



March 26, 2024

Company Name Pole To Win Holdings, Inc.
Representative: Teppei Tachibana, President & CEO
(Securities code: 3657,
Tokyo Stock Exchange, Prime Market)
Contact information: Joji Yamauchi, Director & CFO
(Tel: +81-3-5909-7911)

**Partial Amendment of Consolidated Financial Results
For the Fiscal Year Ended January 31, 2024
(Japanese Accounting Standards)**

The Company would like to inform that there are some matters that needed to be amended in the "Consolidated Financial Results for the Fiscal Year Ending January 31, 2024 (Japanese Accounting Standards)" released on March 12, 2024. Also, as there was a correction in the numerical data, we will also send the corrected numerical data.

I. Reason of Amendment

After the release of "Consolidated Financial Results for the Fiscal Year Ending January 31, 2024 (Japanese Accounting Standards)" we have identified some matters that should be corrected in the consolidated financial statements, and thus we make these corrections.

After this release, in proceeding with the preparation of the notice of convocation of the Company's annual general meeting of shareholders and the securities report, in particular, the scale of the media and content business has rapidly expanded over the past year, and transactions have diversified. We carefully examined the nature of assets such as work in process and deferred tax assets etc., and made adjustments such as expensing some work in progress, transferring it to appropriate accounts, and reversing part of deferred tax assets. Please note that this amendment has no impact on the consolidated business forecast for the fiscal year ending January 2025.

II. Contents of Amendment

As a result of amending each item listed in " I . Reason for Amendment," a summary of the impact on consolidated results for the fiscal year ending January 31, 2024 is as follows.

Item	Before Amendment (A)	Post Amendment (B)	Impact Amount (B-A)
	Millions of yen	Millions of yen	Millions of yen
Net sales	46,980	46,980	—
Operating profit	512	404	-108
Ordinary profit	617	509	-108
Profit attributable to owners of parent	-1,812	-1,967	-155



March 12, 2024
(Partially amended) March 26, 2024

Consolidated Financial Results

For the Fiscal Year Ended January 31, 2024

(Japanese Accounting Standards)

Name of Listed Company: Pole To Win Holdings, Inc.
Listing: Tokyo Stock Exchange, Prime Market
Stock code: 3657
URL: <https://www.phd.inc>
Representatives: Teppei Tachibana, President & CEO
Contact Person: Joji Yamauchi, Director & CFO
Tel: +81-3-5909-7911
Scheduled date of General Shareholders' Meeting: April 25, 2024
Scheduled date to file Securities Report: April 26, 2024
Scheduled date to commence dividend payments: April 26, 2024
Supplementary explanatory materials prepared: Yes
Explanatory meeting: Yes (For analysts and institutional investors)

(Millions of yen with fractional amounts discarded, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended January 31, 2024 (From February 1, 2023 to January 31, 2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2024	46,980	17.7	404	85.2	509	-81.1	-1,967	-
January 31, 2023	39,929	16.6	2,724	-16.3	2,689	-19.3	795	-64.2

(Note) Comprehensive income:

For the year ended January 31, 2024: -¥1,646 million (-%)

For the year ended January 31, 2023: ¥963 million (-62.4%)

Fiscal year ended	Net profit per share	Diluted net profit per share	Return on equity (ROE)	Ordinary profit /total assets	Operating profit ratio
	Yen	Yen	%	%	%
January 31, 2024	-54.57	-	-12.6	2.0	0.9
January 31, 2023	21.18	-	4.5	10.7	6.8

(Reference) Equity in earnings of affiliates:

For the year ended January 31, 2024 ¥-million

For the year ended January 31, 2023 -¥168 million

(2) Consolidated financial position

Fiscal year ended	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2024	24,436	13,441	55.0	379.97
January 31, 2023	27,459	17,693	64.4	473.76

(Reference) Equity:

For the year ended January 31, 2024: ¥13,435 million

For the year ended January 31, 2023: ¥17,683 million

(3) Consolidated cash flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
January 31, 2024	838	-2,899	-1,511	7,843
January 31, 2023	1,920	-2,563	2,011	11,192

2. Cash dividends

	Cash dividends per share					Total amount of dividends (Annual)	Payout ratio (consolidated)	Dividends on net assets (Consolidated)
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen		%
January 31, 2023	—	00	—	15	15	559	70.8	3.2
January 31, 2024	—	00	—	16	16	565	-29.3	3.7
Fiscal year ending January 31, 2025 (Forecast)	—	00	—	16	16		229.9	

3. Consolidated financial forecasts for the year ending January 31, 2025 (From February 1, 2024 to January 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2024 (cumulative)	23,840	6.7	-118	-	-124	-	-860	-	-24.34
Fiscal year ending January 31, 2025	52,028	10.7	2,212	447.0	2,201	332.3	246	-	6.96

* Notes:

- (1) Changes in significant subsidiaries during the period
(Changes in specified subsidiaries resulting in a change in the scope of consolidation) : No
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of revisions
- a. Changes in accounting standards due to revisions to accounting standards and other guidelines : Yes
 - b. Changes in accounting policies due to reasons other than a. above : No
 - c. Changes in accounting estimates : No
 - d. Restatement of revisions : No

(Note) For details, please refer to "3. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)" on page 12 of the attached document.

(3) Number of common shares issued

a. Total number of issued shares at the end of the period (including treasury stock)

As of January 31, 2024	38,156,000 shares	As of January 31, 2023	38,156,000 shares
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b. Number of shares of treasury stock at the end of the period

As of January 31, 2024	2,795,730 shares	As of January 31, 2023	829,830 shares
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c. Average number of shares

As of January 31, 2024	36,059,821 shares	As of January 31, 2023	37,544,455 shares
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(Reference) Summary of non-consolidated operating results
Non-consolidated financial results for the fiscal year ended January 31, 2024
(From February 1, 2023 to January 31, 2024)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes)

Fiscal year ended	Operating income		Operating profit		Ordinary profit		Net profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
January 31, 2024	2,674	16.0	1,325	-4.5	1,152	45.9	523	-25.4
January 31, 2023	2,305	24.1	1,387	57.8	790	188.2	701	57.1

Fiscal year ended	Net profit per share	Diluted net profit per share
	Yen	Yen
January 31, 2024	14.51	-
January 31, 2023	18.69	-

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
January 31, 2024	9,912	3,317	33.5	93.82
January 31, 2023	10,264	5,201	50.7	139.36

(Reference) Equity:

As of January 31, 2024: ¥3,317 million

As of January 31, 2023: ¥5,201 million

* Financial results are not subject to audit.

* Proper use of earnings forecasts, and other special matters

(Disclaimer to forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to various factors. For details on the conditions assumed and the cautionary notes and items in the financial forecasts, please refer to "(4) Earnings forecasts for the fiscal year ending January 31, 2025" under "1. Qualitative Information on Financial Results" on page 4 of the attachment to this report.

(How to obtain Supplementary Information to the Financial Results and details of the earnings results briefing)

The Company discloses the Supplementary Information to the Financial Results on the TDnet on the same day.

The company also plans to hold an online presentation for analysts and institutional investors on March 14, 2024 (Thursday). The video of the meeting and the content of the presentation will be posted on the Company's website promptly after the meeting along with the financial results presentation materials used on the day of the meeting.

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1. Qualitative Information on Financial Results

(1) Analysis of Operating Results

In the current fiscal year, the Japanese economy is expected to continue its gradual recovery, with an improving employment and income environment and the effects of various policies, but there is a risk that a downturn in overseas economies, such as the effects of global monetary tightening and concerns about the future for the Chinese economy, may put downward pressure on the Japanese economy. There is also a risk in rising prices, the situation surrounding the Middle East region, and fluctuations in financial and capital markets. Furthermore, more attention should be paid to the impact of the 2024 Noto Peninsula Earthquake on the economy.

Under these economic conditions, the Group is promoting Service Life Cycle Solutions Business that provides quality consulting, game testing/verification & evaluation, software third party verification, network environment construction and transition support, monitoring, customer support, anti-fraud, BPR support, etc. globally, that occurs in the process (Service Life Cycle) of our clients' lifecycle of planning, development, release, operation, and improvement. In the current fiscal year, the Company established ADOOR Inc. in May as a subsidiary to provide metaverse-related services. Pole To Win, Inc. opened the Akihabara Center in March by consolidating six centers in Tokyo in order to improve its ability to respond to clients and to improve the working environment for its employees. MIRAI Service Design Inc. and Ninjastars Inc. also moved into the same center. In August, the Oita Center (a central site for remote work) was opened; in September, the Hakata Center was relocated and opened; in October, the Sendai Center was opened by consolidating two centers in Sendai; and in November, the Saga Center was opened. In July, PTW Japan Co., Ltd. merged with Delphi Sound Inc. in order to improve its ability to serve customers and to consolidate and streamline management resources. PTW Canada Solutions, Inc. acquired Vibe Avenue Inc. (a Canadian company), a music and sound design company for game development companies, as a subsidiary in October for the purpose of strengthening its voice recording business and cross-sell. CREST Inc., SANETTY Produce Co., Ltd., and QBIST Inc. merged in February with CREST Inc. as the surviving company and changed the company name to HIKE Inc. in order to improve synergy in Media Contents operations and consolidate management resources. In January, HIKE Inc. made SHiiTAKE DiGiTAL, Ltd. a subsidiary in order to strengthen its animation production system. Each subsidiary is actively hiring and training personnel, and establishing and expanding new business bases.

As a result of a close examination of the situation of business-related assets and investments, an impairment loss of ¥987,807 thousand and a loss on valuation of investment securities of ¥692,151 thousand were recorded.

As a result, sales in the current fiscal year amounted to ¥46,980,139 thousand (increased 17.7% year-on-year), operating profit to ¥404,482 thousand (decreased 85.2% year-on-year), ordinary profit to ¥509,308 thousand (decreased 81.1% year-on-year) and net loss attributable to owners of the parent company to ¥1,967,791 thousand (the profit was ¥795,111 thousand in the previous fiscal year).

Operating results by service category are as follows.

Domestic Solutions

In this service category, domestic subsidiaries provide services for the game market, including testing, customer support, localization, and overseas expansion support. For the Technology market, the company provides services related to software third-party verification, network environment construction, server monitoring, data center operation, and kitting. For the e-commerce market, the company provides monitoring and customer support services. In services for the e-commerce market, work mainly related to data annotation (tagging) and QR code payment expanded. In addition, the Company is promoting the conversion of staff to permanent employees to improve the retention rate, advance hiring personnel in preparation for order expansion, center integration and maintenance, and IT system renewal. As a result, sales of Domestic Solutions totaled to ¥26,925,026 thousand yen (increased 5.3% year-on-year).

Overseas Solutions

In this service category, overseas subsidiaries provide services related to testing, localization, voice recording, customer support, product development support, and art production. Sales increased mainly due to the yen's depreciation. We are also promoting the establishment of local subsidiaries to recruit executive, sales, and development personnel for business expansion and to secure staff in various regions. As a result, sales of Overseas Solutions totaled to ¥12,949,394 thousand yen (increased 10.6% year-on-year).

Media Contents

In this service category, mainly through the domestic subsidiaries, the Company provides services related to animation production, game publishing, art production, marketing support, and barrier-free subtitling and voice guidance production, with "360-Degree development of Intellectual Property" as our main focus. From the current consolidated fiscal year, the results of AQUAPLUS CO., Ltd were consolidated, and the sales of the game app "Utawarerumono:Lost Flag" and other games contributed to the results. In game development, we also engaged in joint development with other companies and received shared revenue from the production committees in which we invested. In addition, HIKE Inc. is promoting orders for animation production, opening studios to expand production capacity, and investing in the hiring and training of human resources. As a result, the net sales of Media Contents totaled to ¥7,105,719 thousand (increased 167.6% year-on-year).

(2) Analysis of Financial Position

Total Assets

Current assets decreased by ¥3,020,840 thousand or 14.9% from the previous fiscal year-end, to ¥17,223,499 thousand. This was mainly due to a decrease of ¥3,349,211 thousand in cash and deposits, despite an increase of ¥329,842 thousand in work in progress.

Non-current assets decreased by ¥2,454 thousand or 0.0% from the previous fiscal year-end, to ¥7,212,922 thousand. This was mainly due to increases of ¥621,721 thousand in buildings and structures, ¥216,194 thousand in tools, furniture and fixtures and ¥141,050 thousand in leasehold and guarantee deposits, while goodwill decreased by ¥397,374 thousand, software by ¥51,965 thousand, intangible assets by ¥97,999 thousand and investment securities by ¥429,291.

As a result, total assets decreased by ¥3,023,294 thousand or 11.0% from the previous fiscal year-end, to ¥24,436,422 thousand.

Liabilities

Current liabilities increased by ¥1,408,391 thousand or 16.3% from the previous fiscal year-end, to ¥ 10,072,568 thousand. This was mainly due to an increase of ¥1,500,000 thousand in short-term borrowings, ¥113,626 thousand in income taxes payable and ¥231,613 thousand in other (contract liabilities, etc.), despite a decrease of ¥142,461 thousand in current portion of long-term borrowings and ¥328,476 thousand in accounts payable-other.

Non-current liabilities decreased by ¥179,804 thousand or 16.3% from the previous fiscal year-end, to ¥ 922,586 thousand. This was mainly due to a decrease of ¥234,787 thousand in long-term borrowings.

As a result, total liabilities increased by ¥1,228,587 thousand or 12.6% from the previous fiscal year-end, to ¥10,995,154 thousand.

Net assets

Total net assets decreased by ¥4,251,882 thousand or 24.0% from the previous fiscal year-end, to ¥13,441,267 thousand. This was mainly due to an increase of ¥358,224 thousand in foreign currency translation adjustments, but also due to a decrease of ¥196,639 thousand in capital surplus due to changes in the parent company's interests in transactions with non-controlling shareholders, a decrease of ¥2,527,684 thousand in retained earnings due to the recording of a net loss attributable to owners of the parent company and payment of dividends, and an increase in treasury shares of ¥1,849,010 thousand due to the acquisition of treasury shares.

(3) Analysis of Cash flows

Cash and cash equivalents (hereinafter referred to as 'funds') at the end of the current fiscal year-end decreased by ¥3,349,211 thousand from the previous fiscal year-end, to ¥7,843,562 thousand.

The status of each of the cash flow categories and their factors in the current fiscal year under review are as follows.

Cash flows from operating activities

Cash flow from operating activities amounted to ¥838,838 thousand (previous fiscal year: ¥1,920,371 thousand). The main factors are loss before income taxes of -¥1,155,043 thousand, depreciation of ¥881,950 thousand, impairment loss of ¥987,807 thousand, amortisation of goodwill of ¥286,839 thousand, increase in allowance for doubtful accounts of ¥299,907 thousand, foreign exchange losses of -¥183,146 thousand, loss on valuation of investment securities of ¥692,151 thousand, decrease in trade receivables and contract assets -¥338,054 thousand, decrease in accounts payable -¥610,204 thousand, income taxes paid -¥723,578 thousand, etc.

Cash flows from investing activities

Cash flow from investing activities amounted to -¥2,899,262 thousand (previous fiscal year: -¥2,563,267 thousand). The main factors were expenditure on purchase of property, plant and equipment -¥1,608,213 thousand, purchase of intangible assets -¥680,842 thousand, purchase of investment securities -¥343,595 thousand, purchase of shares of subsidiaries resulting in change in scope of consolidation -¥216,987 thousand, Payments of leasehold and guarantee deposits -¥324,252 thousand and Proceeds from refund of leasehold and guarantee deposits ¥215,212 thousand, etc.

Cash flows from financing activities

Cash flow from financing activities amounted to -¥1,511,910 thousand (previous fiscal year: -¥2,011,214 thousand). The main factors were a net increase in short-term borrowings of ¥1,500,000 thousand, repayments of long-term borrowings of -¥390,688 thousand, dividends paid of -¥559,892 thousand, purchase of shares in subsidiaries without change in scope of consolidation of -¥197,713 thousand and purchase of treasury shares of -¥1,863,617 thousand, etc.

(4) Earnings forecasts for the fiscal year ending January 31, 2025

In fiscal year ended January 31, 2024, net sales were increased in income and decreased in profit affected by the contribution of the newly consolidated AQUAPLUS CO., Ltd in Media Contents, while profits were affected by the budgeted expenses for the integration of bases in Domestic Solutions due to rising prices, the delayed monetisation of new businesses in Overseas Solutions, and the provision of allowance for doubtful accounts in Media Contents for accounts receivable in arrears.

In fiscal year ending January 31, 2025, the Group will aim to realize 'Service Life Cycle Solutions' by creating a cycle of business expansion and accelerate growth by providing the services demanded by customers in all directions through the cooperation of its core Domestic Solutions and Overseas Solutions and its new Media Contents business while paying attention to both growth and improving profitability.

As a result of the above, for the fiscal year ending January 31, 2025, the Group expects sales of ¥52,028 million (increase 10.7% year-on-year), operating profit of ¥2,212 million (increase 447.0% year-on-year), ordinary profit of ¥2,201 million (increase 332.3% year-on-year) and profit attributable to owners of parent of ¥246 million (which was loss of ¥1,967 million in the same period previous fiscal year).

Note, however, that the earnings forecasts are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. Actual performance may differ due to a number of factors.

2. Basic Policy on Selection of Accounting Standards

The Group's policy is to prepare its consolidated financial statements in accordance with Japanese GAAP for the time being, taking into account the comparability of the consolidated financial statements between periods and between entities.

It is the Company's policy to apply international accounting standards as appropriate, taking into account various domestic and international circumstances.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheets

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	11,192,774	7,843,562
Notes and accounts receivable - trade, and contract assets	6,349,366	6,448,144
Merchandise and finished goods	6,512	9,000
Work in process	491,287	821,129
Other	2,217,903	2,135,561
Allowance for doubtful accounts	-13,503	-33,899
Total current assets	20,244,340	17,223,499
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,582,031	2,269,548
Accumulated depreciation	-751,146	-816,941
Buildings and structures, net	830,884	1,452,606
Machinery, equipment and vehicles	46,395	74,934
Accumulated depreciation	-26,378	-30,723
Machinery, equipment and vehicles, net	20,017	44,211
Tools, furniture and fixtures	2,538,126	3,261,567
Accumulated depreciation	-1,934,342	-2,441,588
Tools, furniture and fixtures, net	603,784	819,979
Other	92,830	48,902
Total property, plant and equipment	1,547,517	2,365,699
Intangible assets		
Goodwill	1,462,357	1,064,982
Software	572,552	520,587
Intangible assets	833,000	735,000
Other	3,997	3,997
Total intangible assets	2,871,908	2,324,568
Investments and other assets		
Investment securities	1,053,327	624,036
Leasehold and guarantee deposits	1,025,012	1,166,062
Deferred tax assets	418,638	464,159
Other	373,689	622,625
Allowance for doubtful accounts	-74,717	-354,229
Total investments and other assets	2,795,950	2,522,654
Total non-current assets	7,215,376	7,212,922
Total assets	27,459,716	24,436,422

(Thousands of yen)

	As of January 31, 2023	As of January 31, 2024
Liabilities		
Current liabilities		
Short-term borrowings	3,005,970	4,505,970
Current portion of long-term borrowings	390,688	248,227
Accounts payable - other	3,241,322	2,912,845
Accrued expenses	508,693	545,172
Income taxes payable	408,218	521,845
Provision for bonuses	31,019	28,629
Other	1,078,264	1,309,878
Total current liabilities	8,664,176	10,072,568
Non-current liabilities		
Long-term borrowings	475,453	240,666
Retirement benefit liability	136,291	153,553
Deferred tax liabilities	329,159	328,281
Other	161,486	200,085
Total non-current liabilities	1,102,390	922,586
Total liabilities	9,766,566	10,995,154
Net assets		
Shareholders' equity		
Share capital	1,239,064	1,239,064
Capital surplus	2,380,082	2,183,442
Retained earnings	14,409,137	11,881,453
Treasury shares	-703,249	-2,552,259
Total shareholders' equity	17,325,035	12,751,700
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,777	-28,957
Foreign currency translation adjustment	354,866	713,091
Total accumulated other comprehensive income	358,643	684,133
Non-controlling interests	9,470	5,434
Total net assets	17,693,150	13,441,267
Total liabilities and net assets	27,459,716	24,436,422

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Consolidated Statements of Income)**

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Net sales	39,929,250	46,980,139
Cost of sales	28,878,186	36,251,485
Gross profit	11,051,064	10,728,654
Selling, general and administrative expenses	8,326,705	10,324,172
Operating profit	2,724,359	404,482
Non-operating income		
Interest income	4,778	7,009
Dividend income	1,926	—
Foreign exchange gains	24,790	42,405
Subsidy income	101,441	53,086
Gain on adjustment of accounts payable	8,636	8,410
Other	25,724	64,014
Total non-operating income	167,298	174,926
Non-operating expenses		
Interest expenses	4,404	12,823
Loss on investment securities	—	12,451
Share of loss of entities accounted for using equity method	168,660	—
Provision of allowance for doubtful accounts	—	20,000
Commission for purchase of treasury shares	—	4,955
Other	29,481	19,870
Total non-operating expenses	202,545	70,101
Ordinary profit	2,689,112	509,308
Extraordinary income		
Gain on sale of investment securities	—	27,429
Total extraordinary income	—	27,429
Extraordinary losses		
Loss on retirement of non-current assets	13,429	10,015
Loss on valuation of investment securities	70,136	692,151
Loss on sale of non-current assets	—	1,805
Impairment losses	609,590	987,807
Total extraordinary losses	693,156	1,691,780
Profit (loss) before income taxes	1,995,955	-1,155,043
Income taxes - current	1,136,655	848,447
Income taxes - deferred	62,644	-31,661
Total income taxes	1,199,300	816,785
Profit (loss)	796,655	-1,971,828
Profit (loss) attributable to non-controlling interests	1,544	-4,036
Profit (loss) attributable to owners of parent	795,111	-1,967,791

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Profit (loss)	796,655	-1,971,828
Other comprehensive income		
Valuation difference on available-for-sale securities	-23,286	-32,735
Foreign currency translation adjustment	184,714	358,224
Share of other comprehensive income of entities accounted for using equity method	5,017	—
Total other comprehensive income	166,445	325,489
Comprehensive income	963,101	-1,646,339
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	962,033	-1,642,302
Comprehensive income attributable to non-controlling interests	1,068	-4,036

(3) Consolidated Statements of Changes in Net Assets
Fiscal year ended January 31, 2023 (From February 1, 2022 to January 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,239,064	2,379,899	14,099,008	-293,102	17,424,870
Cumulative effects of changes in accounting policies			43,594		43,594
Restated balance	1,239,064	2,379,899	14,142,603	-293,102	17,468,465
Changes during period					
Dividends of surplus			-528,576		-528,576
Profit (loss) attributable to owners of parent			795,111		795,111
Purchase of treasury shares				-410,994	-410,994
Disposal of treasury shares		183		846	1,030
Net changes in items other than shareholders' equity					
Total changes during period	—	183	266,534	-410,147	-143,429
Balance at end of period	1,239,064	2,380,082	14,409,137	-703,249	17,325,035

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	27,063	164,658	191,721	7,926	17,624,519
Cumulative effects of changes in accounting policies					43,594
Restated balance	27,063	164,658	191,721	7,926	17,668,113
Changes during period					
Dividends of surplus					-528,576
Profit (loss) attributable to owners of parent					795,111
Purchase of treasury shares					-410,994
Disposal of treasury shares					1,030
Net changes in items other than shareholders' equity	-23,286	190,208	166,921	1,544	168,465
Total changes during period	-23,286	190,208	166,921	1,544	25,036
Balance at end of period	3,777	354,866	358,643	9,470	17,693,150

Fiscal year ended January 31, 2024 (From February 1, 2023 to January 31, 2024)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,239,064	2,380,082	14,409,137	-703,249	17,325,035
Changes during period					
Dividends of surplus			-559,892		-559,892
Profit (loss) attributable to owners of parent			-1,967,791		-1,967,791
Purchase of treasury shares				-1,863,617	-1,863,617
Disposal of treasury shares		1,073		14,606	15,680
Change in ownership interest of parent due to transactions with non-controlling interests		-197,713			-197,713
Net changes in items other than shareholders' equity					
Total changes during period	—	-196,639	-2,527,684	-1,849,010	-4,573,334
Balance at end of period	1,239,064	2,183,442	11,881,453	-2,552,259	12,751,700

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	3,777	354,866	358,643	9,470	17,693,150
Changes during period					
Dividends of surplus					-559,892
Profit (loss) attributable to owners of parent					-1,967,791
Purchase of treasury shares					-1,863,617
Disposal of treasury shares					15,680
Change in ownership interest of parent due to transactions with non-controlling interests					-197,713
Net changes in items other than shareholders' equity	-32,735	358,224	325,489	-4,036	321,452
Total changes during period	-32,735	358,224	325,489	-4,036	-4,251,882
Balance at end of period	-28,957	713,091	684,133	5,434	13,441,267

(4) Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Cash flows from operating activities		
Profit (loss) before income taxes	1,995,955	-1,155,043
Depreciation	637,046	881,950
Impairment losses	609,590	987,807
Amortization of goodwill	400,258	286,839
Increase (decrease) in allowance for doubtful accounts	-77,411	299,907
Increase (decrease) in provision for bonuses	-50,683	-2,489
Increase (decrease) in retirement benefit liability	15,434	17,261
Interest and dividend income	-6,705	-7,009
Subsidy income	-101,441	-53,086
Interest expenses	4,404	12,823
Foreign exchange losses (gains)	48,403	-183,146
Loss (profit) on investment securities	—	12,451
Share of loss (profit) of entities accounted for using equity method	168,660	—
Loss (gain) on sale of non-current assets	—	1,805
Loss on retirement of non-current assets	13,429	10,015
Loss (gain) on valuation of investment securities	70,136	692,151
Loss (gain) on sale of investment securities	—	-27,429
Decrease (increase) in trade receivables and contract assets	-288,906	338,054
Increase (decrease) in accounts payable - other	683,521	-610,204
Increase (decrease) in accrued expenses	-91,002	9,564
Increase (decrease) in accrued consumption taxes	-63,853	-691
Increase (decrease) in deposits received	18,289	-29,510
Other, net	-694,466	27,770
Subtotal	<u>3,290,660</u>	<u>1,509,792</u>
Interest and dividends received	3,717	17,191
Subsidies received	101,441	53,086
Interest paid	-7,790	-17,652
Income taxes paid	-1,467,659	-723,578
Net cash provided by (used in) operating activities	<u>1,920,371</u>	<u>838,838</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	-815,318	-1,608,213
Purchase of intangible assets	-305,204	-680,842
Purchase of investment securities	-502,896	-343,595
Proceeds from sale of investment securities	—	63,299
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-529,901	-216,987
Payments for acquisition of businesses	-129,167	—
Loan advances	-9,228	-8,288
Proceeds from collection of loans receivable	13,357	4,404
Payments of leasehold and guarantee deposits	-385,566	-324,252
Proceeds from refund of leasehold and guarantee deposits	100,659	215,212
Net cash provided by (used in) investing activities	<u>-2,563,267</u>	<u>-2,899,262</u>
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,000,000	1,500,000
Repayments of long-term borrowings	-49,214	-390,688
Dividends paid	-528,576	-559,892
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	-197,713
Purchase of treasury shares	-410,994	-1,863,617
Net cash provided by (used in) financing activities	<u>2,011,214</u>	<u>-1,511,910</u>
Effect of exchange rate change on cash and cash equivalents	89,238	223,123
Net increase (decrease) in cash and cash equivalents	<u>1,457,556</u>	<u>-3,349,211</u>
Cash and cash equivalents at beginning of period	9,735,217	11,192,774
Cash and cash equivalents at end of period	<u>11,192,774</u>	<u>7,843,562</u>

(5) Notes to Consolidated Financial Statements
(Notes on Going Concern Assumption)

Not applicable.

(Changes in accounting policies)

(Application of Accounting Standard for Fair Value Measurement)

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 31, June 17, 2021; hereinafter referred to as the "Accounting Standard for Fair Value Measurement") has been applied from the beginning of the current consolidated fiscal year. The new accounting policy prescribed in the "Accounting Standard for Fair Value Measurement" will be applied prospectively in accordance with the transitional policy prescribed in the paragraph 27-2 of the "Accounting Standard for Fair Value Measurement". There is no impact on the Consolidated Financial Statements.

(Segment Information)

[Segment information]

This information is omitted as the Group has a single segment, "Service Life Cycle Solutions Business".

[Related information]

Fiscal year ended January 31, 2023 (From February 1, 2022, to January 31, 2023)

1. Product and services-specific information

This information is omitted as the Group has a single segment, "Service Life Cycle Solutions Business" and as revenues from external customers in a single product or service category exceed 90% of net sales in the consolidated statements of income.

2. Geographical information

(1) Net sales

(Thousands of yen)				
Japan	Asia	North America	Europe	Total
27,495,917	1,587,999	6,209,088	4,636,244	39,929,250

Note: Sales are categorized by country or region based on customer locations.

(2) Property, plant and equipment

(Thousands of yen)				
Japan	Asia	North America	Europe	Total
886,851	146,780	370,741	143,143	1,547,517

3. Key customer information

This information is omitted because no customer accounts for more than 10% of net sales in the Consolidated Statements of Income.

Fiscal year ended January 31, 2024 (From February 1, 2023 to January 31, 2024)

1. Product and services-specific information

This information is omitted as the Group has a single segment, "Service Life Cycle Solutions Business" and as revenues from external customers in a single product or service category exceed 90% of net sales in the consolidated statements of income.

2. Geographical information

(1) Net sales

(Thousands of yen)

Japan	Asia	North America	Europe	Other	Total
31,671,107	1,456,742	9,116,913	4,735,376	-	46,980,139

Note: Sales are categorized by country or region based on customer locations.

(2) Property, plant and equipment

(Thousands of yen)

Japan	Asia	North America	Europe	Other	Total
1,637,064	223,014	438,657	51,328	15,634	2,365,699

3. Key customer information

This information is omitted because no customer accounts for more than 10% of net sales in the Consolidated Statements of Income.

[Information on impairment losses on non-current assets by reporting segment]

This information is omitted as the Group has a single segment, "Service Life Cycle Solutions Business".

[Information on amortisation of goodwill and unamortised balance by reporting segment]

This information is omitted as the Group has a single segment, "Service Life Cycle Solutions Business".

[Information on gain on negative goodwill by reporting segment]

Not applicable.

(Per share information)

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Net assets per share	¥473.76	¥379.97
Net profit per share	¥21.18	-¥54.57

Note: 1. Dilutive net profit per share is not shown in the above table, as there are no dilutive shares.

2. The basis for calculating net profit per share and diluted net profit per share is as follows.

	Fiscal year ended January 31, 2023	Fiscal year ended January 31, 2024
Net profit per share		
Profit attributable to owners of parent (thousands of yen)	795,111	-1,967,791
Amount not attributable to common stockholders (thousands of yen)	-	-
Profit attributable to owners of parent per share of common stock (thousands of yen)	795,111	-1,967,791
Average number of shares of common stock outstanding during period	37,544,455	36,059,821

(Significant Subsequent Events)

Not applicable.