

NEWS RELEASE

Sept 30, 2022

Company name IMAGICA GROUP Inc.

Notice of Agreement between a Consolidated Subsidiary of the Company and Toho Co., Ltd. Regarding the Establishment of a New Company

Imagica Entertainment Media Services, Inc. (Headquarters: Minato-ku, Tokyo; President: Masashi Nakamura; hereinafter "Imagica Entertainment Media Services"), a consolidated subsidiary of the Company, has entered into an agreement with Toho Co., Ltd. (Headquarters: Chiyoda-ku, Tokyo; President: Hiroyasu Matsuoka; hereinafter "Toho") regarding the joint establishment of a new company (trade name: to be determined) to provide Digital Cinema Package (DCP) delivery services to theaters and establish a business foundation for the sustainable growth of Japan's DCP market.

Background to and purpose of the establishment of the new company

Under recent advances in digital technology, the method of delivery of feature film DCPs to theaters has begun to shift from physical delivery of hard disk drives (HDDs) or similar media to digital distribution via networks, amid the ongoing development of environments for further labor-saving and streamlining of operations by both distributors and entertainment companies. Imagica Entertainment Media Services and Toho will combine their management resources and know-how to accelerate the development of digital distribution infrastructure in Japan and to provide efficient, flexible, and secure next-generation digital cinema delivery services.

Our Group will continue to make the most of creative planning and production, matched by collaboration that crosses industry and domain boundaries, in our aim to be a visual communications group that brings surprise and delight to people around the world. The impact of this matter on the Company's Consolidated Forecast is not expected to be material.

*For details, please refer to the attached "Imagica Entertainment Media Services News Release".

(About IMAGICA GROUP Inc.)

Head Office	1-14-2 Kaigan, Minato-ku, Tokyo 105-0022, Japan
Representative	Representative Director, President : Nobuo Fuse
Founded	February 18, 1935
Capital	3,306 million yen
Areas of Operation	Shareholding, management and operations of the group companies of the IMAGICA GROUP.
URL	https://www.imagicagroup.co.jp/en/

(Main group companies)

ROBOT COMMUNICATIONS Inc.
 PICS Inc.
 OLM, Inc.
 OLM Digital, Inc.
 OLM Ventures Inc.
 Shufunotomo Infos Co., Ltd.
 IMAGICA Iris Co., Ltd.
 IMAGICA EEX Co., Ltd.

Imagica Entertainment Media Services, Inc.
 Pixelogic Holdings LLC
 PPC Creative Limited
 IMAGICA Lab. Inc.
 COSMO SPACE Co.,Ltd.
 IMAGICA DIGITALSCAPE Co.,Ltd.
 Weather Map Co., Ltd.
 IMAGICA ALOBASE Co., Ltd.
 Shonan Hi-tech Planning Co.,Ltd.

Photron Limited
 Photron M&E Solutions Inc.
 i-Chips Technology Inc.
 IPmotion Inc.
 Photonic Lattice, Inc.
 IMAGICA LIVE Corporation.

September 30, 2022

Imagica Entertainment Media Services, Inc.

Imagica EMS agreed with Toho to create a joint venture to provide DCP delivery services

Tokyo — Imagica Entertainment Media Services, Inc. (“Imagica EMS”) today announced it has entered an agreement with Toho Co., LTD. to create a joint venture company that distributes and delivers Digital Cinema Package (“DCP”) files to theaters and cinema chains in Japan. The new company 2023, will take over and consolidate all the services currently provided by Imagica EMS and Tokyo Laboratories for DCP media duplication, delivery and distribution, key generation and management, post-release support services and system integration and installation for cinemas.

“We are very excited about this opportunity of combining our operational capabilities and leadership in quality and technology with such of Toho Group, one of the leading film distributors and cinema exhibitors in Japan,” stated Masashi Nakamura, President & CEO, Imagica EMS. “We have already over 120 cinema sites, including Toho Cinemas, connected with our DCP delivery technology. This collaboration will further expand our efficient, adaptable and secure content delivery network and help us better serve the community of film distributors and exhibitors.

Hiro Matsuoka, President and Representative Director of Toho, said, “We are looking forward to working with the Imagica Group, which has long contributed to the film industry as Japan's top laboratory since the days when movies were made on film, to advance the digital transformation of film distribution and movie theaters.”

Under the terms of the agreement, Imagica will own 66.6% and Toho will receive a 33.4% equity stake in the joint venture company, which is expected to start operating at Imagica’s facility in Shinagawa in April, 2023.

About Imagica Entertainment Media Services, Inc.

Imagica Entertainment Media Services (<https://www.imagica-ems.co.jp/en>) is a leading provider of post-production and media services based in Tokyo, Japan, serving content creators and distributors all over the world. With its roots as the first film laboratories in Japan, the company has supported the content production and media industry for 90 years since 1932. It has pioneered a number of technologies in the field of digital cinema including that of mastering services and its unique, proprietary systems and tools such as for key generation tools (“CLAVIS”) and for IP-based file distribution (“Shaula”). The company has five operating facilities, including its flagship Takeshiba Media Studio, newly built in 2021, and operates as part of IMAGICA GROUP’s Global E2E (end-to-end) Services network together with Pixelogic Media (<https://pixelogicmedia.com>)

About Toho Co., Ltd.

Toho Company, Limited, is a Japanese entertainment studio focused on the development, production, exhibition, and distribution of powerful content for motion pictures, television and theater. Founded in 1932, it remains a prominent force in bringing brands and original storytelling with versatile talents to audiences worldwide. Its subsidiaries include Toho Cinemas, the leading exhibition company in Japan.