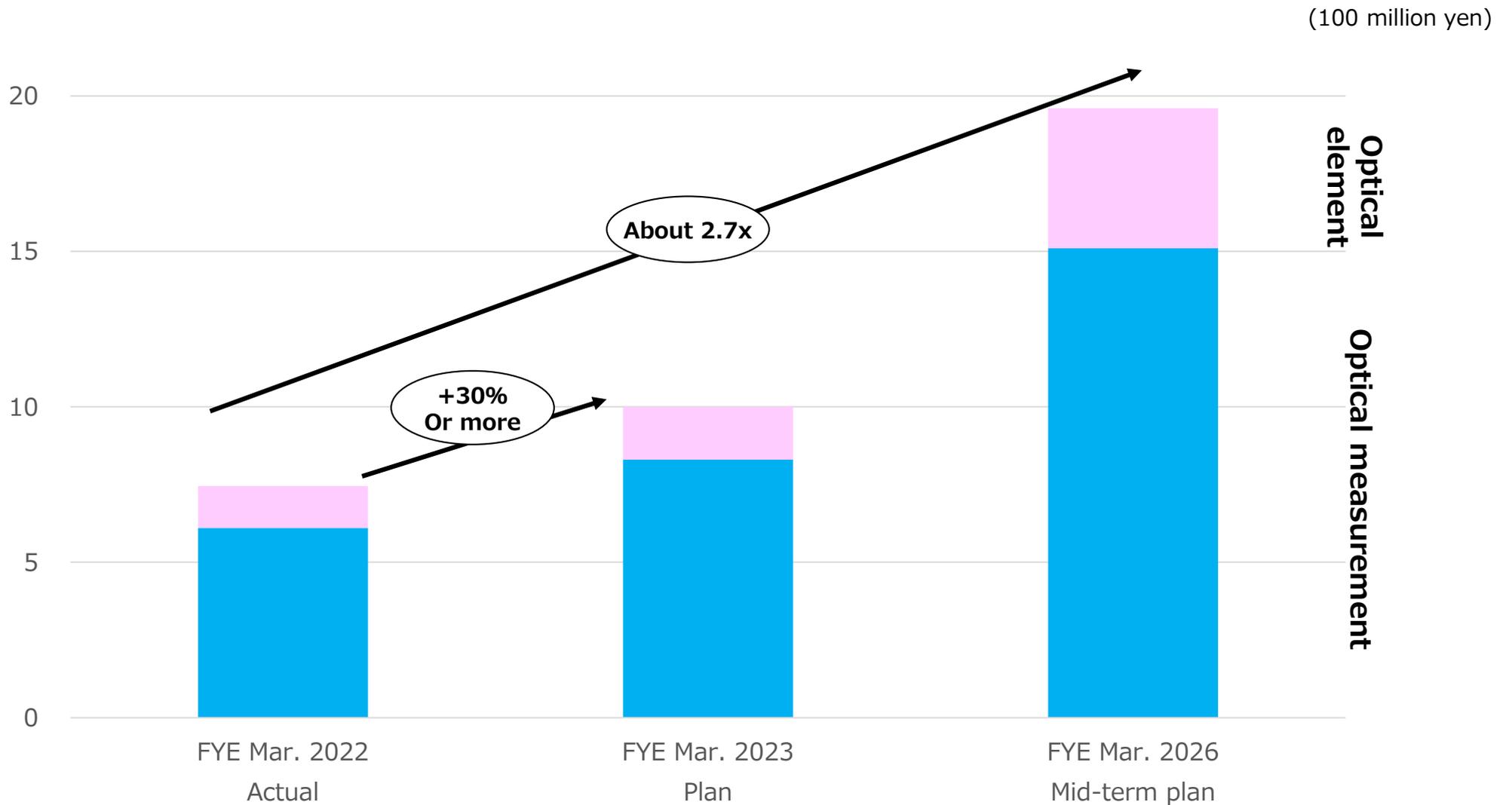
### Optical Measurement Equipment

- ✓ Proprietary measurement system incorporating polarized light sensors into high-speed camera
- ✓ Since it can measure invisible minute distortions with polarized light, we will strengthen sales to overseas film manufacturers as a measurement device in production lines for liquid crystal films and other products.

Products	 <p>High-speed polarization camera CRYSTA</p>	 <p>Birefringence measuring device KAMAKIRI</p>
Usage	For glass film distortion testing for smartphones (R&D)	For liquid crystal TV film production lines
Customer/Unit price	Glass film manufacturer: @5 million to 10 million yen	Film manufacturer/@30 million to 100 million yen

# Sales Plan for the Optical Measurement Business

In FYE Mar 2026, We aim for sales scale of 2 billion yen, approximately 2.7 times compared to FYE Mar. 2022

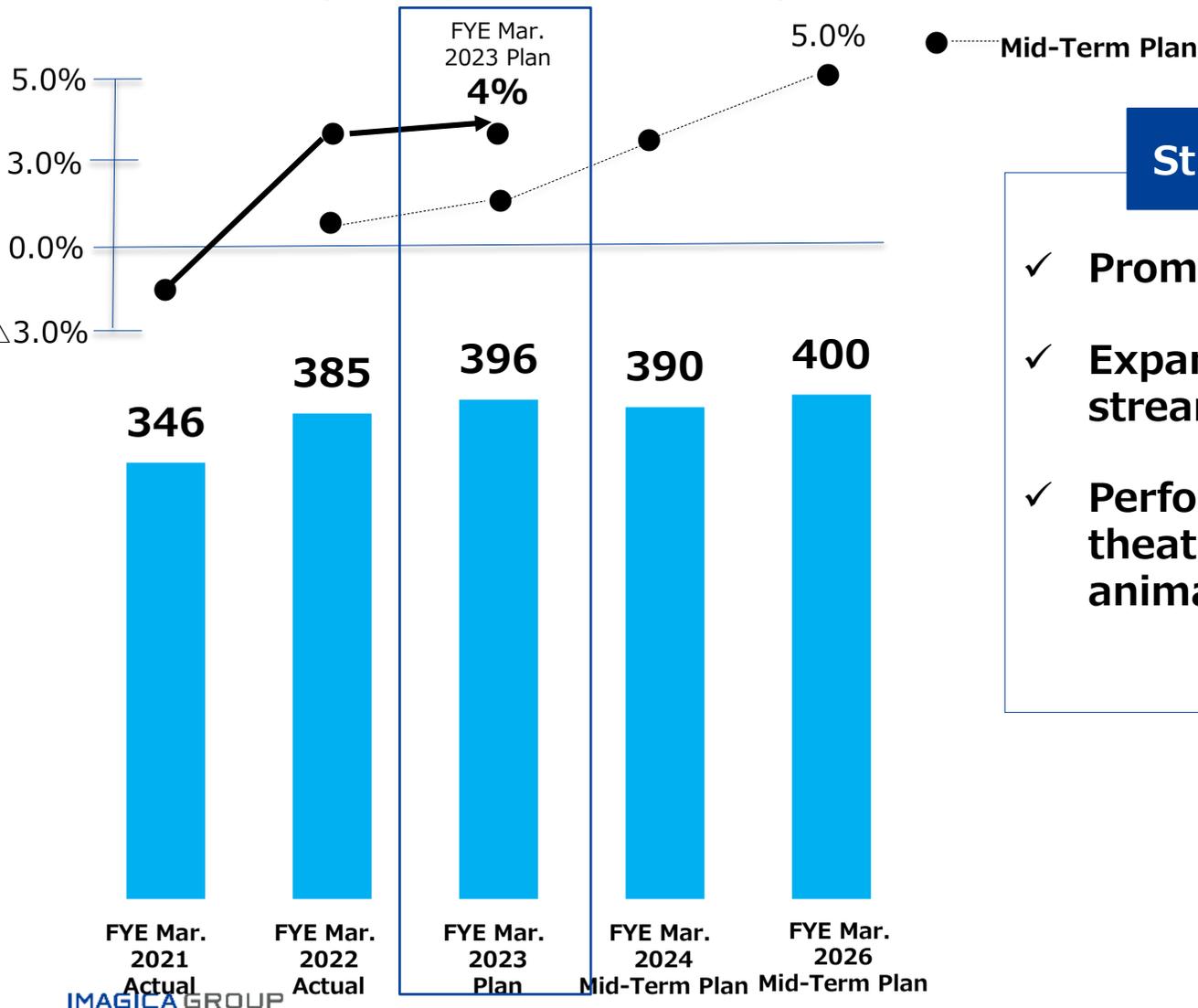


# Complete Business Transformation

Profitability is steadily improving, we aim for operating income margin in the 4% range in FYE Mar. 2023

Net sales and operating income margin  
(before goodwill amortization)

(100 million yen)



## Strategies for FYE Mar. 2023

- ✓ Promote the creation of unique IP
- ✓ Expand content production for video streaming service providers
- ✓ Perform thorough cost control in theatrical film, TV drama and animation production

# Monetization of Content Creation Business

Create intellectual properties (IP) and expand content production for video streaming service providers (OTT)

## Creation of original IPs

- Plan and Create original work

"ODD TAXI", planned/written by P.I.C.S., became popular on TV and OTT and was made into a movie.



© P.I.C.S./Kotogawa Kotsu Partners

- IP development for paperbacks

OLM, Inc. is animating "Isekai Shokudō" from the Infos Hero Collection. It expanded to season 2 and a sequel was produced.



© Junpei Inuzuka, Yutaka, Shufunotomo Infos Co.,LTD./Production Committee for "Isekai Shokudo 2"

## Content for OTT

- Production of Original drama

Original drama for Netflix, "**Alice in Borderland**"  
The season 1 was a worldwide hit.  
Season 2 is under production and scheduled for distribution in December 2022.

\*Images are not displayed due to copyright and other reasons.

# New Mid-Term Plan “G-EST2025”

**Become a Group consisted of a balanced, highly profitable businesses that is resilient even under adverse circumstances**

## <Key Strategies>

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## <Strategic Measures>

**Achieve company  
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**Strengthen R&D  
capabilities**

**Secure & activate  
talented employees**

## <Resolve Social Challenges and Achieve Sustainable Growth>

**SDGs initiatives**

# Management Reforms through DX

Digital transformation (DX) in both business and management infrastructure (administration) is progressing smoothly and will accelerate in the future.

Business evolution	Remote live production and editing	<ul style="list-style-type: none"><li>• IMAGICA EEX <a href="#">held remote online live</a> with Korean artists</li><li>• Provision of <a href="#">video sharing cloud service "Photron Live Cloud Service"</a></li></ul>
	Digitization of all animation production workflows	<ul style="list-style-type: none"><li>• <a href="#">Completed full digitization of operation</a> by in-house creators and <a href="#">introduction of production management system</a> ⇒ Expand introduction to external creators in FYE Mar. 2023</li></ul>
	Automating video processing and visualizing status	<ul style="list-style-type: none"><li>• Development of <a href="#">post-production booking and coordination systems</a></li><li>• Operation of a <a href="#">communication system with customers</a></li></ul>
Strengthening of business base	Visualization of business performance and the establishment of a business management system	<ul style="list-style-type: none"><li>• <a href="#">BI-tool "ZEUS Cloud" introduced</a> in the 2H of FYE Mar. 2022 ⇒ Started initiatives to share management data and upgrade analysis operations</li></ul>
	Reduction of clerical man-hours through paperless and electronic operations	<ul style="list-style-type: none"><li>• Contributed to streamlining operations <a href="#">by introducing electronic contract systems and AI-based contract checks</a></li></ul>
	Unification of personnel information data	<ul style="list-style-type: none"><li>• Introduction of the <a href="#">"Talent Palette", a talent management system</a>, in the 2H of FYE Mar 2022 ⇒ Promoting the visualization of human resource information, including the Group's management personnel</li></ul>
	Strengthening security and expanding the cloud environment	<ul style="list-style-type: none"><li>• <a href="#">Achieved network-wide integration for 4 integrated management divisions</a></li><li>• We will continue to strengthen the ICT environment after FYE Mar 2023.</li></ul>

# Strengthen R&D Capabilities and Secure & Activate Talented Employees

## Strengthen R&D capabilities

- ✓ **Completed integration of R&D divisions** (83 staff members + 4 new employees)
- ✓ **Accelerate development by visualizing the Group's technological development skills**
- ✓ **Participation in SIGGRAPH Asia 2021 as a Gold Sponsor**, led by the Advanced Research Group, which is responsible for the Group's research and development
  - Promote technological capabilities externally, and lead to new collaborations and stronger recruitment

Exhibition booths in SIGGRAPH Asia



## Secure & Activate Talented Employees

- ✓ **Creating an environment for securing creative & technology human resources**
  - Creators: establish flexible employment arrangements such as outsourcing
  - Engineers: currently defining requirements for necessary personnel, strengthening recruitment
- ✓ **Implementation of training to promote diversity**
  - Training to foster a mindset that accepts diversity
- ✓ **Completed introduction of talent management system**
  - Promoting Visualize and Utilization of Management Human Resources within the Group

# SDGs: Promoting Initiatives in Accordance with 3 Topics

## 2. Creation of a production process that is environmentally and people-friendly

### PHOTRON LIMITED introduced Green Power to Head Office



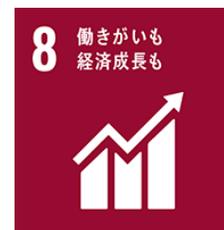
Our Group company PHOTRON LIMITED will begin using the "Green Power Provision Service" provided to tenants by Mitsui Fudosan Building Management Co., Ltd., the lessor of the Jimbocho Mitsui Building, which is the tenant, in April.

By introducing this service, we decided to convert 100% of the electricity used at our head office to virtually renewable energy.



## 3. Development of human resources and promoting diversity

### Opened indoor farms as a new initiative to diversify employment



IMAGICA DIGITALSCAPE Co.,Ltd., PHOTRON LIMITED, and Cosmo Space Co., Ltd. of our group opened an indoor farm in April 2022 using IBUKI, an indoor farm-type employment support service for people with disabilities.

Exterior view of the indoor farm

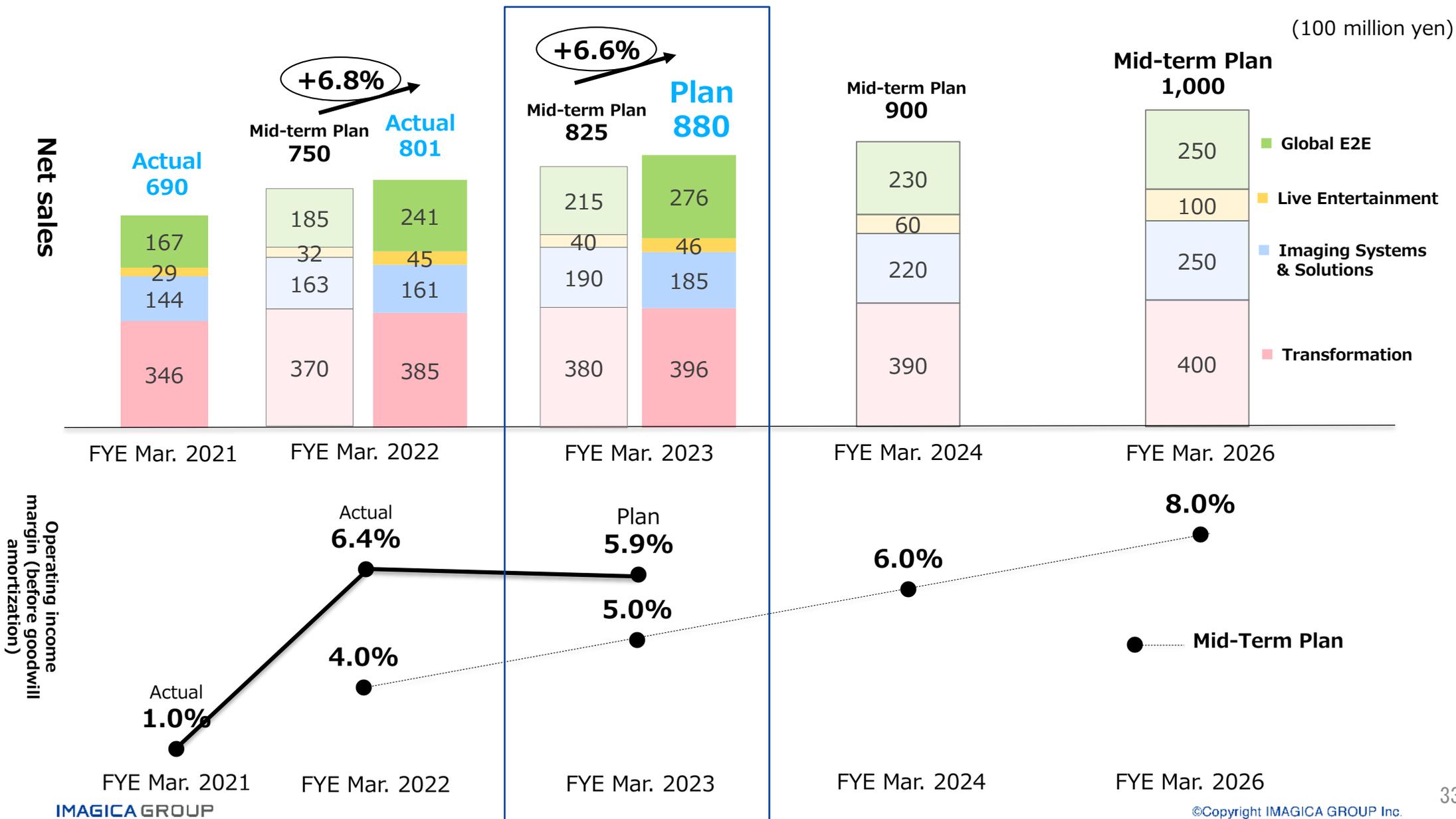


Herb cultivation in an indoor farm



# Progress to FYE Mar. 2023 and Future Growth Plan

Steady progress toward FYE Mar. 2026. We make investment for growth in FYE Mar. 2023.



\*Sales totals by strategy for FYE Mar. 2021(Actual) and (Actual)FYE Mar. 2023(Plan) do not match the totals because consolidation eliminations are not taken into account.

# Breakdown of Operating Income by Strategy

Significant improvement in profitability and steady progress toward being a well-balanced, highly profitable company

Operating income  
(before goodwill amortization)

Significant improvement in profitability  
Generating profits in each business

FYE Mar. 2021  
Actual

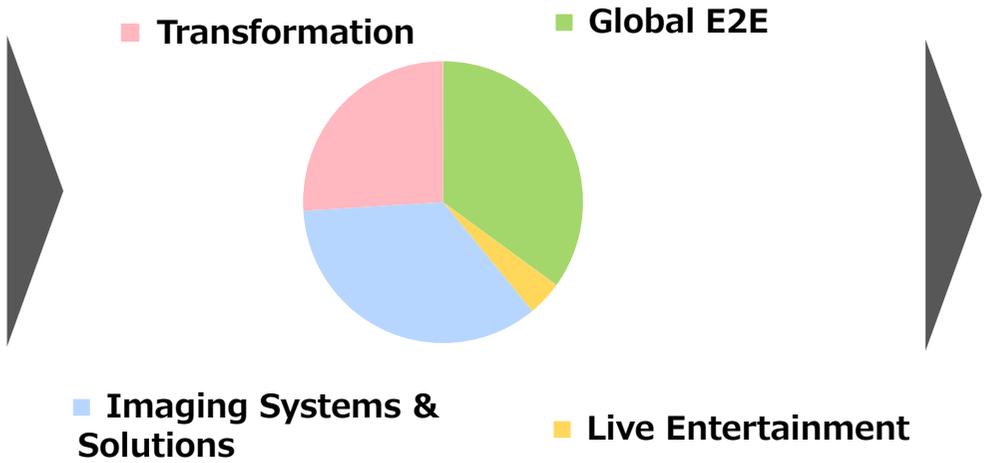
FYE Mar. 2023  
Plan

FYE Mar. 2026  
Mid-term Plan

**0.9** billion yen

**5.2** billion yen

**8** billion yen



# (Re-posting)

## FYE Mar. 2023 Full-year Forecasts

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### Topics

#### Net sales

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#### Operating income

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#### Net income

Forecast a decrease YoY due to a decrease in income taxes (profit) resulting from tax-effect accounting

# Appendix.

# Consolidated Statements of Income

(Million yen)	FYE Mar. 2021	FYE Mar. 2022		
	Actual	Actual	YoY	% YoY
Net sales	<b>86,727</b>	<b>80,184</b>	△ 6,543	△7.5%
Gross profit	<b>20,582</b>	<b>23,386</b>	2,803	13.6%
(Gross margin)	23.7%	29.2%		
Operating income (loss)	△ <b>1,084</b>	<b>3,417</b>	4,502	—
(Operating margin)	—	4.3%		
Ordinary income (loss)	△ <b>1,343</b>	<b>3,934</b>	5,278	—
(Ordinary margin)	—	4.9%		
Extraordinary income	<b>7,138</b>	<b>1,301</b>	△ 5,837	△81.8%
Extraordinary loss	<b>2,240</b>	<b>2,037</b>	△ 202	△9.1%
Net income (loss) before income tax	<b>3,554</b>	<b>3,198</b>	△ 356	△10.0%
Net profit attributable to owners of parent	<b>3,454</b>	<b>2,729</b>	△ 724	△21.0%
(Ref.) Operating income before goodwill amortization	<b>320</b>	<b>5,131</b>	4,811	1501.9%

\*Operating income before goodwill amortization includes operating income, amortization of goodwill, amortization

# Consolidated Balance Sheets

(Unit: million yen)		FYE Mar.2021	FYE Mar.2022	YoY
Assets	Current assets	30,440	41,066	10,625
	Of which, cash and deposits	6,908	6,420	(488)
	Non-current assets	30,005	32,317	2,312
	Of which, goodwill	12,048	11,482	(565)
<b>Total Assets</b>		<b>60,446</b>	<b>73,384</b>	12,938
Liabilities Net Assets	Current liabilities	22,117	32,278	10,161
	Of which, short-term loans payable	7,402	4,170	(3,232)
	Non-current liabilities	8,495	7,079	(1,415)
	Of which, long-term loans payable	5,384	4,019	(1,365)
	<b>Total Liabilities</b>	<b>30,613</b>	<b>39,358</b>	8,745
	Shareholders' equity	27,149	29,963	2,814
	Accumulated other comprehensive income	301	1,185	883
	Stock acquisition rights	11	-	(11)
Non-controlling interests	2,370	2,876	505	
<b>Total Net Assets</b>		<b>29,832</b>	<b>34,025</b>	4,192
<b>Total Liabilities and Net Assets</b>		<b>60,446</b>	<b>73,384</b>	12,938

# Consolidated Statements of Cash Flow

(Million Yen)	FYE Mar. 2021	FYE Mar. 2022
Net income (Loss) before income tax	3,554	3,198
Depreciation and amortization	2,757	2,059
Amortization of goodwill	871	1,406
Loss (gain) on sale of investment securities	–	△ 414
Loss (gain) on sale of shares of subsidiaries and associates	△ 4,936	△ 417
Decrease (increase) in trade receivables and contract assets	△ 52	△ 1,992
Decrease (Increase) in inventories	2,741	△ 6,770
Decrease (Increase) in notes and accounts payable-trade	26	2,431
Increase (decrease) in agreement liabilities	△ 1,635	5,393
Income taxes paid	△ 1,868	△ 389
Other, net	△ 2,051	2,911
<b>Cash flows from operating activities</b>	<b>△ 592</b>	<b>7,414</b>
Purchase of property, plant and equipment	△ 1,500	△ 3,996
Purchase of intangible assets	△ 709	△ 612
Proceeds from sale of investment securities	5	944
Gain on sales of subsidiary stock accompanying a change in the scope of consolidation	5,859	417
Payments of leasehold and guarantee deposits	△ 23	△ 546
Other, net	△ 4,995	△ 134
<b>Cash flows from investing activities</b>	<b>△ 1,364</b>	<b>△ 3,928</b>
Net increase (decrease) in short-term loans payable	3,596	△ 2,023
Proceeds from long-term loans payable	4,939	–
Repayment of long-term loans payable	△ 4,048	△ 1,974
Other, net	△ 3,018	△ 186
<b>Cash flows from financing activities</b>	<b>1,469</b>	<b>△ 4,183</b>
Effect of exchange rate change on cash and cash equivalents	2	211
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>△ 485</b>	<b>△ 486</b>
Net increase (decrease) in cash and cash equivalents accompanying change in the scope of consolidation	14	48
<b>Cash and cash equivalents at end of period</b>	<b>6,856</b>	<b>6,419</b>

# Financial Results by Segment

(Million Yen)		FYE Mar. 2021	FYE Mar. 2022		
		Actual	Actual	YoY	% YoY
Content Creation	Net sales	<b>19,809</b>	<b>21,674</b>	1,864	9.4%
	Operating income (loss) (Operating margin)	<b>△ 440</b> —	<b>582</b> 2.7%	1,023	—
	Operating income (loss) before goodwill amortization	<b>△ 440</b>	<b>587</b>	1,028	—
Production Services	Net sales	<b>46,973</b>	<b>42,080</b>	△ 4,892	△10.4%
	Operating income (loss) (Operating margin)	<b>△ 2,223</b> —	<b>1,726</b> 4.1%	3,949	—
	Operating income (loss) before goodwill amortization	<b>△ 818</b>	<b>3,399</b>	4,217	—
Imaging Systems & Solutions	Net sales	<b>21,006</b>	<b>17,639</b>	△ 3,366	△16.0%
	Operating income (Operating margin)	<b>2,046</b> 9.7%	<b>1,740</b> 9.9%	△ 305	△14.9%
	Operating income before goodwill amortization	<b>2,046</b>	<b>1,776</b>	△ 270	△13.2%
Other	Net sales	△ 1,063	△ 1,211	△ 147	—
	Operating loss	△ 466	△ 631	△ 164	—
Consolidated total	Net sales	<b>86,727</b>	<b>80,184</b>	△ 6,543	△7.5%
	Operating income (loss)	<b>△ 1,084</b>	<b>3,417</b>	4,502	—
	Operating income before goodwill amortization	<b>320</b>	<b>5,131</b>	4,811	1501.9%

# Major Topics for April to July 2021

Apr. 5, 2021  
P.I.C.S.

The TV animation "ODD TAXI," planned and written by P.I.C.S., aired from April to June 2021 in TV Tokyo's late-night slot. Currently available on Amazon Prime Video!

\*As of July 2021

Animation  
Produced by  
P.I.C.S. x OLM



© P.I.C.S./Odogawa Kotsu Partners

May 26, 2021  
Photron

Launched a new version of the learning video sharing platform "CLEVAS" for educational and training institutions that supports Zoom integration.



Jun. 1, 2021  
IMAGICA Entertainment  
Media services

Absorbed IMAGICA SDI Studio and commenced operations as Shiodome Sound Studio



Jul. 7, 2021  
IMAGICA Entertainment  
Media Services, IMAGICA Lab.

Received awards at the 25th JPPA AWARDS 2021, a competition for video and audio technology

**IMAGICA**  
ENTERTAINMENT & MEDIA



Jul. 22, 2021  
IMAGICA Entertainment  
Media Services

First in Japan! Introduced DTS: X system in the preview room to realize surround sound that enhances immersive feeling



Jun. 29, 2021  
IMAGICA GROUP

Participated as the Gold Sponsor in the International Conference SIGGRAPH Asia 2021 on CGs and interactive technologies. Plan to introduce a number of examples of the Group's latest technologies and applications to the industrial field



Jun. 30, 2021  
Imagica Digital Scape

The company has been certified as a Silver Partner by an international certification group (ISTQB) for its software testing. Aiming to expand test operations such as games, web, and apps



Jul. 15, 2021  
ROBOT

Started airing the new ABEMA original-series drama "Sakeguse 50" directed by Yuki Kobayashi at ROBOT



# Major Topics for August to October 2021

Aug. 11, 2021  
IMAGICA EEX

Joint development with W TOKYO of "Virtual TGC (beta version)," an application that allows visitors to experience Tokyo Girls Collection in a VR space



Aug. 19, 2021  
IMAGICA EEX

Launched "Freelance Support" service to support freelancers such as games, videos, and the web creators



Aug. 20, 2021  
COSMO SPACE

Produced promotional video and curriculum video for "Gochisousama Cooking School," an online cooking school for children run by chef Shinpei Kurihara.



Aug. 20, 2021  
IMAGICA Entertainment

Film process staff won the 50th (FYE Mar 2021) Excellent Production Technology Award (formerly Shibata Award) sponsored by the Japan Association of Film Television Technologies.



Aug. 23, 2021  
IMAGICA Entertainment

Launched on-line sales of "Cine Keep 2TM", an ammonium acid gas absorption agent that is effective in preventing film from being stored



Sep. 27, 2021  
Photron

Japanese 2D CAD Software "Zu-Nan RAPIDPRO21" and "Zu-Nan RAPID21" were released on October 27th for all people involved in drawings



Sep. 28, 2021  
COSMO SPACE

Photography and content direction for MIYAVI Virtual Live 6.0 in Kyoto Kiyomizu Temple "MIYAVI in KIYOMIZU".



Oct. 12, 2021  
ROBOT

Netflix original series "Alice in Borderland" received the Best Creative Beyond Border Award at the Asian Contents Awards



# Major Topics for October to December 2021

Oct. 25, 2021  
IMAGICA EEX  
COSMO SPACE

Created a fashion show in the Metaverse era at Tokyo Girls Collection with its spatial presentation and cutting-edge video technology!



(C)Mynavi TOKYO GIRLS COLLECTION 2021 AUTUMNWINTER

Nov. 1, 2021  
Photron

Acquired all shares of ISLWARE Co., Ltd

**Photron**

Nov. 1, 2021  
IMAGICA EEX

Implemented a new form of online live distribution with NTT DoCoMo with the aim of expanding the live business



Nov. 24, 2021  
IMAGICA GROUP

Notice of Investment and Business Alliance in Tokyo e-Sports Gate Co., Ltd.



Dec. 3, 2021  
ROBOT

ROBOT's artist Yujin creates animation for NHK's Minna no Uta "Shin-kokyu" was broadcast from December 2021 to January 2022.

**ROBOT**

Dec. 12, 2021  
IMAGICA GROUP

IMAGICA GROUP "Sustainability Site" is newly established - Aiming to realize an affluent and sustainable society with "visual" at its core.



Dec. 28, 2021  
ROBOT

NHK's SDGs campaign characters, "Ao to Kii," a short animation featuring Ao, the water fairy, and Kii, the light fairy, was broadcast on NHK E-television.

**ROBOT**

Dec. 29, 2021  
IMAGICA Lab.  
COSMO SPACE

IMAGICA Lab. and COSMO SPACE provide technical cooperation for the MIYAVI Virtual Live 6.0 in Kyoto Kiyomizu Temple "MIYAVI in KIYOMIZU", a reenactment of the legendary live performance in a VR

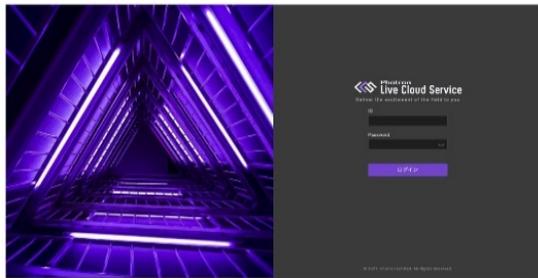


# Major Topics for January to March 2022

Jan. 31, 2022  
Photron

Started offering Photron Live Cloud Service to transmit/share images with high quality and low delays

 Photron  
Live Cloud Service



Feb. 8, 2022  
COSMO SPACE

Produced "NEC Networks SII Digital×Town" 5G Lab Contents



Feb. 15, 2022  
Imagica Digital Scape

Imagica Digital Scape sponsored e-sports Grand "REALFIGHT" online tournament for amateur gamers on Feb. 26 (Sat.)



Feb. 17, 2022  
Photron

Launched SQ CAD, a new 3D CAD software for the production engineering field



Mar. 14, 2022  
IMAGICA EEX

Launched Virtual TGC, the official TGC metaverse that fully recreates the world of Tokyo Girls Collection!



Mar. 17, 2022  
IMAGICA EEX

Produce cutting-edge XR arena with large 4-sided LED panels and full-scale XR Imaging Systems & Solutions!



Mar. 25, 2022  
Imagica Digital Scape

Announced the production of the animated film "Tenjin". Participated in the "Anime no Tane 2022" project commissioned by the Agency for Cultural Affairs.



Mar. 31, 2022  
Photron

Launched FASTCAM Nova S20, a high-end compact high-speed camera



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**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.