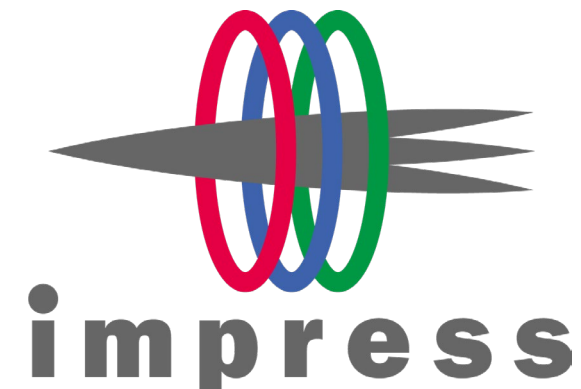


Supplementary Briefing Material on Financial Results for FY2024

Impress Holdings, Inc.

(TSE Standard : 9479)

May 13, 2025



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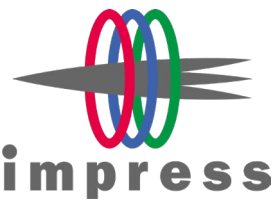
Any forward-looking statements contained in this document are based on current information and may be subject to change due to macroeconomic trends, market conditions, industry trends related to the Company, and other internal and external factors. The Company does not indicate or guarantee the accuracy or completeness of the information included in this document.

- 1. Financial Results for FY2024**
- 2. Overview of Financial Results
by Business Category & Segment**
- 3. Cash Flows**

Reference Material: Overview of Impress Group

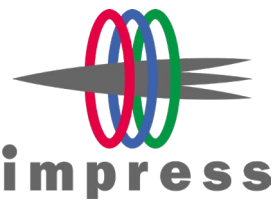
1. Financial Results for FY2024

Highlights of Financial Results for FY2024 : Part1



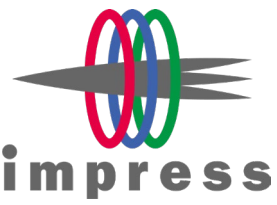
- **Although operating profit was -237 million yen due partially to a temporary expense of 86 million yen from withdrawal of the original comic business, the loss narrowed by 246 million yen y/y.**
 - In the previous consolidated fiscal year, an operating loss was recorded due to the decline in profitability of the Publishing business. In the current consolidated fiscal year, taking into account the situation in the previous fiscal year, we aimed to return to profitability in operating income by working to restore profitability through the improvement of product added value, based on the liquidation of unprofitable products and the reduction of fixed costs through business restructuring, particularly in the Publishing business.
 - Although Publishing business, which implemented business restructuring in the previous fiscal year, saw an increase in sales by offsetting a reduction in the number of new publications of approximately 40 items, the Internet Media business saw a decrease in sales due to weakness in digital advertising. In addition, the Solution Business recorded lower sales due to the absence of the large-scale projects in the previous year. As a result, consolidated sales totaled 14,387 million yen (-0.5%/-79 million yen y/y) .
 - Although fixed costs, especially personnel expenses, declined significantly due to the implementation of business restructuring, the marginal profit margin improved only slightly, as the decline in the Internet Media business offset the improvement in profitability of the Publishing business. In addition to the decrease in sales, temporary expenses of 86 million yen, including a loss from withdrawal of the original comic business, were recorded in 4Q, resulting in an operating loss of -237 million yen (+246 million yen y/y).
 - Looking at the quarterly performance, operating profit in 4Q (3 months) was -160 million yen (+43 million yen y/y). Even excluding temporary expenses, loss stood at -74 million yen (+129 million yen y/y). This indicates a continued trend of improving profitability from the second and third quarters.

Highlights of Financial Results for FY2024 : Part2



- **Platform business was solid. Publishing/E-publishing business shifted to an increase in revenue for the full year.**
 - Publishing/E-publishing saw an increase in revenue, with strong performance in the second half of the fiscal year offsetting the slower improvements seen in the first half. Sales of new titles improved in the second half, but the decrease in the number of publications (-55 titles) due to business restructuring and the absence of a best-selling title from the previous year resulted in a decline in full-year sales. On the other hand, sales of magazines and mooks remained strong. Sales of backlist titles also increased as the downward trend of returns from 2Q took hold, resulting in sales of 7,611 billion yen (+0.5%/-40 million yen y/y).
 - Internet Media entered an adjustment phase in 3Q and did not recover in 4Q, resulting in lower sales. While the IT segment's revenue bottomed out, due to a decrease in page views (PV) caused by a Google core update significantly impacted digital advertising revenue, resulting in net sales of 1,879 million yen (-2.4%/-45 million yen y/y).
 - In Target Media, although event sales were on par with the previous year, overall sales declined due to the weak performance of targeted advertisements in the first half of the year, resulting in total sales of 1,116 million yen (-1.7%/-18 million yen y/y).
 - In Platform business, sales were 2,589 million yen (+0.8%/+20 million yen y/y) due to steady growth of the Digimart.
- **In addition to Music segment, Design segment, which implemented business restructuring in the previous year, also returned to profitability.**
- **Profitability of IT segment declined sharply, and Mobile services also shifted to a loss in 4Q due to recording a loss from withdrawal of the original comic business.**
- **Nature and Aviation/Railways segments posted losses, although the range of losses narrowed significantly.**

Consolidated Financial Results for FY2024



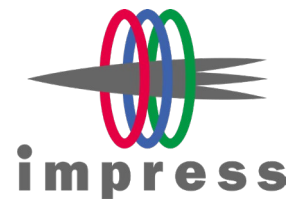
(Million yen)

	FY2023	FY2024 (current)		
	Result	Result	Y/Y	
Net Sales	14,466	14,387	-0.5%	-79
Operating Profit	-483	-237	—	+ 246
Ordinary Profit	-366	-122	—	+ 243
Profit	-1,036	-105	—	+ 931

In FY24(current), 86 million yen was recorded as cost and SG&A expenses, including loss from withdrawal of the original comic business.
 In FY24(current), 163 million yen in extraordinary income (ex., gain on sales of stocks of affiliates due to the sale of Hara no Koya) was recorded.
 In FY23(previous year), 431 million yen in extraordinary losses (business restructuring expenses, impairment loss, etc.) were recorded.

Development of Consolidated Financial Results

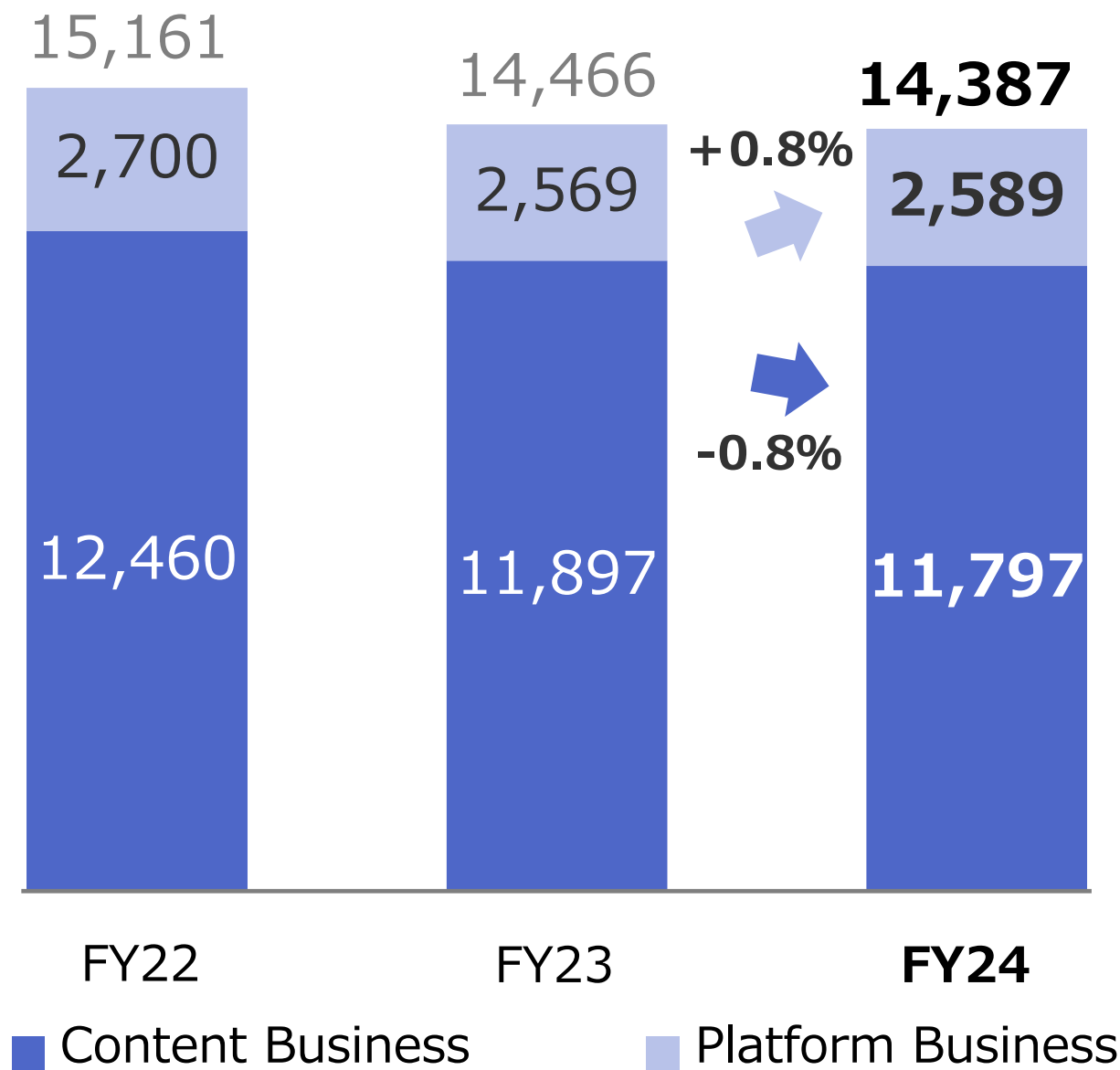
(3 period comparison)



(Million yen)

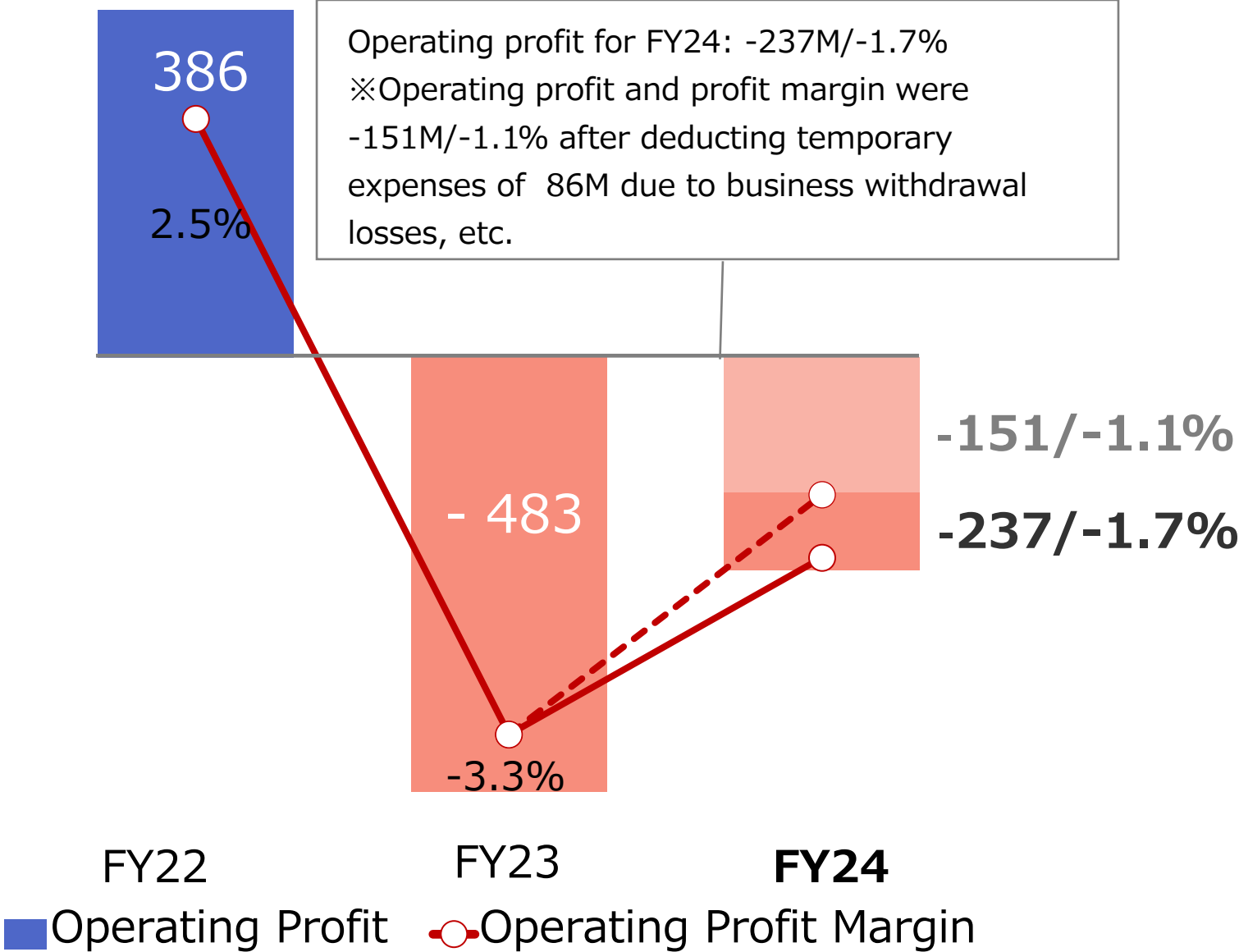
Net Sales

Although sales in the Platform business increased slightly, net sales decreased due to a reactionary decline in the Solutions business after a large-scale project in the previous year and a drop in sales in the Content business resulting from weakening digital advertising.



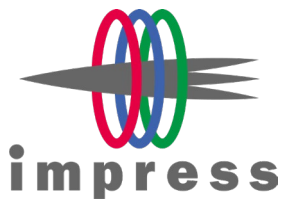
Operating Profit & Operating Profit Margin

Despite the revenue decline, profitability improved due to business restructuring, including the liquidation of unprofitable products, reduction of fixed costs such as personnel expenses and improvements in inventory valuation. Even with temporary expenses due to business withdrawal and other factors, the loss was narrowed.



Development of Consolidated Financial Results

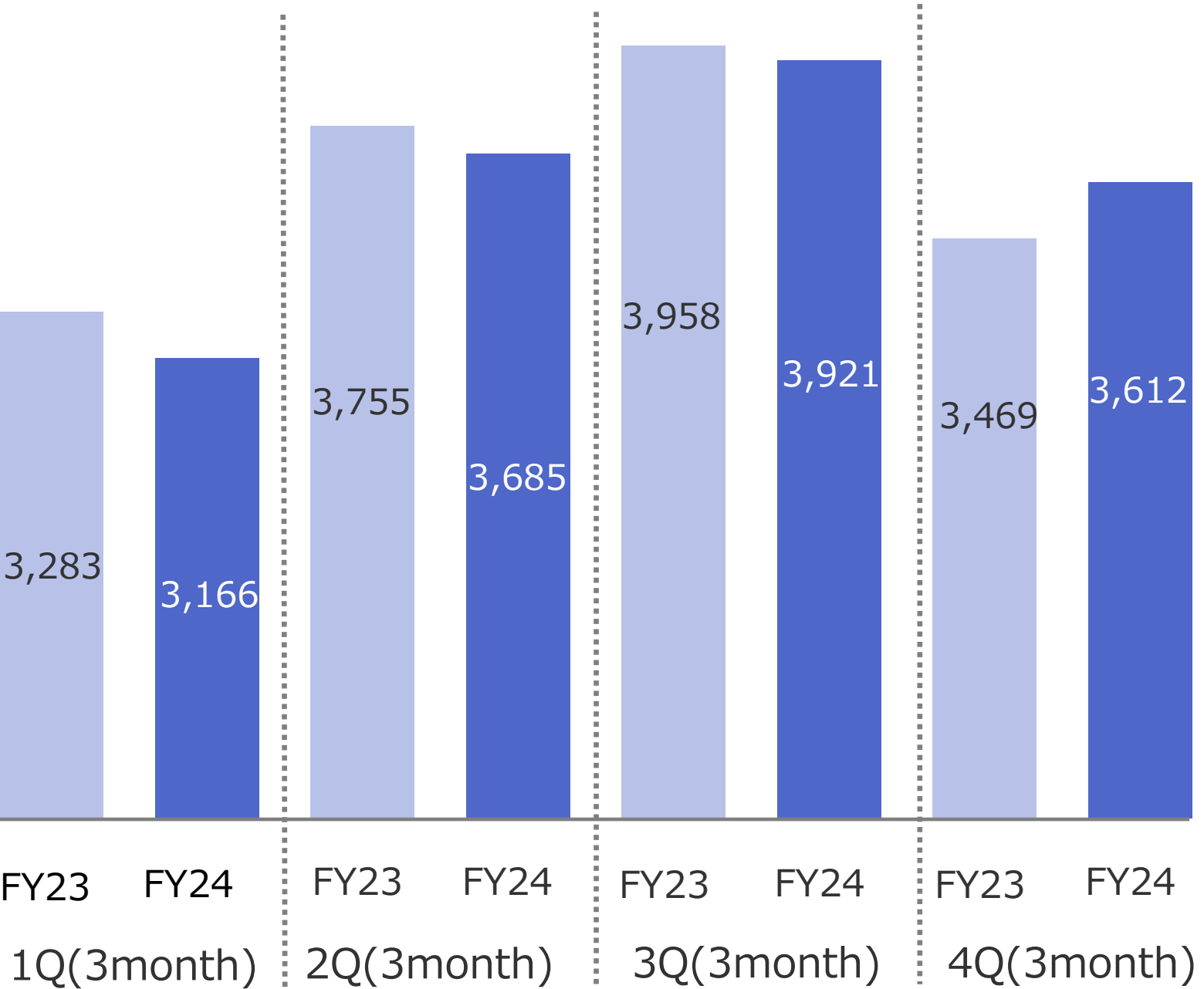
(Quarter comparison)



(Million yen)

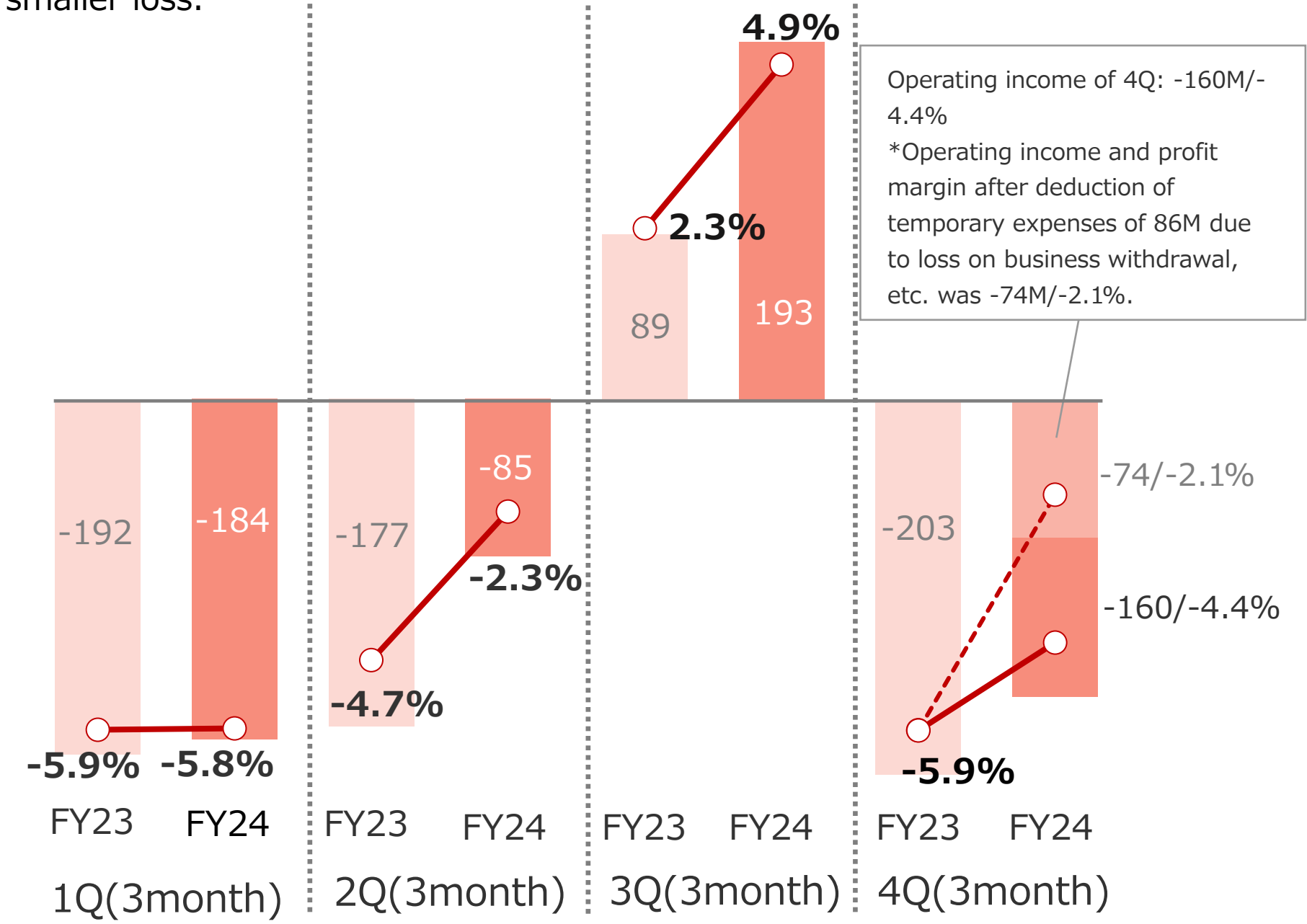
Net Sales

In 4Q, net sales turned to an increase for the first time this fiscal year, due to the steady growth of Publishing and Target Media businesses.



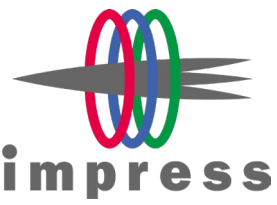
Operating Profit & Operating Profit Margin

Although 1Q started slowly, performing on par with the previous year, profits continued to improve from 2Q onward. In 4Q, the Publishing business offset the negative impact of the Internet media business, etc., and absorbed a temporary expense of 86M due to business withdrawal, etc., resulting in a smaller loss.



Consolidated Financial Results for FY2024

Marginal Profit Comparison



(Million yen)

	FY2023	FY2024 (current)		
	Result	Result	Y/Y	
Net Sales	14,466	14,387	-0.6%	-79
Variable Costs ※1	7,514	7,369	-2.0%	-144
Marginal Profit	6,951	7,017	+ 0.9%	+ 65
Fixed Costs ※2	7,435	7,168	-3.7%	-267
Temporary expenses from business withdrawal※3	—	86	—	+ 86
Operating Profit	-483	-237	—	+ 246
Marginal Profit Ratio	48.1%	48.8%		+ 0.7pt

※1 Variable costs are aggregated from cost of sales (material costs, subcontracting costs, etc.) and selling expenses, etc.

※2 Fixed costs are aggregated from the cost of sales (labor and overhead, etc.) and general and administrative expenses, etc

※3 Aggregation of these costs are included in cost of sales and SG&A.

Factors Affecting the Increase in Operating Profit for FY2024

(Million yen)

FY2024 operating profit

Temporary
expenses
from business
withdrawal

In 4Q, temporary expenses such as loss from withdrawal of the original comic business and commission from the sale of "Hara no Koya" were incurred.

-237

-86

Decrease in fixed
costs

+267

Reduction of personnel and other costs through the implementation of business restructuring, etc.

Increase in
marginal profit ratio

+103

Although an improvement in the profitability of Publishing, marginal profit remained +0.7 pt due to a decline in the profitability of Internet Media, etc.

Decrease in sales

-38

Impact of a decrease in sales in Solution and Internet media.

FY2023 operating profit

-483

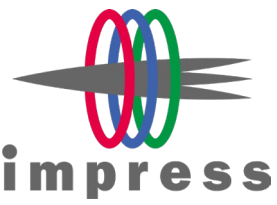
-237

+246

-483

2. Overview of Financial Results by Business Category & Segment

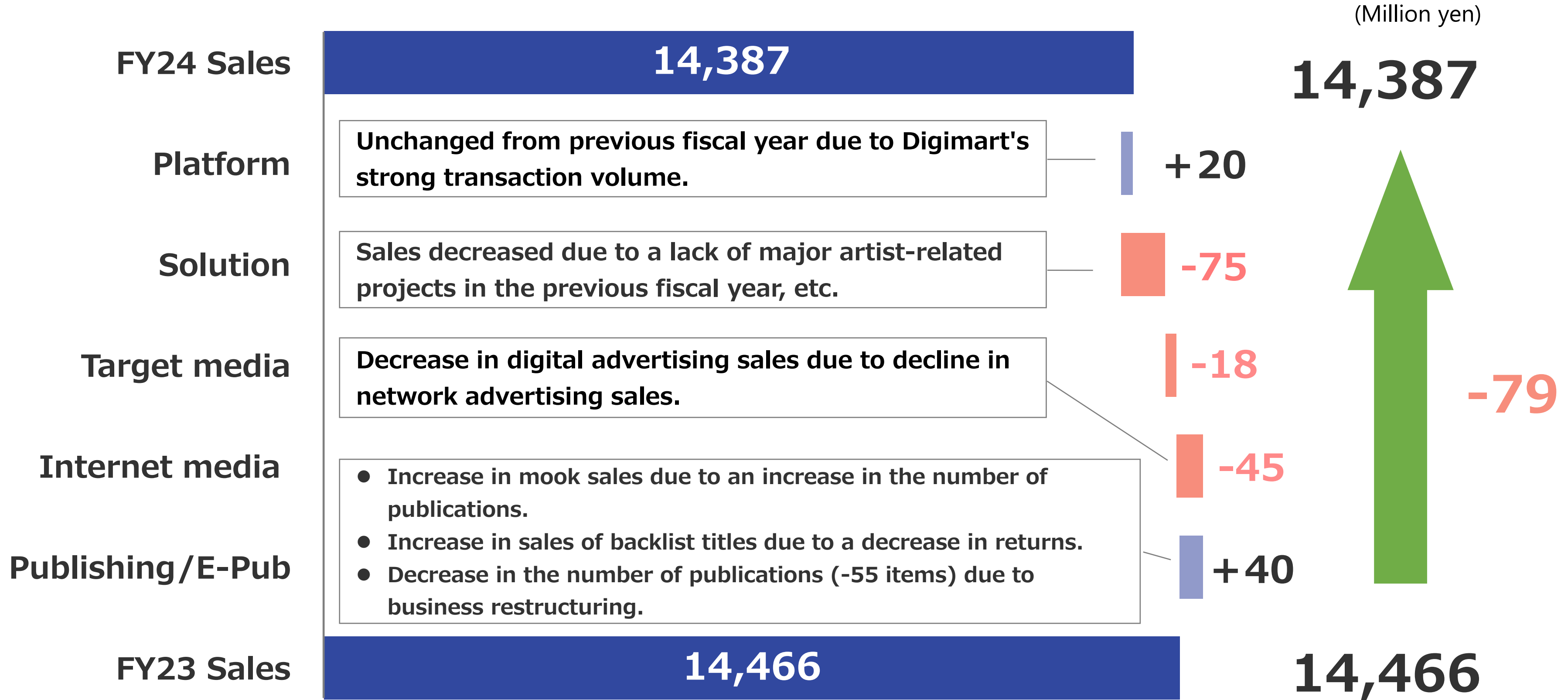
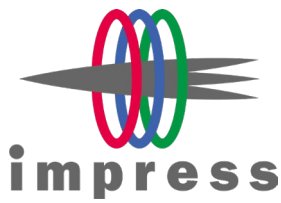
FY2024 Consolidated Net Sales by Business Category



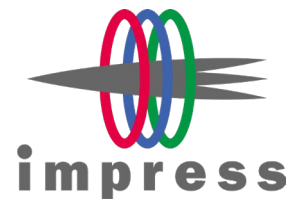
(Million yen)

Business category	FY23	FY24 (current)		
	Result	Result	Y/Y	
Content business	11,897	11,797	-0.8%	-99
Publishing/E-publishing	7,571	7,611	+ 0.5%	+ 40
Internet media	1,925	1,879	-2.4%	-45
Target media	1,135	1,116	-1.7%	-18
Solution	1,265	1,189	-6.0%	-75
Platform business	2,569	2,589	+ 0.8%	+ 20
Total	14,466	14,387	-0.5%	-79

Summary of Net Sales by Business Category for FY2024

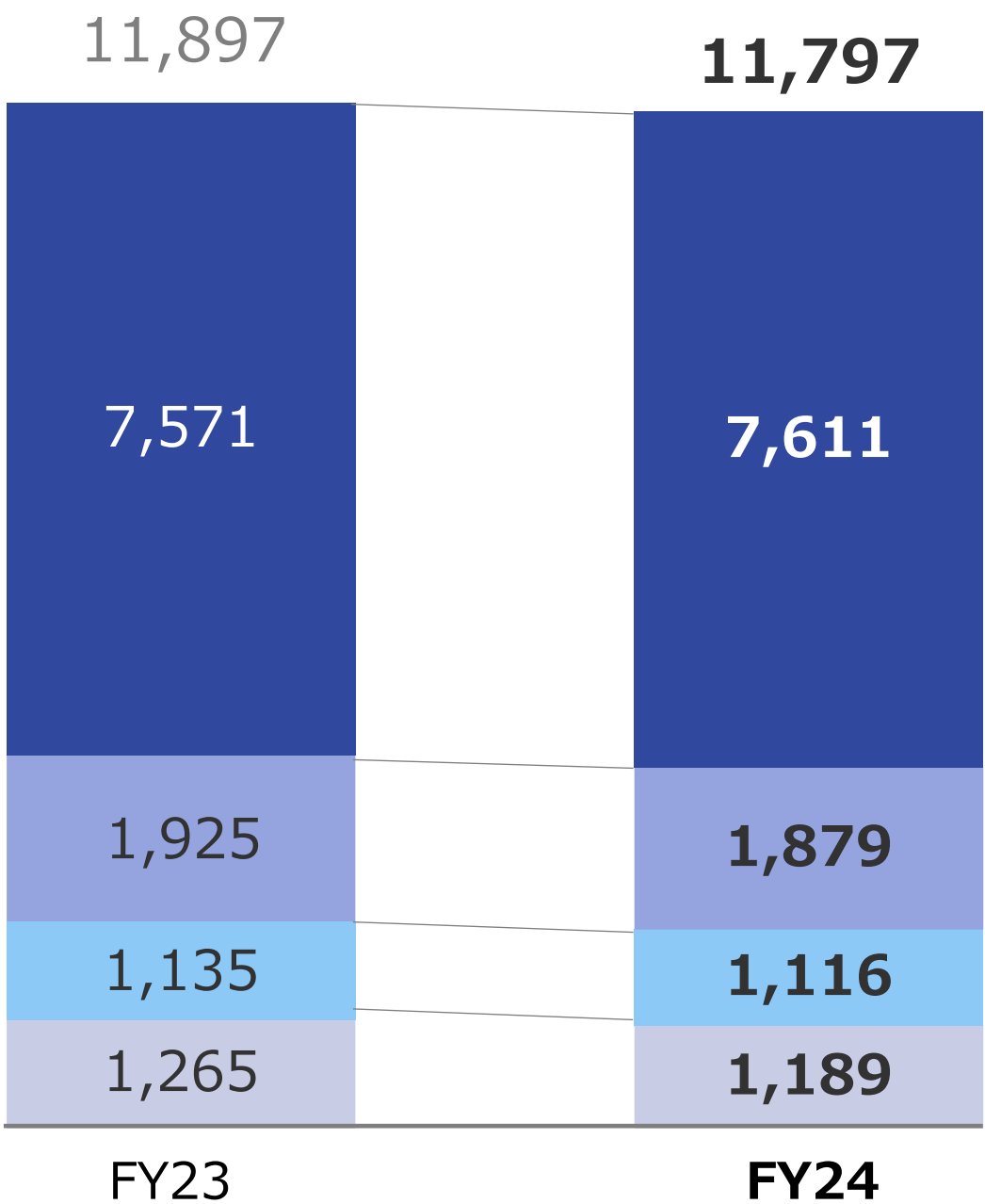


FY2024 Net Sales by Business Category: Content Business



Net Sales of Content Business

(Million yen)



Content Business : -0.8% (-99M)

Publishing/E-Publishing : +0.5% (+40M)

- Sales of new titles improved in the second half, but overall sales declined significantly due to a decrease in the number of publications resulting from business restructuring and the absence of a best-selling title in the previous year. On the other hand, sales of magazines and mooks remained strong, and the downward trend in returns of backlist titles from 2Q took hold, resulting in a net sales increase in 4Q.

Internet Media : -2.4% (-45M)

- Network advertising stalled, mainly in IT segment, and sales turned lower in 4Q.

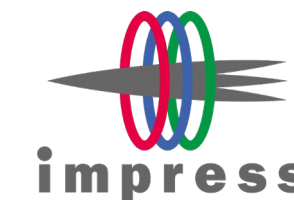
Target Media : -1.7% (-18M)

- Although event sales were on par with the previous year, sales declined due to weak performance of targeted advertisements in the first half of the year.

Solution : -6.0% (-75M)

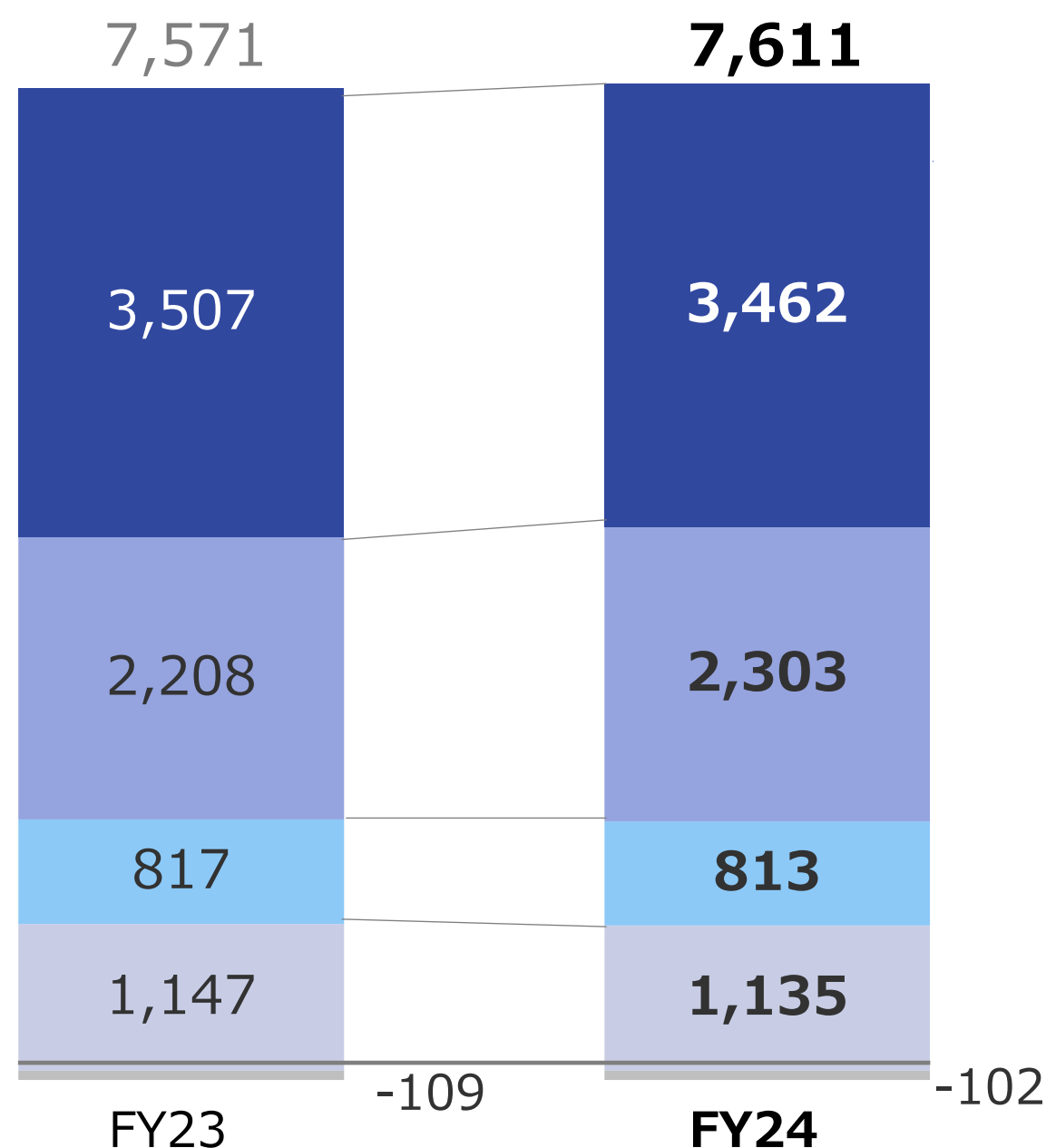
- Decrease due to lack of major artist-related projects in the previous fiscal year, etc.

FY2024 Net Sales by Business Category: Content Business – Publishing/E-publishing



Content Business: Net Sales of Publishing/Electronic Publishing

(Million yen)



Publishing/E-publishing : +0.5% (+40M)

Books : -1.3% (-45M)

- Sales of new titles improved in second half, but declined due to a reduction in the number of publications (-55 titles) as a result of business restructuring and the lack of a blockbuster title (ChatGPT-related book) published in the previous fiscal year in IT.
- Sales of backlist titles increased, despite weak shipments, as the downward trend in returns from the 2Q continued.

Magazines/Ads /Mooks : +4.3% (+95M)

- Mooks sales increased due to an increase in the number of publications in Music, etc., as well as a blockbuster title related to figure skating in Nature.
- Sales of magazines remained stable while prices were raised, but was not enough to cover the decrease in the number of publications (-14 items) due to the liquidation of unprofitable products, etc. However, profitability improved as expected.

E-publishing : -0.6% (-4M)

- Limited results from original comics in development, with an overall weak trend.

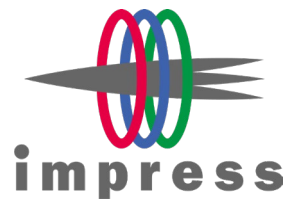
Seasonal products : -1.0% (-11M)

- Sales of calendars increased due to an increase in the number of publications (+17). Still, overall sales declined because the return ratio for New Year's card mooks did not improve despite efforts to reduce the number of publications and the scale of production and shipments.

Others : +6M

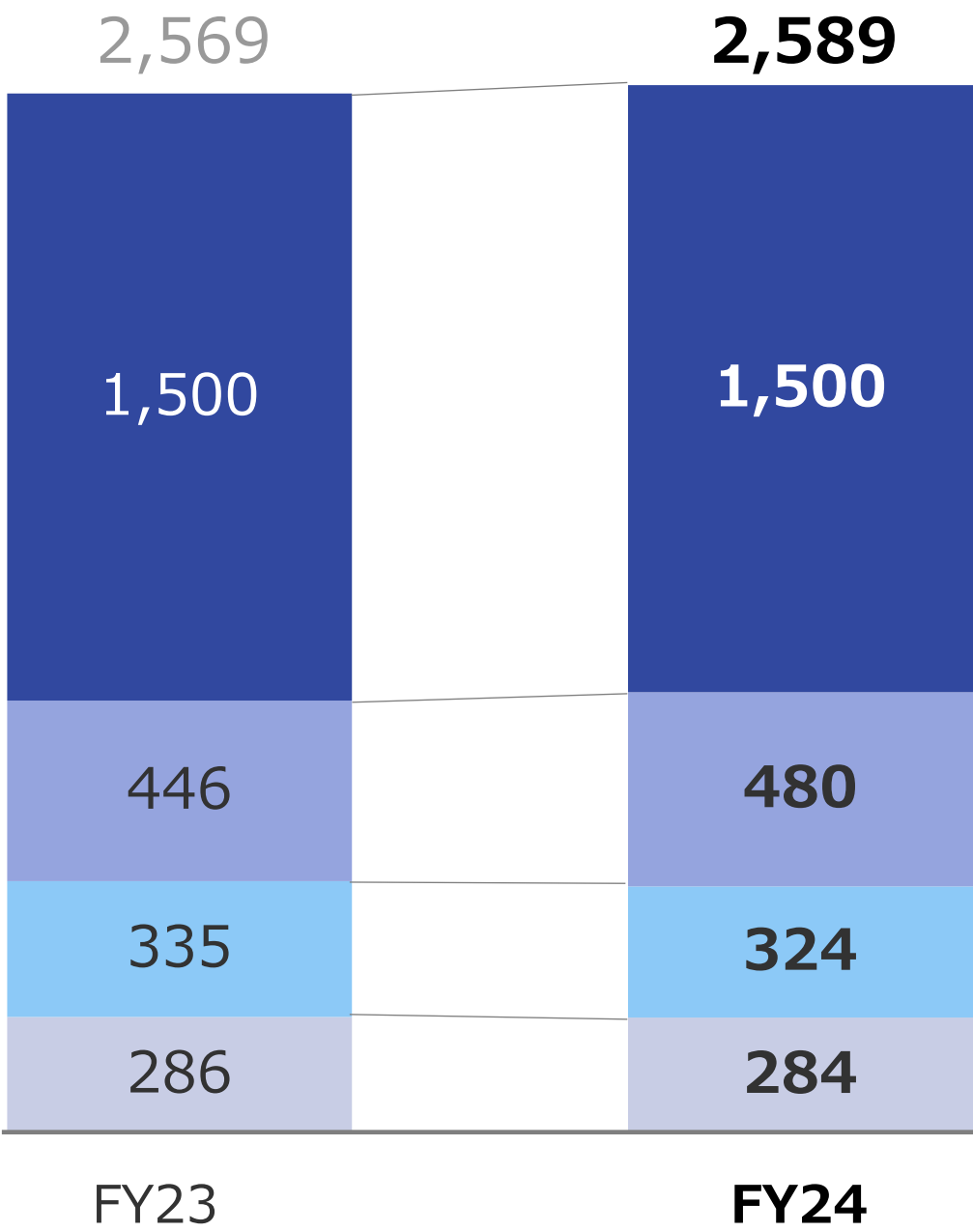
- Increased income from events, merchandise sales, and editorial support in Nature.

FY2024 Net Sales by Business Category: Platform Business



Net Sales of Platform Business

(Million yen)



Platform Business : +0.8% (+20M)

E-Comic PF : -0% (-0M) on par with the previous year

- Although an increased sales from overseas projects and steady growth of the core service, sales decreased due to the absence of large-scale development projects from FY23.

Digimart : +7.6% (+33M)

- Steady growth of transaction volumes, and with the formal launch of the DtoC business development model, payment service revenues from music stores increased.

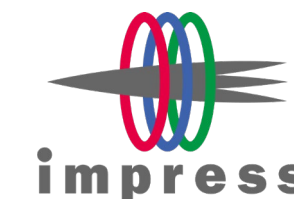
POD PF : -3.4% (-11M)

- Sales declined due to few good-selling titles in the POD service for individuals.

Publishing/E-publishing PF : -0.7% (-1M)

- Sales declined in the E-pub PF in IT.

FY2024 Net Sales and Operating Profit by Segment



(Million yen)

Segment	Net sales		Operating profit	
	Amount	Y/Y	Amount	Y/Y
IT	5,997	-3.3%	307	-167
Music	2,052	+6.8%	29	+144
Design	686	-8.1%	7	+153
Nature	1,788	+8.8%	-81	+59
Aviation/Railways	1,256	-8.6%	-90	+95
Mobile services	1,671	+0.6%	291	-52
Other	1,651	-0.0%	-153	-19
Intercompany eliminations	-718	—	-547	+31
Total	14,387	-0.5%	-237	+246

Overview by Segment for FY2024

● In addition to Music, Design, which implemented business restructuring in the previous year, returned to profitability in the segment profit (operating profit).

● IT saw a significant decline in profit, and Mobile Services posted a loss of 73M due to the withdrawal from the original comic business in 4Q, which resulted in a decline in profits.

● Although the losses narrowed significantly, Nature and Aviation/Railways posted losses.

- Losses in Design and Aviation/Railways narrowed due to improved profitability and lower fixed costs, despite lower sales due to a decrease in the number of publications following the business restructuring in the previous year. Design improved significantly in 4Q and returned to profitability.
- In Music, the increased publication of books and mooks and Digimart's strong performance offset the absence of major artist-related projects commissioned in the previous year. Improved profitability due to lower fixed costs also contributed to a return to profitability in 4Q.
- In Nature, although magazine advertising weakened, magazine sales remained strong, and the publication of best-selling figure skating-related mook and an increase in the number of books led to a significant increase in revenue and improved profitability, but only reducing the loss.
- In IT, sales declined across all business categories. Specifically, publishing sales fell due to fewer publications and the absence of a blockbuster title, such as ChatGPT-related book, from the previous year. Also, Internet Media saw decreased sales from struggling digital advertising and lower profitability due to a slowdown in network advertising. These factors collectively widened the losses.
- Although sales in Mobile services were on par with the previous year, profits turned negative in 4Q due to the loss from withdrawal of the original comic business (73M).

3. Cash Flows

Cash Flows FY2024

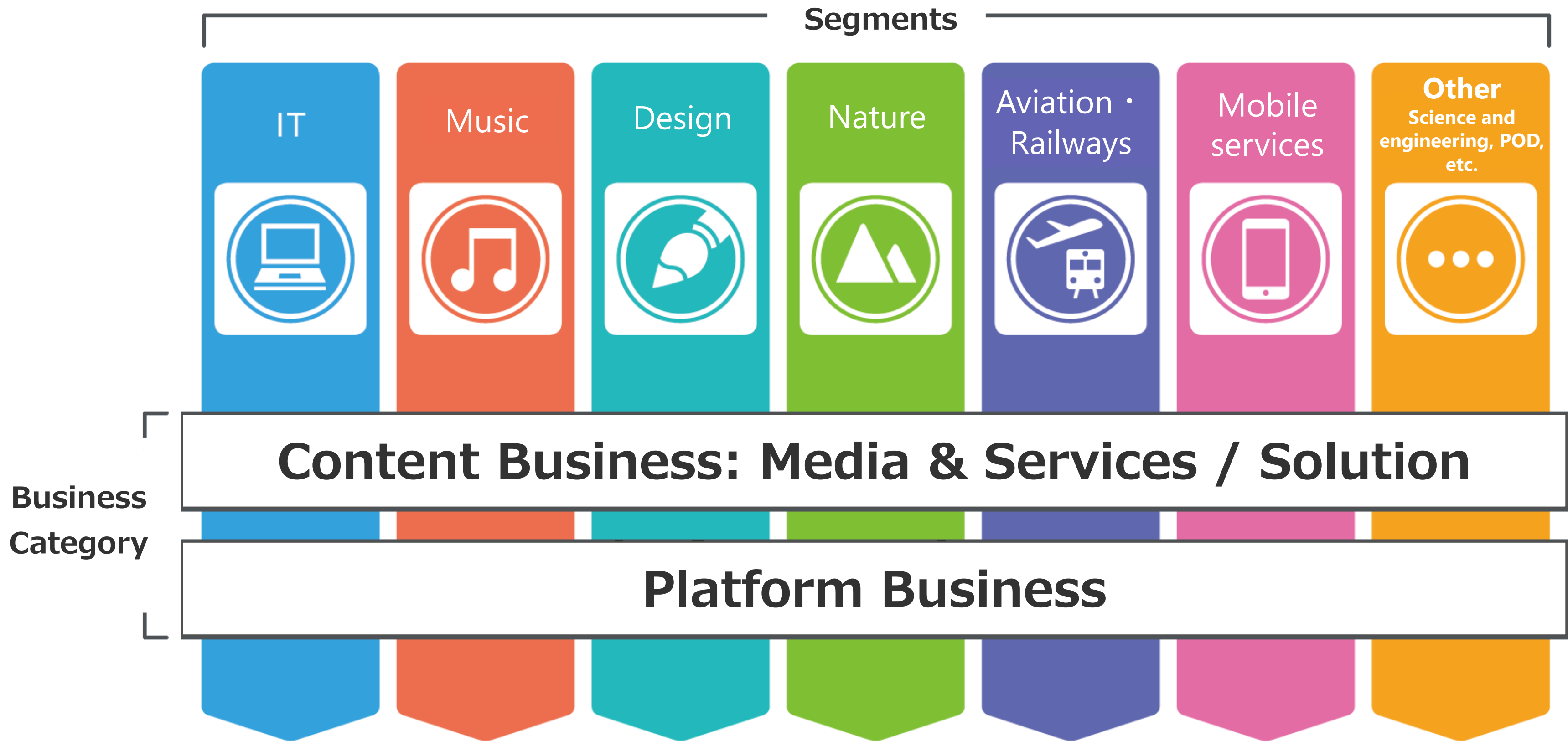
(Million yen)

	FY2023	FY2024 (current)	
	Result	Result	Y/Y
Operating cash flow	-513	897	+ 1,411
Investing Cash Flow	-265	-276	-11
Financing cash Flow	-290	-935	-645
Net increase in cash and cash equivalents	-1,069	-314	+ 754
Cash and cash equivalents at beginning of the fiscal year	5,983	4,914	-1,069
Cash and cash equivalents at end of the fiscal year	4,914	4,600	-314

- **Operating cash flow remained positive even after excluding the delayed collection of accounts receivable.**
 - Despite of loss, operating cash flow increased by 897 million yen due to the collection of accounts receivable of about 750 million yen in the current period because the end of FY23 was a holiday and an increase in accounts payable. Even excluding the factor of delayed collection of accounts receivable, operating cash flow remained positive for the current period.
 - Investing cash flow was -276 million yen, essentially unchanged from the previous year, due to an increase in expenditures for the acquisition of marketable securities (which is normally the balance between acquisition and redemption), although expenditures for the acquisition of tangible and intangible fixed assets decreased.
 - Financing cash flow was -935 million yen, mainly due to the repurchase of treasury stock, totaling 677 million yen completed on November 13, 2024, as well as dividend payments and repayment of long-term debt.
 - The balance of cash and cash equivalents decreased by 314 million yen from the start of the period, totaling 4,600 million yen.

Reference Material: Overview of Impress Group

Segment and Business of Impress Group



Content Business: Media & Services

Publishing/
Electronic Publishing



Specialized books,
magazines



E-Books



New Year Card mooks,
calendar

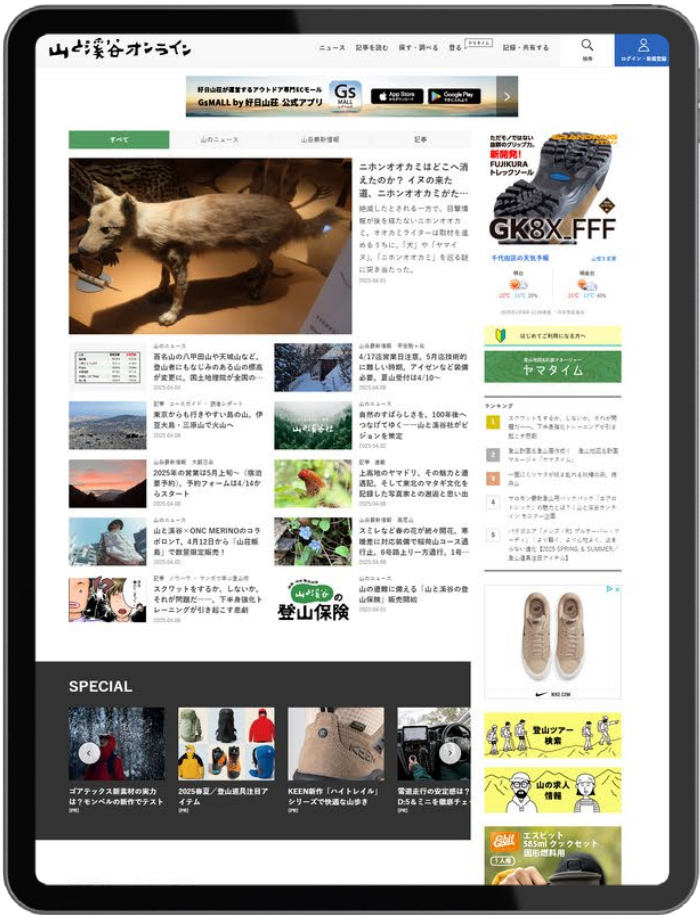
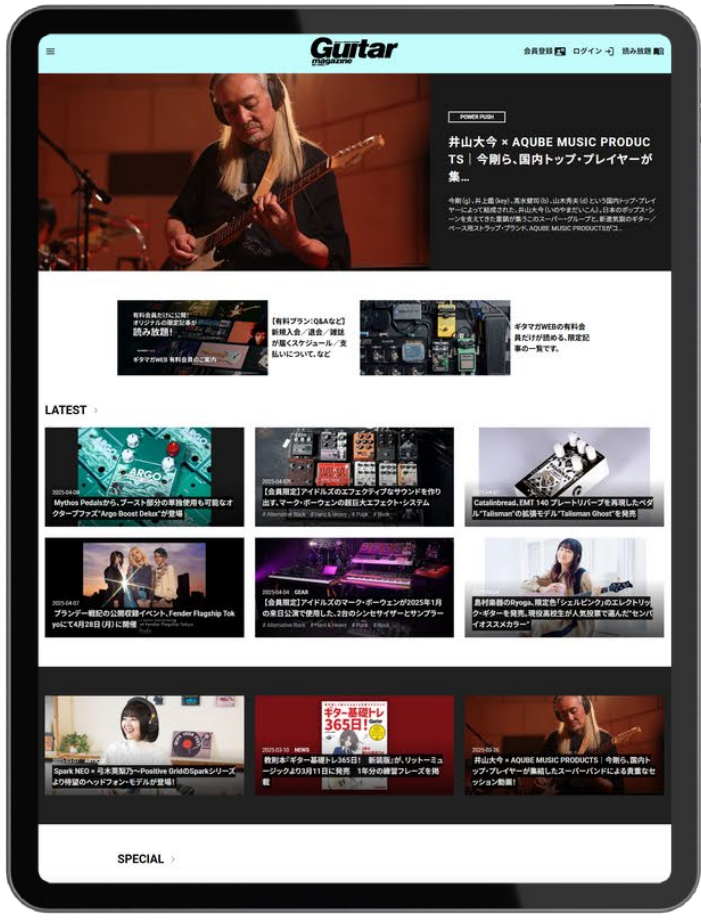
Content Business: Media & Services

Internet Media



山と溪谷オンライン

AIRLINE web
月刊エアライン× 航空旅行



Content Business: Media & Services

Target Media



Business media

Survey report

Events, seminars

Content Business: Solution



Tobu Railway



※Kanagawa Tourism Association

Outsourced creation of sales promotion and public relations tools and websites for companies and local authorities

Platform Business



E-Commerce
platforms



E-Comic
platforms



POD
platforms