Financial Highlights for FY2018 3Q

IMAGICA GROUP Inc.

Code: 6879

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Highlight of financial results

(million yen)

Net sales

¥63,387

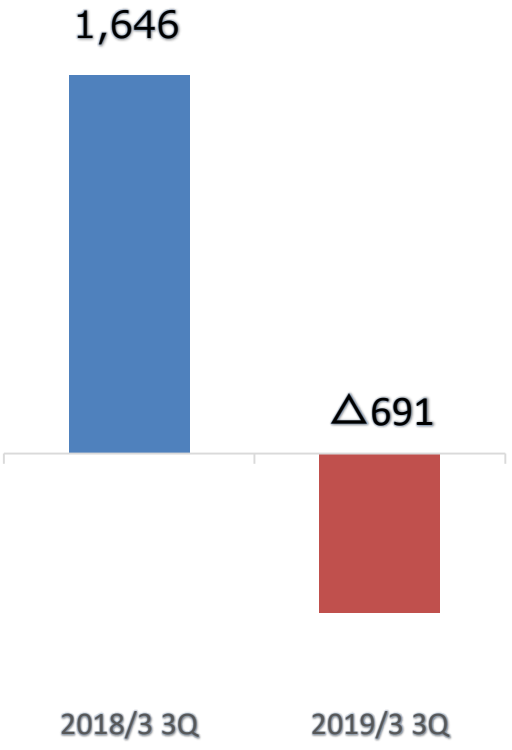
YoY
△**1,077**



Operating income

△¥691

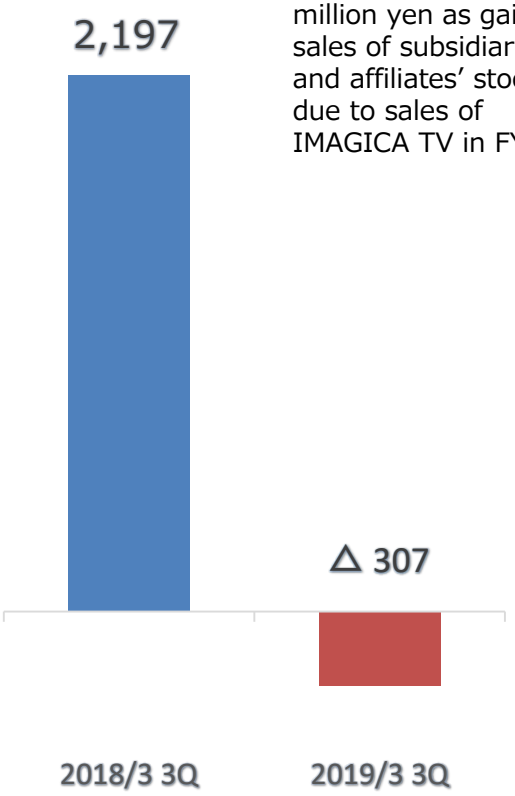
YoY
△**2,337**



Net income attributable to owners of the parent

△¥307

YoY
△**¥2,504**



＊We recorded 2,177 million yen as gain on sales of subsidiaries and affiliates' stocks due to sales of IMAGICA TV in FY2017.

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3Q Financial results by segments

(million yen)		FY2017	FY2018			Factor
		3Q Actual	3Q Actual	YoY ratio	YoY	
Content Creation	Net sales	**17,523**	**16,334**	△6.8%	△1,189	➢ TV commercials, projection mapping and out of home advertises result in positive sales. ➢ Feature film of animation, TV anime series and full-CG works increased production costs.
	Operating income	**703**	**△149**	-	△852	
	(OP ratio)	4.0%	−%			
Production Services	Net sales	**20,360**	**20,070**	△1.4%	△290	➢ Post-production services for TV animations, human resource services for IT jobs, and meteorological information services received solid orders. ➢ Post-production from TV program ‘reduced its revenues and profits/
	Operating income	**912**	**170**	-	△742	
	(OP ratio)	4.5%	0.8%			
Media Localization	Net sales	**18,049**	**18,240**	1.1%	191	➢ Localization services in Europe were good sales. ➢ Americas and Asia were negative due to shifts in market conditions. ➢ Media Localization as a whole posted a revenue increase
	Operating income	**△362**	**△1,211**	-	△849	
	(OP ratio)	−%	−%			
Imaging Systems & Solutions	Net sales	**9,620**	**10,035**	4.3%	415	➢ Imaging sector in Japan was strong. ➢ Sales in professional video sector for broadcast continues favorable performance. ➢ Sales in LSI for China was strong.
	Operating income	**635**	**822**	29.4%	187	
	(OP ratio)	6.6%	8.2%			

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Financial forecast by segments

(million yen)		FY2017 Actual	FY2018 Forecast	FY2018 YoY	FY2018 YoY ratio	FY2018 3Q Actual
Content Creation	Net sales	**25,289**	**23,200**	△2,089	△8.3%	**16,334**
	Operating income	**799**	**400**	△399	△49.9%	**△149**
	(OP ratio)	(3.2%)	(1.7%)			(---%)
Production Services	Net sales	**27,725**	**28,300**	575	2.1%	**20,070**
	Operating income	**1,209**	**800**	△409	△33.8%	**170**
	(OP ratio)	(4.4%)	(2.8%)			(0.8%)
Media Localization	Net sales	**24,814**	**24,000**	△814	△3.3%	**18,240**
	Operating income	**△674**	**△1,600**	△926	-	**△1,211**
	(OP ratio)	**(---%)**	(---%)			**(---%)**
Imaging Systems & Solutions	Net sales	**14,997**	**15,500**	503	3.4%	**10,035**
	Operating income	**1,449**	**1,600**	151	10.4%	**822**
	(OP ratio)	(9.7%)	(10.3%)			(8.2%)
Others (Consolidated adaptation)	Net sales	△1,474	△1,000	474	-	△1,292
	Operating income	△359	△700	△341	-	△323
Consolidated	Net sales	**91,351**	**90,000**	△1,351	△1.5%	**63,387**
	Operating income	**2,424**	**500**	△1,924	△79.3%	**△691**

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Quarterly consolidated statement of income

(million yen)	FY2017	FY2018		
	3Q Actual	3Q Actual	YoY ratio	YoY
Net sales	**64,464**	**63,387**	△1.7%	△1,077
Gross profit (Ratio)	**17,426** 27.0%	**16,259** 25.7%	△6.7%	△1,166
Operating income(loss) (Ratio)	**1,646** 2.6%	**△691** －%	-	△2,337
Ordinary income(loss) (Ratio)	**1,721** 2.7%	**△685** －%	-	△2,405
Extraordinary income	**2,183**	**372**	△83.0%	△1,811
Extraordinary losses	**204**	**84**	△13.2%	△120
Net profit (loss) before taxes	**3,700**	**△397**	-	△4,097
Net income attributable to profit	**2,197**	**△307**	-	△2,505
(Reference) Operating income before goodwill	2,714	469	-	△2,245

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

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Quarterly consolidated balance sheets

(million yen)	Year ended March 31, 2018	As of 31 December, 2018	Difference	Difference breakdown
Current assets	**39,661**	**38,600**	△1,060	Current assets △1,060 Cash △2,603 Inventories +4,867 Accounts receivable △4,274
Cash and deposits	**11,131**	**8,527**	△2,603	
Non-current assets	**30,868**	**27,521**	△3,346	Non-current assets △3,346 Goodwill △724 Investments securities △1,722 Stocks of subsidiaries and affiliates △355
Goodwill	**7,255**	**6,531**	△724	
Total Assets	**70,529**	**66,122**	△4,407	
Current liabilities	**23,894**	**25,073**	1,178	Current liabilities +1,178 Accounts payable △487 Provision for bonuses △865 Others +2,014
Short-term loans payable	**4,982**	**5,439**	457	
Non-current liabilities	**13,656**	**10,989**	△2,666	Non-current liabilities △2,666 Long-term loans △2,213 Long-term accounts △232
Long-term loans payable	**8,891**	**6,677**	△2,213	
Total Liabilities	**37,551**	**36,063**	△1,487	
Shareholder's equity	**28,184**	**26,940**	△1,244	Shareholders' equity △1,244 Retained earnings △752 Treasury stock △489
Accumulated other comprehensive income	**1,241**	**99**	△1,141	
Non-controlling interests	**3,552**	**3,019**	△533	
Total Net assets	**32,978**	**30,058**	△2,919	
Total Liabilities and Net assets	**70,529**	**66,122**	△4,407	

(Reference) Net Cash	△2,742	△3,539	△847
(Reference) Equity	29,425 41.7%	27,039 40.9%	△2,386

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