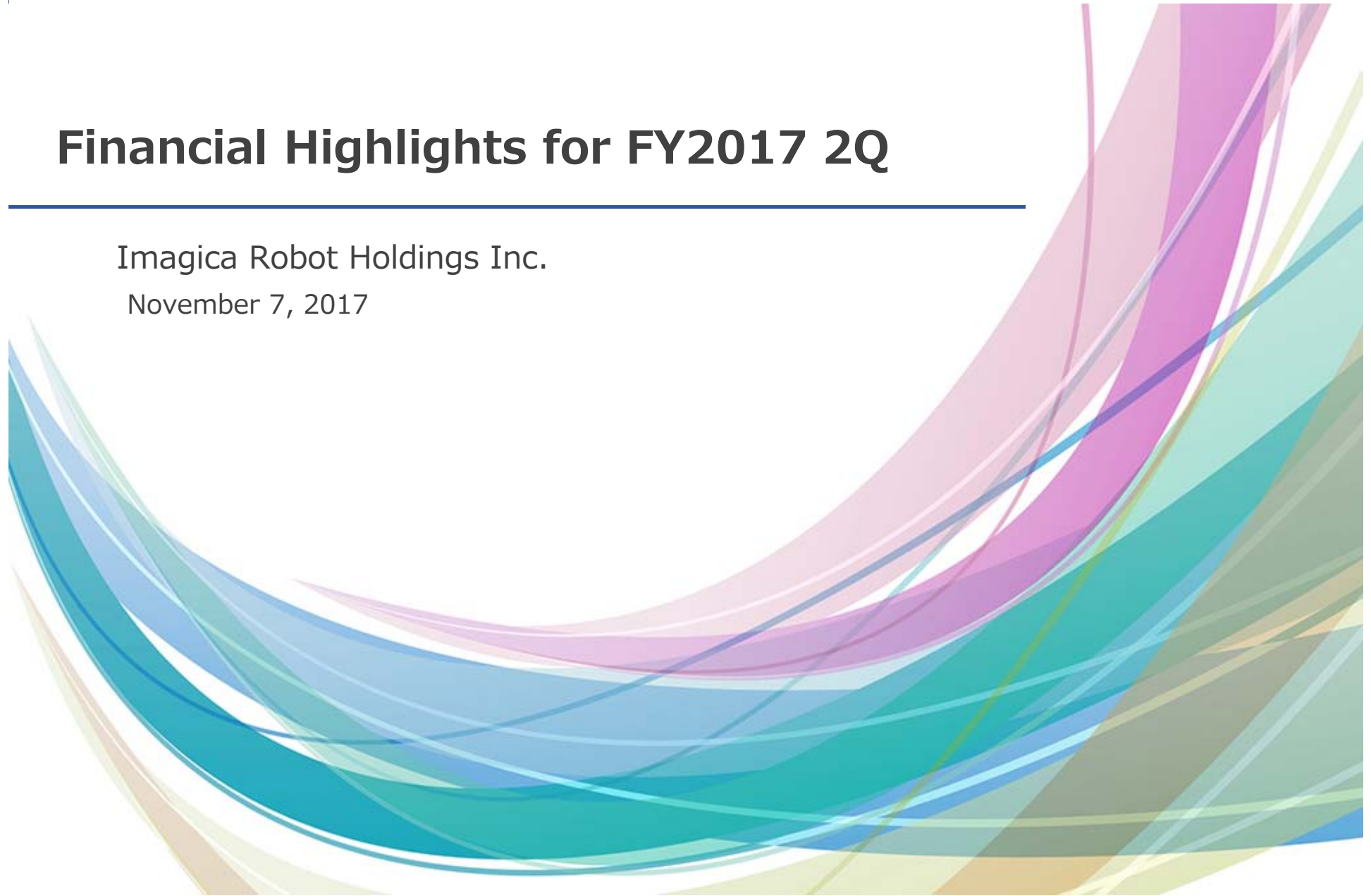


Financial Highlights for FY2017 2Q

Imagica Robot Holdings Inc.

November 7, 2017



Summary

- **Net sales increased 7% YoY**
(Excluding the impact of sales IMAGICA TV, 15% YoY)
- **OP reached ¥1.1bn (5 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 ¥1.85bn**
- **Consolidated forecast for FY2018 was revised based on 2Q performance**

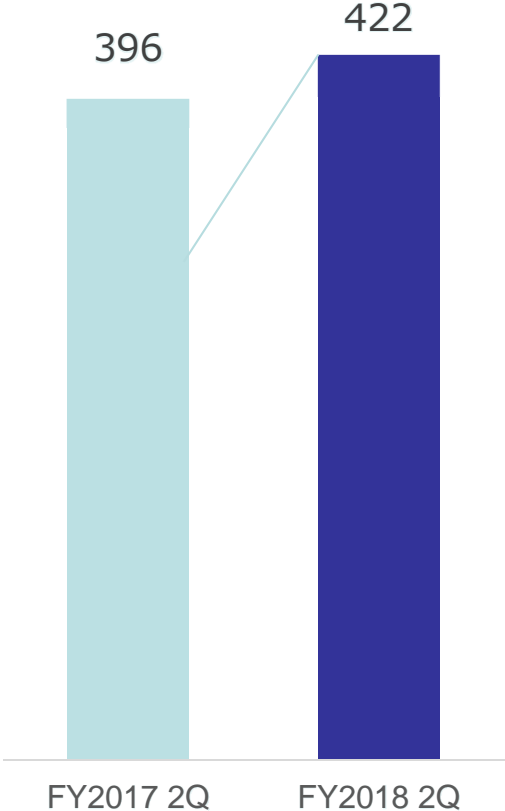
Highlight of financial results

Nat sales

¥42.2bn

YoY
+¥2.6bn

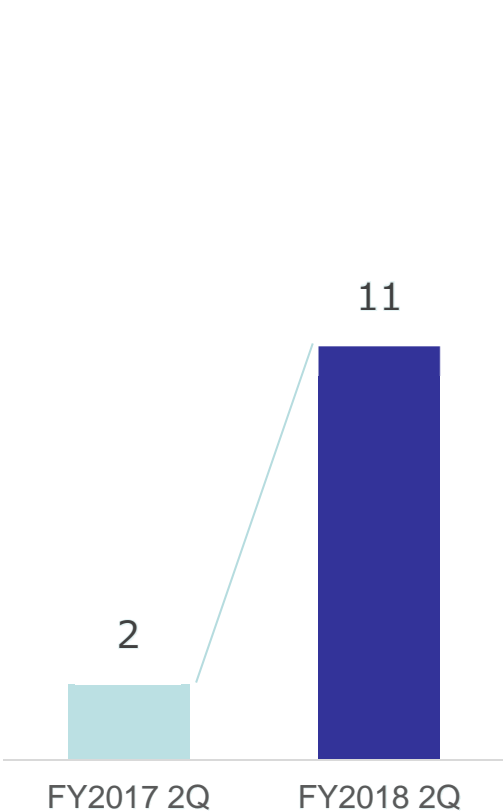
(100 millions of yen)



Operating income

¥1.1bn

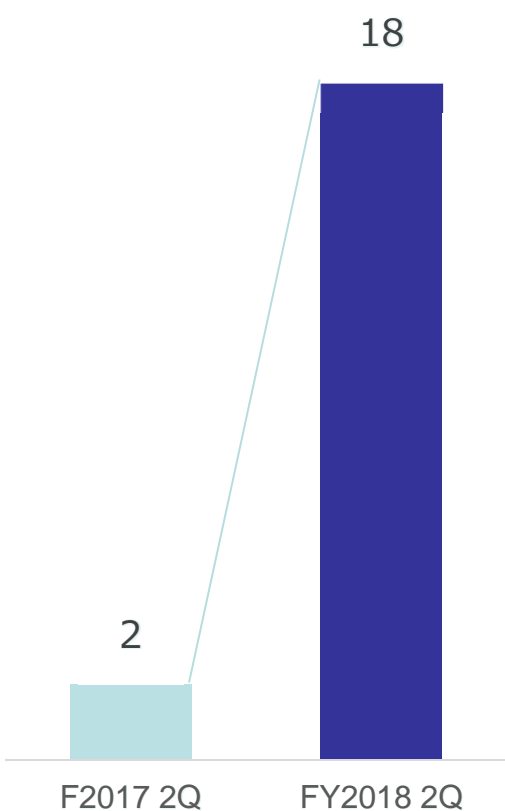
YoY
+¥0.9bn



Net income attributable to owners of the parent

¥1.8bn

YoY
+¥1.5bn



2Q Financial results by segments

(Millions of yen)		FY2016	FY2017		Factor	
		2Q Actual	2Q Actual	YoY ratio		YoY
Content Creation	Net sales	9,070	10,705	18.0%	1,635	<ul style="list-style-type: none"> ➤ Decrease YoY in Anime distribution from production committee ➤ Decrease YoY CM production
	Operating income (OP ratio)	567 (6.2%)	277 (2.6%)	△51.1%	△289	
Production Services	Net sales	12,397	13,642	10.0%	1,245	<ul style="list-style-type: none"> ➤ Business for OTT saw strong performance. ➤ Increase sales in the game CG and debugging businesses.
	Operating income (OP ratio)	356 (2.9%)	611 (4.5%)	71.4%	254	
Media Localization	Net sales	10,242	12,235	19.5%	1,992	<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)	△ 1,024 (---%)	△ 25 (---%)	-	999	
Imaging Systems & Solutions	Net sales	5,747	6,419	11.7%	672	<ul style="list-style-type: none"> ➤ Increase sales in 4K-broadcasting system and maintenance service.
	Operating income (OP ratio)	358 (6.2%)	440 (6.9%)	22.9%	82	

* OTT = "Over The Top" means the companies excluding telecommunications that provide contents such as video and audio. 4

Revision on consolidated forecast

Net sales remains, but Operating income, Ordinary income and Net income were revised upward.

(Millions yen)

	FY2015	FY2016	FY2017			
	Actual	Actual	Previous Forecast	Revised forecast	Difference ratio	Difference
Net sales	70,036	87,586	87,900	87,900	0.0%	0
Operating income	653	1,787	1,600	1,800	12.5%	200
(Ratio)	(0.9%)	(2.0%)	(1.8%)	(2.0%)		
Ordinary income	760	2,014	1,500	1,800	20.0%	300
(Ratio)	(1.1%)	(2.3%)	(1.7%)	(2.0%)		
Net income (loss) attributable to owners of the parent	△1,555	1,707	2,200	2,300	4.5%	100
Earnings per share of common	△34.93	38.35	49.40	51.6	4.5%	2.2

Revision on forecast by segments

(Millions yen)		FY2017 2Q Actual	FY2017 Previous forecast	FY2017 Revised forecast	Difference	Perspective
Content Creation	Net sales	10,705	24,000	24,300	300	Sales forecast raised due to strong orders for TV animation. OP decreased due to low distribution from the animation production committee.
	Operating income (Ratio)	277 (2.6%)	900 (3.8%)	700 (2.9%)	Δ 200	
Production Services	Net sales	13,642	28,000	27,800	Δ 200	Sales in TV business are expected to decline temporarily, but we maintain OP.
	Operating income (Ratio)	611 (4.5%)	1,100 (3.9%)	1,100 (3.6%)	0	
Media Localization	Net sales	12,235	24,000	24,000	0	Sales for OTT was favorable in the first half, but will return to normal base in the second half. Such as IT expenses are expected to increase in the second half.
	Operating income (Ratio)	Δ 25 (---%)	Δ 1,050 (---%)	Δ 650 (---%)	400	
Imaging Systems & Solutions	Net sales	6,419	14,000	14,000	0	The Order of 4K system in broadcast station is steady. No change in the initial forecast.
	Operating income (Ratio)	440 (6.9%)	1,300 (9.3%)	1,300 (9.3%)	0	

* OTT = "Over The Top" means the companies excluding telecommunications that provide contents such as video and audio. 6

Appendix.

Consolidated profit and loss statement

(Million of yen)

	FY2015	FY2016	FY2017		YoY
	2Q Actual	2Q Actual	2Q Actual	YoY ratio	
Net sales	29,767	39,615	42,263	6.7%	2,648
Gross profit	9,209	11,942	11,536	△3.4%	△406
(Ratio)	(30.9%)	(30.1%)	(27.2%)		
Operating income(loss)	△ 210	228	1,131	395.8%	903
(Ratio)	(-%)	(0.6%)	(2.6%)		
Ordinary income(loss)	△ 118	272	1,218	347.2%	946
(Ratio)	(-%)	(0.7%)	(2.8%)		
Net profit (loss) before taxes	△ 141	223	3,318	1,382.0%	3,094
Net income attributable to profit	27	278	1,856	566.0%	1,578
(Reference) Operating income before goodwill	204	984	1,855	88.4%	871

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

Consolidated financial statements

	Year ended March 31, 2017	2Q FY2017	Difference
Current assets	38,706	38,343	△363
Cash and deposits	8,716	10,722	+2,005
Non-current assets	29,500	27,691	△1,809
Goodwill	7,203	6,616	△587
Total Assets	68,207	66,034	△2,172
Current liabilities	24,273	22,252	△2,020
Short-term loans payable	4,793	4,677	△116
Non-current liabilities	13,992	12,173	△1,818
Long-term loans payable	8,735	7,489	△1,245
Total Liabilities	38,265	34,426	△3,839
Shareholder's equity	25,690	27,102	+1,411
Accumulated other comprehensive income	622	1,055	+432
Non-controlling interests	3,628	3,450	△178
Total Net assets	29,941	31,608	+1,666
負債純資産合計	68,207	66,034	△2,172

Difference breakdown

Current assets△363M
 Cash and deposits +2,005M
 Notes and accounts receivable- trade
 △2,886M

Non-current assets△1,809M
 Goodwill△587M
 Others△436M
 Investments securities+705M
 Deferred tax asset△1,031M

Current liabilities△2,020M
 Notes and accounts payable- trade
 △2,254M
 Income taxes payable△444M
 Advance payment+1,456M

Shareholder's equity
 Net income +1,856M
 Dividend payment △445M

Non-controlling Interests
 Mainly for SDI Media Group,Inc

(Reference) Net Cash	△4,813	△1,444	3,369
(Reference) Equity	26,313 (38.6%)	28,157 (42.6%)	1,844

Net cash = Cash and deposits - debt
 10,772-(4,677+7,489)=△1,444

キャッシュ・フローの状況

	FY2016 2Q	FY2017 2Q
Income before income taxes	223	3,318
Depreciation and Amortization	1,341	1,297
Amortization of goodwill	431	431
Decrease (increase) in notes and accounts receivable-trade	3,377	2,396
Decrease (increase) in inventories	△3,483	△615
Increase (decrease) in notes and accounts payable-trade	△974	△1,851
Income taxes (paid) and refund	△232	△1,381
Other	655	△1,709
Cash flows from operating activities	1,338	1,886
Purchase of property, plant and equipment	△1,058	△725
Purchase of investments in subsidiaries resulting in change in scope of consolidation	△4,294	-
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation		2,941
Other	13	△231
Cash flows from investing activities	△5,339	1,985
Cash dividends paid	△667	△445
Net increase (decrease) in short-term loans payable	782	△220
Net increase (decrease) in long-term loans payable	2,054	△1,115
Other	△186	△126
Cash flows from financing activities	1,983	△1,908
Net increase (decrease) in cash and cash equivalents	△2,261	2,005
Cash and cash equivalents at end of period	10,240	10,721