

July 31, 2025



To whom it may concern:

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Notice Regarding Share Consolidation, Abolition of Provisions on Share Units and Partial Amendment to the Articles of Incorporation

IMAGICA GROUP Inc. (the “Company”) hereby announces that its Board of Directors resolved, at its meeting held today, to convene an extraordinary shareholders’ meeting on September 2, 2025 (the “Extraordinary Shareholders’ Meeting”) and submit to the Extraordinary Shareholders’ Meeting proposals for share consolidation, abolition of the provisions regarding share units, and partial amendment to the articles of incorporation of the Company, as described below.

The common shares of the Company (the “Company Shares”) will meet the delisting criteria of the Tokyo Stock Exchange, Inc. (the “TSE”) in the process of the procedures above. Therefore, it is planned that, from September 2, 2025 to September 28, 2025, the Company Shares will be designated as securities to be delisted and then be delisted as of September 29, 2025. Please note that the Company Shares will no longer be tradable on the Prime Market of the TSE after they are delisted.

I. Share Consolidation

1. Purposes of and Reasons for the Share Consolidation

As announced in the Company’s press release entitled “Notice Regarding Implementation of MBO and Recommendation to Tender Offer” dated May 9, 2025, Mikaduki, Inc. (the “Tender Offeror”) conducted a tender offer (the “Tender Offer”) for the Company Shares, as part of a series of transactions (the “Transactions”) aimed at delisting the Company, which is currently listed on the Prime Market of TSE, and ultimately achieving a state where the Tender Offeror, Creato Ltd. (“Creato”), and Creato Holdings Ltd. (the parent company of Creato, “Creato HD”, and together with Creato, the “Non-Tendering Shareholders”), are the sole shareholders of the Company. However, as a result of discussions among the Proposers (as defined below), the Tender Offeror and the Non-Tendering Shareholders (as defined below) after the commencement date of the settlement of the Tender Offer, it has been decided that, ultimately, only the Tender Offeror and Creato will remain as the sole shareholders of the Company.

As announced in the Company’s press release entitled “Notice Regarding Results of Tender Offer for Company Shares by Mikaduki, Inc. and Change in Major Shareholder” dated June 21, 2025, as a result of the Tender Offer, the Tender Offeror came to hold 16,662,324 shares of the Company (ownership ratio: 37.62%) as

of June 27, 2025 (the commencement date of the settlement of the Tender Offer).

In light of the significant changes in the external environment surrounding the Company's group (i.e., the Company and its subsidiaries), the Company believes that it is necessary to urgently implement aggressive measures that require a considerable amount of time and involve significant risks. The Company believes that: (i) the expansion of business through large-scale M&A and investment in the development of non-video areas; (ii) establishment of new business models in addition to production outsourcing; and (iii) large-scale structural reform through the sale or integration of existing businesses being considered by Mr. Fumio Nagase, Chairman and Representative Director of the Company, and Mr. Shunjiro Nagase, President and Representative Director of the Company and President and Representative Director of the Tender Offeror (Mr. Fumio Nagase and Mr. Shunjiro Nagase are collectively referred to as the "Proposers"), who proposed the Transactions to the Company, should be actively encouraged in order to further enhance the Company's medium- to long-term corporate value. On the other hand, considering that these measures may not immediately contribute to revenue, involve significant risks, will take a considerable period of time to implement, and include capital investments and fundamental structural reforms that may cause short-term deterioration in cash flow and earnings, the Company believes that implementing these measures while maintaining its listing on the TSE may have a negative impact on the market price of the Company Shares in the short term and may have a significant adverse impact on the Company's shareholders. Therefore, the Company has determined that the best option for further enhancing its corporate value is to provide its shareholders with an opportunity to sell their shares without having any short-term adverse impact on them through the Transactions, while also delisting the Company Shares from the TSE. This will enable the Company to implement measures without being constrained by short-term stock market evaluations and to establish a new management structure in which shareholders and management work together to enable agile and flexible decision-making.

Based on, among other matters, the above considerations, the Company has determined that the Transactions will contribute to enhancing the corporate value of the Company and that the terms and conditions of the Transactions are reasonable, and at its Board of Directors meeting held on May 9, 2025, the Company resolved to express an opinion in support of the Tender Offer and to recommend that the shareholders of the Company tender their shares in the Tender Offer.

As described above, although the Tender Offer has been completed, the Tender Offeror was unable to acquire all of the Company Shares (excluding the treasury shares held by the Company and all of the Company Shares held by the Non-tendering Shareholders that were agreed not to be tendered in the Tender Offer) through the Tender Offer. Therefore, at the request of the Tender Offeror, the Company resolved at its Board of Directors meeting to carry out a share consolidation (the "Share Consolidation"), in which 3,332,464 shares of the Company will be consolidated into 1 share, subject to the approval of the shareholders at the Extraordinary Shareholders' Meeting, with the aim of making the Tender Offeror and Creado the sole shareholders of the Company and to convene the Extraordinary Shareholders' Meeting for the purpose of approving the Share Consolidation.

In addition, Creado has terminated the trust agreement under which 3,500,000 shares of the Company (ownership ratio: 7.90%) were entrusted, with Creado as the sole trustor and beneficiary, Sumitomo Mitsui Trust

Bank, Limited as the trustee, and Custody Bank of Japan, Ltd. as the re-trustee, and received the return of the Entrusted Shares without any payment of consideration.

2. Outline of the Share Consolidation

(1) Schedule of the Share Consolidation

(i) Date of public notice of the record date of the Extraordinary Shareholders' Meeting	June 27, 2025 (Friday)
(ii) Record date of the Extraordinary Shareholders' Meeting	July 15, 2025 (Tuesday)
(iii) Date of resolution by the board of directors	July 31, 2025 (Thursday)
(iv) Date of the Extraordinary Shareholders' Meeting	September 2, 2025 (Tuesday) (planned)
(v) Date of designation as securities to be delisted	September 2, 2025 (Tuesday) (planned)
(vi) Last trading date of the Company Shares	September 26, 2025 (Friday) (planned)
(vii) Date of delisting of the Company Shares	September 29, 2025 (Monday) (planned)
(viii) Effective date of the Share Consolidation	October 1, 2025 (Wednesday) (planned)

(2) Details of the Share Consolidation

(i) Class of shares to be consolidated

Common shares

(ii) Consolidation ratio

3,332,464 shares of the Company Shares will be consolidated into 1 share.

(iii) Total number of issued shares to be reduced

44,332,830 shares

(iv) Total number of issued shares before the effectuation of the Share Consolidation

44,332,843 shares

(v) Total number of issued shares after the effectuation of the Share Consolidation

13 shares

(vi) Total number of authorized shares after the effectuation

52 shares

3. The Method of the Treatment in the Case of Accrual of Fractional Shares Less than One Share and the Amount of Money Expected to be Delivered to Shareholders as a Result of such Treatment

(1) Whether the Company intends to proceed pursuant to the provision of Article 235 (1) of the Companies Act, or Article 234 (2), as applied mutatis mutandis pursuant to Article 235 (2) of the Companies Act, and the reason therefor:

It is planned that the Company Shares held by shareholders other than the Tender Offeror and Creato will become fractional shares through the Share Consolidation.

With respect to fractional shares resulting from the Share Consolidation, shares equal to the total number of the fractional shares (the “Aggregate Fractional Shares”) (in accordance with Article 235 (1) of the Companies Act, if the total number includes fractional shares, such fractional shares will be discarded) will be sold in accordance with Article 235 of the Companies Act and other applicable laws and regulations, and the proceeds from such sale will be delivered to shareholders in proportion to the fractional shares held by them.

With respect to such sale, in view of the fact that the Share Consolidation is to be carried out with the aim of making the Tender Offeror and Creato the sole shareholders of the Company, and that the Company Shares will be delisted as of September 29, 2025 and will become non-marketable shares, it is unlikely that a new buyer will appear through an auction process, and thus it is planned that the Aggregate Fractional Shares will be purchased by the Company with the permission of the court pursuant to the provisions of Article 234 (2) and (4) of the Companies Act, as applied *mutatis mutandis* pursuant to Article 235 (2) of the Companies Act.

The sale price in such case, if the necessary permission of the court is obtained as planned, is planned to be set at a price that makes it possible to deliver to each shareholder cash in the amount obtained by multiplying the number of Company Shares held by the shareholder, as recorded or registered in the final shareholder register of the Company as of September 30, 2025, the day immediately preceding the effective date of the Share Consolidation, by JPY 795, which is equivalent to the tender offer price per share (the “Tender Offer Price”). However, the amount of cash that will actually be delivered to the shareholders may not be the same as the above amount in certain cases, such as the case where the Company is unable to obtain the permission of the court or it is necessary to make adjustments for fractions in the calculation.

- (2) The name of the expected purchaser of the Aggregate Fractional Shares
IMAGICA GROUP Inc. (the Company)

- (3) Expected timing of sale and payment of sales proceeds to shareholders

Following the effective date of the Share Consolidation, the Company plans to file a petition with the court, from around early to mid-October 2025, for permission for the Company to sell and purchase the Aggregate Fractional Shares in accordance with the provisions of Article 234 (2) and (4) of the Companies Act, as applied *mutatis mutandis* pursuant to Article 235 (2) of the Companies Act. While the timing of obtaining such permission may change depending on the circumstances of the court, the Company plans to obtain such court permission and purchase the Aggregate Fractional Shares from around late October to early November 2025, and thereafter, upon making the necessary preparations for delivering the proceeds from such sale to the shareholders, to deliver such sales proceeds to the shareholders from around early December 2025 to mid-January 2026.

Considering the time required for the series of procedures from the effective date of the Share Consolidation to the sale of the Aggregate Fractional Shares, the Company expects that the sale of the Aggregate Fractional Shares and the delivery of the sales proceeds to the shareholders will occur at the respective timings indicated

above.

(4) Measures to ensure the fairness of the Transactions and avoid conflicts of interest

Given that the Tender Offer is being conducted as part of a transaction that constitutes an MBO and in consideration of, among other things, the structural conflicts of interest, the Tender Offeror and the Company have taken the following measures to ensure the fairness of the Tender Offer Price, eliminate arbitrariness in the decision-making process leading to the determination to conduct the Tender Offer, and avoid conflicts of interest, thereby ensuring the fairness of the Transactions including the Tender Offer: (i) establishment of an independent special committee and obtaining its report, (ii) obtaining a stock valuation report from an independent third-party valuation firm, (iii) obtaining legal advice from an independent law firm, (iv) establishment of an independent review mechanism within the Company, and (v) ensuring objective conditions that guarantee the fairness of the Tender Offer.

In addition, at the Board of Directors' meeting held May 9, 2025, all six directors (including three directors who are members of the Audit and Supervisory Committee) out of a total of eight directors, excluding the Proposers, expressed an opinion in support of the Tender Offer and resolved to recommend that the shareholders of the Company tender their shares in the Tender Offer. Furthermore, Mr. Fumio Nagase, the Representative Director of the Non-tendering shareholders, and Mr. Shunjiro Nagase, Representative Director of the Tender Offeror, will continue serving in their respective management roles at the Company after the completion of the Tender Offer. Given the conflict of interest between the Company and the Proposers regarding the Transactions, the Proposers did not participate in the deliberations or resolutions of the aforementioned Board of Directors' meeting, nor have they participated in any discussions or negotiations with the Tender Offeror on behalf of the Company.

4. Future Prospects

As announced in "1. Purposes and reasons for the Share Consolidation" above, the Company intends to carry out the Share Consolidation, subject to the approval of shareholders at the Extraordinary Shareholders' Meeting, and make the Tender Offeror and Creato the sole shareholders of the Company. As a result, the Company Shares will be delisted through the prescribed procedures in accordance with the delisting criteria set forth in the Securities Listing Regulations of the TSE. In terms of the schedule, it is planned that, from September 2, 2025 to September 28, 2025, the Company Shares will be designated as securities to be delisted, and then be delisted as of September 29, 2025. After the Company shares are delisted, the Company Shares will no longer be tradable on the Prime Market of the TSE.

The Transactions constitute an MBO, and the Proposers intend to continue to manage the Company after the Transactions and promote operational measures as stated in "1. Purposes and Reasons for the Share Consolidation" above.

5. Matters Relating to "Transactions, etc. with a Controlling Shareholder"

(1) Applicability of "Transactions, etc. with a Controlling Shareholder" and Status of Compliance with Guidelines

relating to Policy to Protect Minority Shareholders

Since Creato is a “controlling shareholder other than parent company” of the Company, the transaction relating to the Share Consolidation constitutes “transactions, etc. with a controlling shareholder”.

The Company has adopted a basic policy of taking appropriate actions in order to avoid undermining the interests of minority shareholders by carrying out procedures in compliance with applicable laws and regulations when conducting transactions, etc. with a controlling shareholder and taking measures to ensure the fairness of the terms and conditions of transactions with the controlling shareholder and to avoid conflicts of interest.

In the decision-making on the Share Consolidation, the Company has also taken measures to ensure fairness and to avoid conflicts of interest as described in “(4) Measures to ensure the fairness of the Transactions and avoid conflicts of interest” in “3. The Method of the Treatment in the Case of Accrual of Fractional Shares Less than One Share and the Amount of Money Expected to be Delivered to Shareholders upon the Treatment” above, and believes that such measures conform to the above policy.

(2) Overview of Opinion Obtained from Person Having No Conflict of Interest with Controlling Shareholder that the Transaction is Not Disadvantageous to Minority Shareholders

On May 9, 2025, the Company received a report (the “Report”) from the Special Committee established to consider the proposal of the Transactions, stating that the implementation of the Transactions would not be disadvantageous to the Company’s minority shareholders. Since the Report includes an opinion on the Transactions, including the Share Consolidation, since the completion of the Tender Offer, the Company has not separately obtained an opinion from a person having no conflict of interest with the controlling shareholders in relation to the implementation of the Share Consolidation.

II. Abolition of Provisions Regarding Share Units

1. Reasons for Abolition

If the Share Consolidation takes effect, there will be a total of 13 issued shares of the Company, making it unnecessary to set share units.

2. Planned Abolition Date

October 1, 2025 (Wednesday) (planned)

3. Conditions for Abolition of Provisions

The abolition is subject to the proposal on the Share Consolidation and the proposal on the partial amendment to the articles of incorporation to abolish the provision regarding share units being approved and adopted in their original form at the Extraordinary Shareholders' Meeting and the Share Consolidation taking effect.

III. Partial Amendment to Articles of Incorporation

1. Details of Amendment

(1) If the Share Consolidation takes effect, the total number of authorized shares of the Company will be reduced

to 52 shares pursuant to Article 182 (2) of the Companies Act. To clarify this, subject to the Share Consolidation taking effect, the phrase “150,000,000 shares” in Article 6 (Total number of authorized shares) of the Articles of Incorporation will be amended to “52 shares”.

- (2) If the Share Consolidation takes effect, it will become unnecessary to set share units. Accordingly, subject to the Share Consolidation taking effect, Article 7 (Share unit number) and Article 8 (Rights related to shares less than one unit) of the Articles of Incorporation will be deleted in their entirety in order to abolish the provisions on the share units of the Company Shares, under which 100 shares currently constitute one unit.
- (3) If the Share Consolidation takes effect, the provisions on the system for electronic provision of materials for shareholders meetings will become unnecessary. Accordingly, subject to the Share Consolidation taking effect, Article 15 (Measures for electronic provision, etc.), and Article 2 of the Supplementary Provisions of the Articles of Incorporation will be deleted in their entirety.

2. Schedule of Amendment

October 1, 2025 (Wednesday) (planned)

3. Conditions of Amendment

The amendment is subject to the proposal on the Share Consolidation being approved and adopted in its original form at the Extraordinary Shareholders' Meeting and the Share Consolidation taking effect.

End

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.