

May 9, 2025



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Notice of Recording of Extraordinary Losses and Difference between Forecast and Actual Results

We hereby announce we recorded the following extraordinary losses in the fourth quarter of the fiscal year ended March 31, 2025.

We also announce the difference between the consolidated forecast announced on March 4, 2025 and the actual results for the fiscal year ended March 31, 2025

1. Recording of Extraordinary Losses

(1) Impairment loss on goodwill

The overseas E2E service business conducted by Pixelogic Holdings LLC, a consolidated subsidiary of the Company, has been experiencing a change in business environment due to a significant drop in demand since the previous fiscal year. Under such circumstances, the Company has focused on improving profitability through cost reductions including workforce reductions. However, as a result of reevaluating the profitability projected in the business plan at the time of acquisition of this business, an impairment loss of 2,945 million yen on goodwill related to this business was recorded as an extraordinary loss.

(2) Losses related to business withdrawal

As announced in "Notice Regarding Results of Call for Voluntary Retirement, Recognition of Extraordinary Losses and Revision of Forecast" dated March 4, 2025, as a result of call for voluntary retirement associated with withdrawal from TV post-production business conducted by our consolidated subsidiary, IMAGICA Lab Inc., a consolidated subsidiary of the Company, an extraordinary loss of 903 million yen was recorded for the additional retirement allowance.

2. Difference between forecasts and actual results

(1) Consolidated Results for the Fiscal Year Ended March 31, 2025

(April 1, 2024 - March 31, 2025)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	96,000	1,200	800	(1,500)	(33.94)
Actual results (B)	96,910	2,479	1,866	(3,717)	(83.97)
Change (B-A)	910	1,279	1,066	(2,217)	(50.03)
Percent change (%)	0.9%	106.6%	133.3%	-	-
(For reference) Previous year results (The Fiscal Year Ended Mar. 31, 2024)	99,684	3,924	3,727	2,373	53.57

(2) Reasons for difference

Net sales and operating income for the current fiscal year exceeded the forecast. Net sales and operating income in the Content Creation business exceeded forecasts mainly due to orders for large-scale projects in commercial production, and net sales and operating income in the Production Technology Services business exceeded the forecast mainly due to growth in digital cinema service and a review of costs in the game-related business. In the Imaging Systems & Solutions business, sales were lower due to a slowdown in shipments of high-speed cameras to China, but operating income was higher with the contribution of broadcast imaging systems & solutions, with which the deliveries were concentrated at the end of the period.

Ordinary income exceeded the forecast mainly due to an increase in operating income.

Net income attributable to owners of the parent fell short of the forecast due to recording of an impairment loss on goodwill referred in the previous paragraph, despite increase in ordinary income.

3. Dividend forecast

There is no change in the forecast of dividend per share for the fiscal year ended March 31, 2025 of 15 yen.