



May 9, 2025

To whom it may concern:

Company name IMAGICA GROUP Inc.
 Title and Name of Shunjiro Nagase
 Representative Representative Director, President

 (Securities code: 6879, TSE Prime)
 Inquiries Eiji Umeda
 Managing Executive Officer
 TEL +81-3-5777-6295

Notice Regarding Implementation of MBO and Recommendation to Tender Offer

IMAGICA GROUP Inc. (the “Company”) hereby announces that its Board of Directors has resolved at the meeting held today to express an opinion in support of the tender offer (the “Tender Offer”) implemented by Mikaduki, Inc. (the “Tender Offeror”) for the common shares of the Company (the “Company Shares”) as part of a so-called Management Buyout (the “MBO”). (Note 1)

(Note 1) An MBO generally refers to a transaction in which the management of the target company acquires shares of the target company by investing all or part of the acquisition funds on the assumption that the target company’s business will continue.

1. Overview of the Tender Offeror

(1)	Company name	Mikaduki, Inc.
(2)	Head office	2-7-18 Higashi-Gotanda, Shinagawa-ku, Tokyo
(3)	Name of Representative	Shunjiro Nagase Representative Director, President
(4)	Business	1. Acquisition, holding, management and trading of securities 2. Any other business related to the above
(5)	Capital	JPY 5,000 (as of May 9, 2025)
(6)	Date of establishment	March 28, 2025
(7)	Major shareholders and shareholding ratio	Shunjiro Nagase: 100%
(8)	Relationship between the Company and the Tender Offeror	
	Capital relationship	None
	Personnel relationship	Shunjiro Nagase, President and Representative Director of the Company, also

		serves as President and Representative Director of the Tender Offeror
	Business relationship	None
	Status as a related party	None

2. Tender Offer Price

JPY 795 per share of the Company Shares (the “Tender Offer Price”)

3. Details, Basis and Reasons for Opinions on the Tender Offer

The Tender Offeror intends to conduct the Tender Offer as part of a series of transactions (the “Transactions”) aimed at delisting the Company, which is currently listed on the Prime Market of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”), and ultimately achieving a state where the Tender Offeror, Creado Ltd. (number of shares in the Company: 20,642,247, ownership ratio: 46.60%; “Creado”), and Creado Holdings Ltd. (number of shares in the Company: 400,000, ownership ratio: 0.90%; the parent company of Creado, “Creado HD”) (Note 2), are the sole shareholders of the Company.

The Tender Offeror was established on March 28, 2025, with the primary purpose of conducting the Tender Offer. As of today, Mr. Shunjiro Nagase, President and Representative Director of the Company, serves as the President and Representative Director of the Tender Offeror and owns all of the issued shares of the Tender Offeror. As of today, the Tender Offeror does not own any shares of the Company; however, Mr. Shunjiro Nagase, the sole shareholder of the Tender Offeror, owns 43,418 shares of the Company (ownership ratio: 0.10%).

(Note 2) Creado and Creado HD are both asset management companies owned by the family of founders of the Company. Creado and Creado HD are wholly owned, directly or indirectly, by Mr. Fumio Nagase, Mr. Shunjiro Nagase and their relatives within the third degree of kinship, and Mr. Fumio Nagase, who is the Chairman and Representative Director of the Company, serves as the Representative Director of both companies. In addition, Creado has entrusted 3,500,000 of the Company Shares (ownership ratio: 7.90%) (the “Entrusted Shares”) to Custody Bank of Japan, Ltd. as the re-trustee through Sumitomo Mitsui Trust Bank, Limited. as the trustee.

In addition, 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”), intend to continue to manage the Company after the completion of the Transactions.

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 to implement 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 the Proposers 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, require a considerable amount of time to implement, involve significant risks, 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 Tokyo Stock Exchange 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 Tokyo Stock Exchange. 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 today, 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.

4. Prospect of Delisting and Reasons Therefor

The Company Shares is currently listed on the Prime Market of the Tokyo Stock Exchange. However, since the Tender Offeror has not set an upper limit on the number of shares to be purchased in the Tender Offer, depending on the results of the Tender Offer, the Company Shares may be delisted in accordance with the delisting criteria established by the Tokyo Stock Exchange, following the prescribed procedures.

Additionally, even if the relevant criteria are not met at the time of the completion of the Tender Offer, the Tender Offeror intends to implement a squeeze-out procedure after the completion of the Tender Offer as described in Section 5 below, in which case, the Company Shares will be delisted from the Tokyo Stock Exchange in accordance with its delisting criteria after completing the necessary procedures.

Please note that after delisting, shareholders of the Company will not be able to trade the Company Shares on the Tokyo Stock Exchange.

5. Policy on Organizational Restructuring and Other Matters Following the Tender Offer (Matters Related to the Two-Tier Takeover Strategy)

According to The Tender Offeror, in the event that the Tender Offeror fails to acquire all of the Company Shares (excluding treasury shares held by the Company and Company Shares held by Creado and Creado HD, as well as the Entrusted Shares) in the Tender Offer, the Tender Offeror intends to implement the squeeze-out procedure outlined below after the Tender Offer is successfully completed.

The Tender Offeror intends to promptly request the Company to convene a extraordinary shareholders' meeting to resolve, among other matters, the consolidation of the Company Shares (the "Share Consolidation"), immediately after the completion of the settlement of the Tender Offer.

In the event that the number of shares resulting from the Share Consolidation includes fractions less than one share, the Company will, in accordance with the procedures prescribed by Article 235 of the Companies Act and other applicable laws and regulations, deliver to the shareholders of the Company who hold such fractions the cash proceeds obtained from the sale of the Company Shares to the Company or the Tender Offeror, equivalent to the sum of such fractions (any fractions of less than one share shall be rounded down). With respect to the sale price of the Company Shares corresponding to the total number of such fractional shares, the Tender Offeror will request the Company to file a petition with relevant court for permission for the voluntary sale of such shares upon calculating so that the amount of cash to be delivered to each of the Company's shareholders who did not participate in the Tender Offer (excluding the Tender Offeror, the Company, Creato and Creato HD) as a result of the sale is equal to the Tender Offer Price multiplied by the number of shares of the Company held by each such shareholder.

In the event that the number of shares resulting from the Share Consolidation includes fractions of less than one share, in accordance with the provisions of Article 182-4 and Article 182-5 of the Companies Act and other relevant laws and regulations, all shareholders of the Company (excluding the Tender Offeror, the Company, and Creato) may request the Company to purchase all such fractional shares at a fair price, and may petition the relevant court to determine the price of the Company Shares. In the Share Consolidation, the number of the Company Shares held by shareholders of the Company who did not tender their shares in the Tender Offer (excluding the Tender Offeror, the Company, and Creato) is expected to be less than one share, so shareholders of the Company who oppose the Share Consolidation will be able to file the above petition. In the event that such petition is filed, the purchase price of the Company Shares will ultimately be determined by the court.

6. Measures to Ensure the Fairness of the Tender Offer

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 today, 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 Creado and Creado HD, 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.

7. Outlook

Please refer to Sections 3, 4 and 5 above.

End of document

(Reference) "Notice Regarding Commencement of Tender Offer for Shares of IMAGICA GROUP Inc. (Securities Code: 6879) by Mikaduki, Inc" dated May 9, 2025.

<p>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.</p>
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