



PTW

Pole To Win Holdings, Inc.
**Supplementary Information
to the Financial Results
for the Year Ended January 31, 2024**

- Stock Code | 3657
- Abbreviation | Pole HD

March 12, 2024

March 26, 2024 (Partially Amended)



In addition to this Supplementary Information to the Financial Results, we disclosed "Key Points of Interest Expected in the Consolidated Financial Results for Fiscal Year Ended January, 31 2024".

1	Financial Summary	...	2
2	Financial Report for the Year Ended January 31, 2024	...	4
3	Consolidated Forecasts for the Year Ending January 31, 2025	...	18
4	Future Operating Policy	...	25
5	Appendix	...	38

■ Notes on the description in this document

1. Percentage rounded down to one decimal place.
2. Operating profit and Net sales by Bushiness classification are for reference, based on internal management figures. Other than these, there are company-wide expenses.

1	Financial Summary	...	2
2	Financial Report for the Year Ended January 31, 2024	...	4
3	Consolidated Forecasts for the Year Ending January 31, 2025	...	18
4	Future Operating Policy	...	25
5	Appendix	...	38

Result for the Year Ended January 31, 2024

<p>Net Sales</p> <p>¥46,980M</p> <p>+17.7% YoY</p> <p>+1.6% vs Forecast</p>	<p>Operating Profit</p> <p>¥404M</p> <p>-85.2% YoY</p> <p>-37.2% (-¥239M) vs Forecast</p>	<p>Profit attributable to owners of parent</p> <p>-¥1,967M</p> <p>Profit of ¥795M YoY</p> <p>-¥514M vs Forecast</p>	<p>Yearly dividends per share</p> <p>¥16</p> <p>+¥1.0 YoY</p> <p>No change vs Forecast</p>
------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------

- Sales reached a new record high, driven by Media Contents, exceeding both the YoY and vs Forecast.
- Operating profit declined significantly due to one-off costs (¥427 million for the integration of Domestic sites, ¥843 million for Overseas new project costs, ¥298 million for allowance for doubtful accounts receivable in arrears and ¥163 million for game joint development losses). Decrease vs Forecast due to allowance for doubtful accounts.
- Extraordinary losses include impairment losses of ¥987 million (goodwill of ¥316 million and other assets of ¥671 million) and loss on valuation of investment securities of ¥692 million, following a close examination of the business-related assets and investments status. The decrease in net profit vs forecast is due to impairment losses and the occurrence of loss on valuation of investment securities.

Forecast for the Year Ended January 31, 2025

<p>Net Sales</p> <p>¥52,028M</p> <p>+10.7% YoY</p>	<p>Operating Profit</p> <p>¥2,212M</p> <p>+447.0% YoY</p>	<p>Profit attributable to owners of parent</p> <p>¥246M</p> <p>-¥1,967M YoY</p>	<p>Yearly dividends per share</p> <p>¥16</p> <p>YoY ± ¥0</p>
-----------------------------------------------------------	------------------------------------------------------------------	----------------------------------------------------------------------------------------	---------------------------------------------------------------------

- Costs for integrating domestic sites and overseas new projects will decrease significantly. With the prospect of business consolidation (closure of sites, termination of business, personnel adjustments) in Overseas Solutions and Media Content Business in the first half of the year, profitability improvement are expected to begin in earnest in the second half of the year, and sales and profits are expected to increase.
- Although net profit is expected to be temporarily low, we expect a steady recovery in business results in the future and, with an emphasis on continuing stable shareholder returns, the dividend remain unchanged at ¥16 per share.

1	Financial Summary	...	2
2	Financial Report for the Year Ended January 31, 2024	...	4
3	Consolidated Forecasts for the Year Ending January 31, 2025	...	18
4	Future Operating Policy	...	25
5	Appendix	...	38

Overview of Consolidated Financial Results (vs Forecast)

PTW

- Media Contents and Domestic Solutions exceed sales forecast.
- In 4Q, the situation of business-related assets and investments was closely examined. Selling and Administration costs: provision of allowance for doubtful accounts of ¥298 million. Extraordinary losses: profit not achieved due to impairment losses on non-current assets of ¥671 million and a loss on valuation of investment securities of ¥515 million.
- Although the extraordinary losses were difficult to budget for, the Company is promoting stricter business management and budget control.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

	Current Year Full FY2024 (2023/2-2024/1)		Forecast Full FY2024 (Disclosed on Dec 12, 2023) (2023/2-2024/1)		Results vs Forecast	
	Actual	Margin	Actual	Margin	Actual	%
Net Sales	46,980	-	46,217	-	+762	+1.6%
Operating Profit	404	0.9%	644	1.4%	-239	-37.2%
Ordinary Profit	509	1.1%	788	1.7%	-278	-35.4%
Profit attributable to owners of parent	-1,967	-4.2%	-514	-1.1%	-1,452	-%

Overview of Consolidated Financial Results

for the Fiscal Year Ended January 31, 2024 - Change YoY -

PTW

- **Record sales** driven by Media Contents.
- Significant operating profit decline due to one-off costs (¥427 million for the integration of domestic sites, ¥843 million for overseas new project costs, ¥298 million for allowance for doubtful accounts receivable in arrears and ¥163 million for game joint development losses).
- Impairment losses of ¥987 million (goodwill of ¥316 million and other assets of ¥671 million) and loss on valuation of investment securities of ¥692 million were recorded as extraordinary losses.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

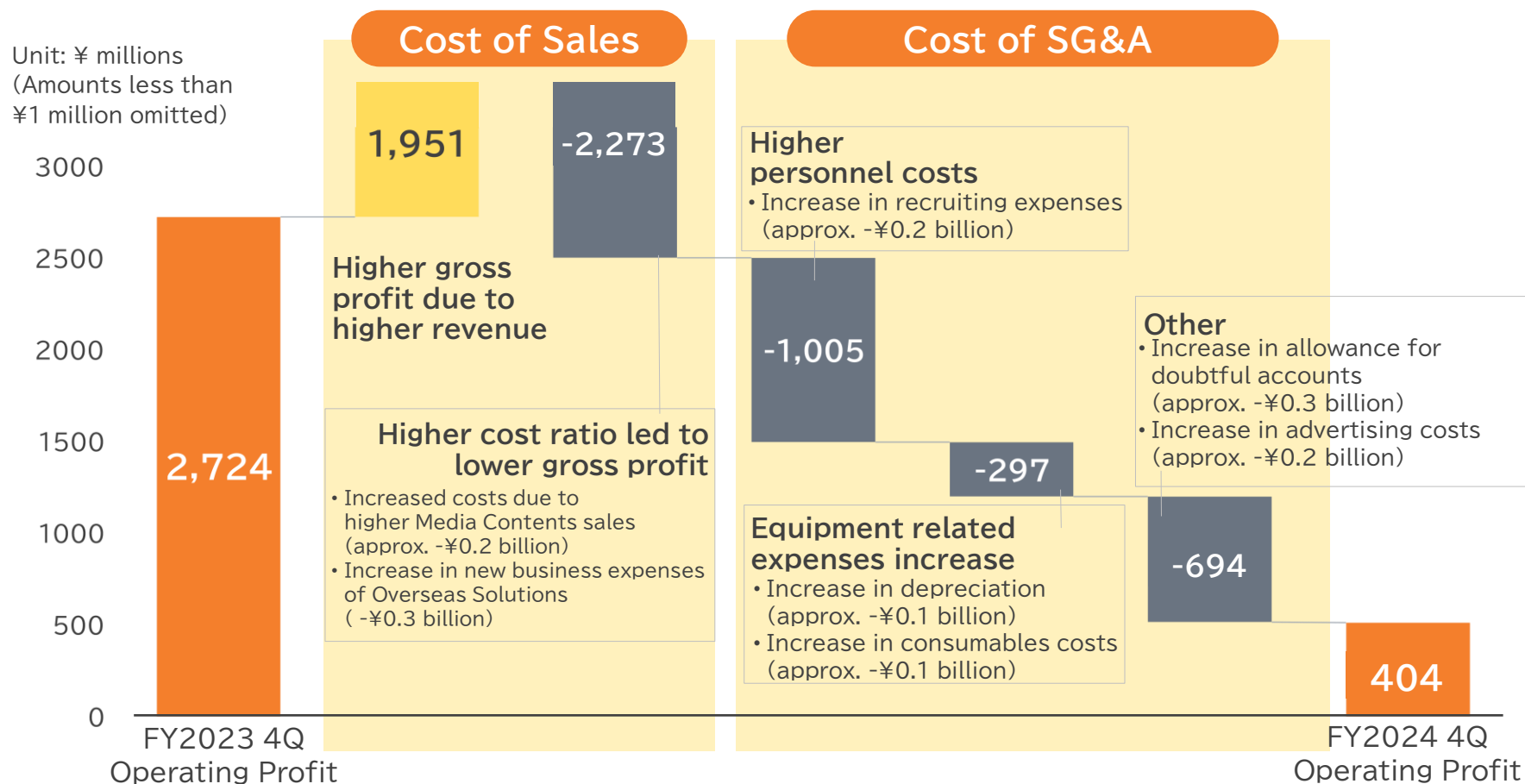
	Current Year Full FY2024 (2023/2-2024/1)		Previous Year Full FY2023 (2022/2-2023/1)		Change YoY	
	Actual	Margin	Actual	Margin	Actual	%
Net Sales	46,980	-	39,929	-	+7,050	+17.7%
Gross Profit	10,728	22.8%	11,051	27.7%	-322	-2.9%
Operating Profit	404	0.9%	2,724	6.8%	-2,319	-85.2%
Ordinary Profit	509	1.1%	2,689	6.7%	-2,179	-81.1%
Before taxes and other adjustments	-1,155	-2.5%	1,995	5.0%	-3,150	-%
Net Profit	-1,967	-4.2%	795	2.0%	-2,762	-%
Profit attributable to parent company shareholders	-1,967	-4.2%	795	2.0%	-2,762	-%
Reference: EBITDA	1,573	3.3%	3,761	9.4%	-2,188	-58.2%

Operating Profit Analysis

Analysis of Changes

PTW

- Gross profit decreased due to cost of sales increased due to higher sales of Media Contents with relatively low profit margins, and higher new business expenses for Overseas Solutions.
- In selling, general and administrative expenses, operating profit decreased due to an increase of recruiting expenses (recruitment fees and the cost of recruiting staff themselves) and expenses for integration and maintenance of sites.



(Note) "Increase in gross profit due to revenue growth" is the amount of increase in gross profit based on the assumption that sales increased at the gross profit margin (27.7%) in FY2023 4Q.

Performance Overview

PTW

- Domestic Solutions: Despite sales expansion in the e-commerce field, profit decreased due to an increase in recruiting, personnel, and site facility integration expenses.
- Overseas Solutions: The yen's depreciation also contributed to increased sales, costs rose due to cost of living, higher personnel costs, and new business-related expenses resulted in decreased profit.
- Media Contents: Newly consolidated AQUAPLUS contributes to sales, but profit declines due to allowance for doubtful accounts.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

		Current Year Full FY2024 (2023/2-2024/1)		Previous Year Full FY2023 (2022/2-2023/1)		Change YoY	
		Actual	Margin	Actual	Margin	Actual	%
Domestic Solutions	Net Sales	Ext.	26,925	25,560		+1,364	+5.3%
		Int.	164	107		+57	+53.7%
		Total	27,089	25,667		+1,422	+5.5%
	Operating Profit	1,504	5.6%	2,488	9.7%	-984	-39.6%
Overseas Solutions	Net Sales	Ext.	12,949	11,712		+1,236	+10.6%
		Int.	1,565	1,744		-179	-10.3%
		Total	14,514	13,457		+1,057	+7.9%
	Operating Profit	123	1.0%	988	8.4%	-865	-87.6%
Media Contents	Net Sales	Ext.	7,105	2,655		+4,449	+167.6%
		Int.	30	47		-17	-35.6%
		Total	7,136	2,703		+4,432	+164.0%
	Operating Profit	-965	-13.5%	-667	-25.1%	-294	-%

(Note) "Ext. (External)" in "Net Sales" refers to sales to external clients, and "Int.(Internal)" refers to net sales and transfers between internal operations. Operating profit margins are calculated using the "External" net sales as the denominator.

Performance Overview of Consolidated Financial Results for the Fiscal Year Ended January 31, 2024

PTW

Unit: ¥ millions (Amounts less than ¥1 million omitted)

		FY2023				FY2024				Compared to the current 3Q (B)-(A)
		1Q	2Q	3Q	4Q	1Q	2Q	3Q (A)	4Q (B)	
Net Sales		9,610	10,050	10,465	9,802	10,948	11,391	11,919	12,719	+800
Operating Profit		702	648	665	707	294	197	185	-272	-458
Operating Margin		7.3%	6.5%	6.4%	7.2%	2.7%	1.7%	1.6%	-2.1%	-3.7Pt
Domestic Solutions	Net Sales	6,396	6,254	6,428	6,480	6,316	6,422	6,950	7,234	+283
	Operating Profit	973	698	419	397	305	392	241	565	+324
	Operating Margin	15.2%	11.2%	6.5%	6.1%	4.8%	6.1%	3.5%	7.8%	+4.3Pt
	(B)-(A)	Increase in sales of Tech sector, and increase in profit due to a decrease of ¥100 million in costs for integration and maintenance of sites.								
Overseas Solutions	Net Sales	2,575	3,127	3,430	2,579	3,045	3,304	3,644	2,954	-689
	Operating Profit	-112	166	445	489	68	-134	415	-227	-643
	Operating Margin	-4.4%	5.3%	13.0%	19.0%	2.3%	-4.1%	11.4%	-7.7%	-19.1Pt
	(B)-(A)	Sales decline due to the start of the holiday season, and profit decline due to the absence of a ¥200 million bonus provision reversal in 3Q.								
Media Contents	Net Sales	639	667	606	742	1,586	1,664	1,324	2,530	+1,205
	Operating Profit	-145	-155	-164	-202	12	42	-404	-612	-207
	Operating Margin	-22.8%	-23.3%	-27.1%	-27.3%	0.8%	2.6%	-30.6%	-24.2%	+6.4Pt
	(B)-(A)	Animation and Events sales increased, and provision of allowance for doubtful accounts increased by ¥298 million, resulting in lower profits.								

(Note) Net sales is calculated using revenues from external clients, and operating margin is calculated using "external" sales as the denominator.

- E-commerce, followed by tech sector and gaming saw a year on year increase in sales.
- Profitability declined due to increased costs associated with the conversion of part-time workers into regular employees, the hiring of contractors, active recruitment and the promotion of the working environment, and ¥427 million in one-time costs for the development of sites (double rent, fixtures and fittings, etc.).

Net Sales

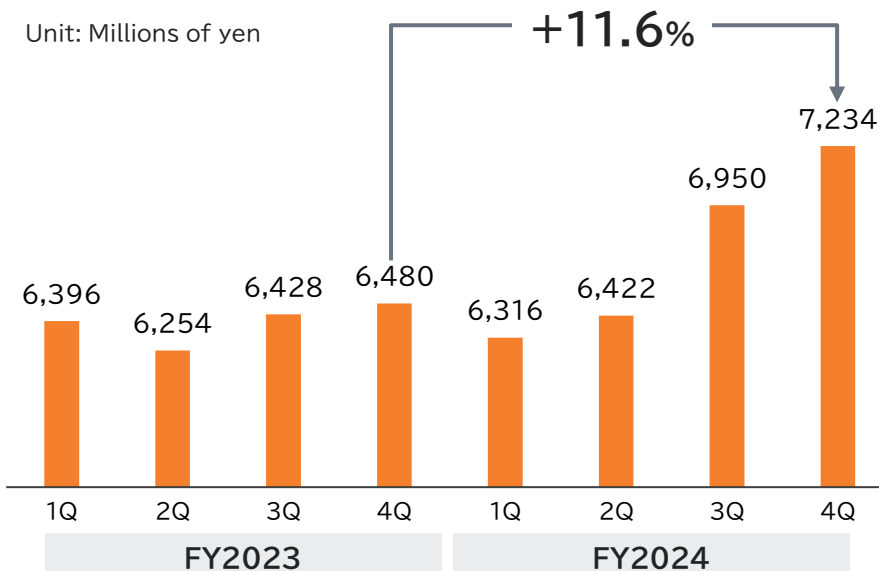
Change YoY

Multiple orders for new game titles, increase in data annotation and cashless payment-related work, and new orders for ICT supporting system development lead to revenue increase.

Budget Variance

Tech and EC sector exceeds forecast.

Unit: Millions of yen



Operating Profit

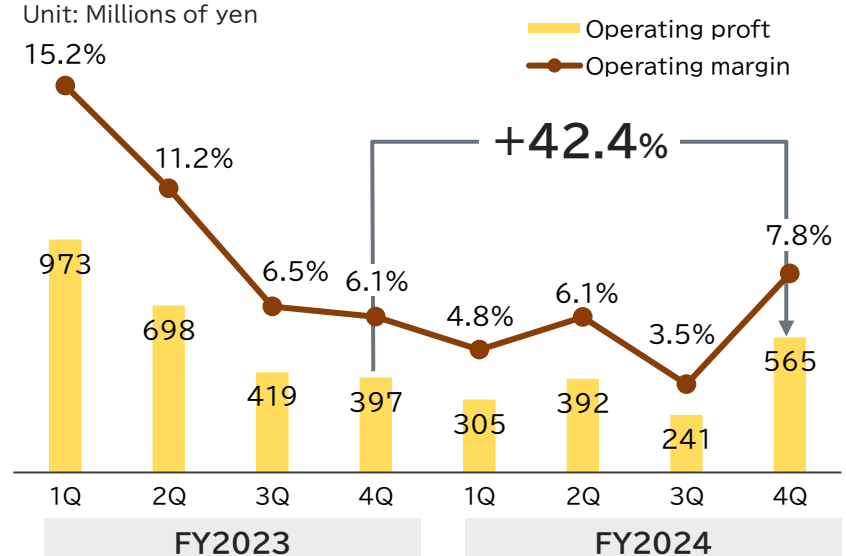
Change YoY

Proactive investment in human resources, such as employing contractors, improving the working environment, recruiting, etc., reduced profits.

Budget Variance

Lower than expected in the Gaming sector (Support for Overseas Expansion).

Unit: Millions of yen



(Note) Net sales is calculated using revenues from external clients, and operating margin is calculated using "external" sales as the denominator.

- In addition to active recruitment, secure and expand Human Capital by converting part-time workers into regular employees and promoting human capital. Promoting the retention of human resources by improving the working environment and establish a business foundation capable of sustainable growth.

Retaining and Strengthening Human Resources

Headcounts	FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Regular employee	907	916	1,233	1,235	1,314	1,344	1,374	1,402
Part-time employee	2,836	2,944	2,768	2,901	2,978	3,004	3,577	3,829
Total (persons)	3,743	3,860	4,001	4,136	4,292	4,348	4,951	5,231

Proactive regular employment
Employing contractors

Investments in improving the working environment

(Millions of Yen)	FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
One-time site integration costs	-	31	75	64	246	33	124	24

Akihabara Center
(Relocated and integrated in March 2023)



Hakata Center
(Relocated in September 2023)



Sendai Center
(Relocated and integrated in October 2023)



- Sales growth was sluggish due to the impact from the game market environment, but saw a year on year increase due to the effect of the yen's depreciation.
- Profitability declined due to rising cost of living and increased labour costs, and incurring new business expenses of ¥843 million that have not yet been commercialised.

Net Sales

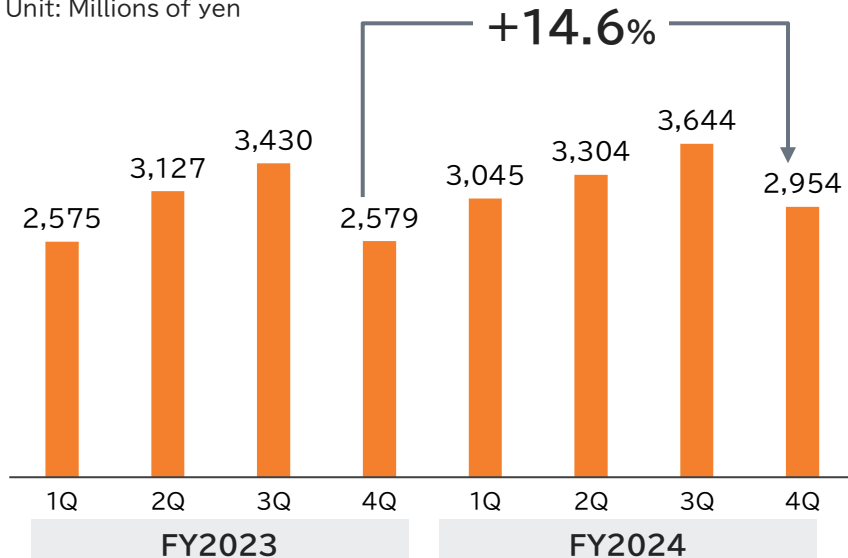
Change YoY

Sales increased, with the impact of the delay of game title launches, industry restructuring and the emergence of competition in emerging markets offset by the effect of the yen's depreciation.

Budget Variance

Lower than expected due to delay of projects.

Unit: Millions of yen



Operating Profit

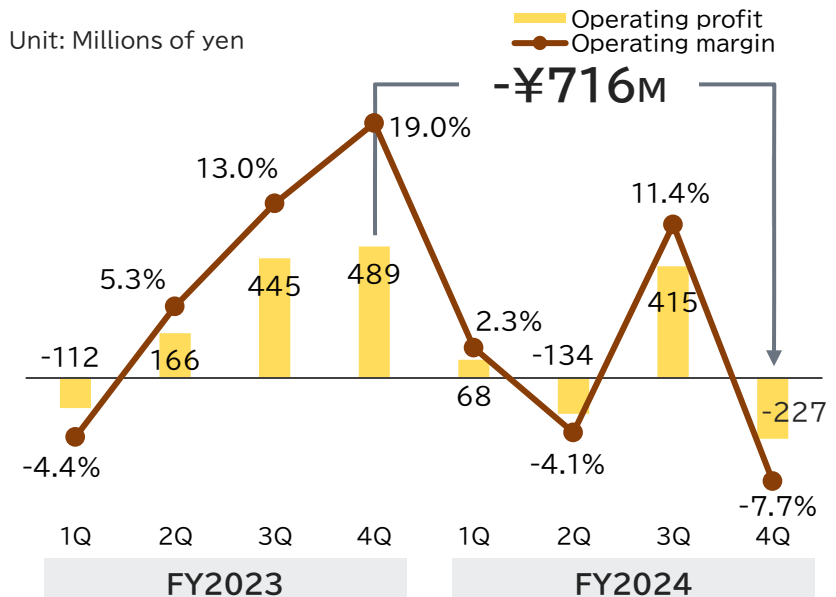
Change YoY

Profit decline due to rising cost of living and labour costs and increased new business costs.

Budget Variance

Exceeded expectations due to cost reduction efforts.

Unit: Millions of yen



(Note) Net sales is calculated using revenues from external clients, and operating margin is calculated using "external" sales as the denominator.

- As a new business, the Company has invested in video game, social networking and system-related “Product Businesses”. For now, the Company will selectively focus on the development of social networking app for gamers, with the aim of releasing and monetising it.

Investment in New Businesses/Business Selection and Concentration

(Millions of Yen)	FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
New Business Expenses	145	142	138	149	173	224	236	210

Business selection and concentration

- Restructure the business base by closing unprofitable sites and adjusting the workforce in the first half of FY2025, with the aim of improving performance from the second half of the fiscal year.

Establishing the right organizational structure for the business strategy

Headcounts	FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Regular employee	1,545	1,485	1,469	1,524	1,751	1,721	1,751	1,587
Part-time employee	1,099	1,394	1,386	1,267	960	1,161	1,047	1,419
Total (persons)	2,644	2,879	2,855	2,791	2,711	2,882	2,798	3,006

Staffing adjustments in FY2025

- Newly consolidated AQUAPLUS, which became a subsidiary at the end of the previous fiscal year, contributed to sales 3.4 times higher than in the same period of the previous fiscal year.
- Profitability declined due to some unprofitable projects in line with the expansion of the animation, stage and MD businesses; allowance for doubtful accounts receivable in arrears of ¥298 million; and game joint development losses of ¥163 million with no revenue sharing.

Net Sales

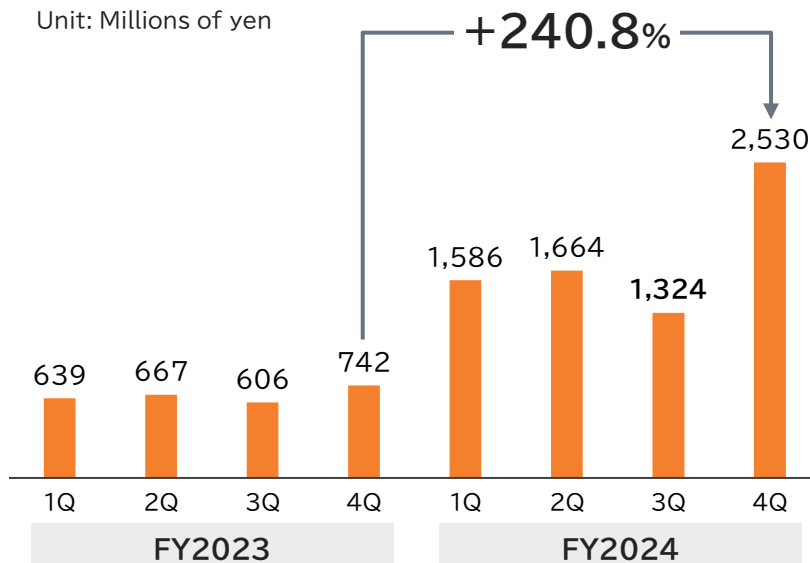
Change YoY

AQUAPLUS and Stage businesses contribute to new consolidation. Game development investment revenue share contributes to sales.

Budget Variance

AQUAPLUS, Animation, Stage and Merchandising (MD) businesses exceeded forecast.

Unit: Millions of yen



Operating Profit

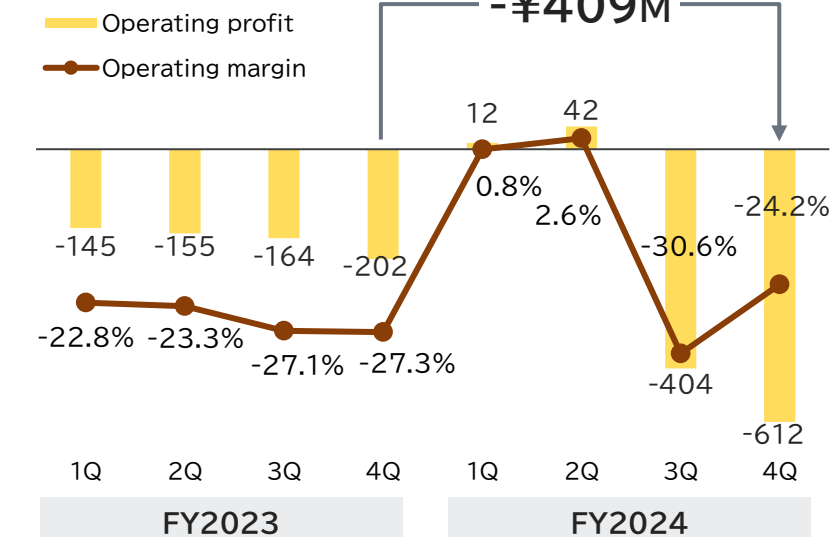
Change YoY

Profitability improving, but profit declines due to allowance for doubtful accounts for some unprofitable projects and debts with collection concerns.

Budget Variance

Lower than forecast due to occurring of allowance for doubtful accounts for accounts receivable in arrears.

Unit: Millions of yen



(Note) Net sales is calculated using revenues from external clients, and Operating margin is calculated using "external" sales as the denominator.

- Delivered the theatre animation "A Few Moments of Cheers" and the TV animation "Quality Assurance in another world.", both of which were funded and produced under master contract, and announced the stage adaptation of the popular work "Road to Summer Sonia", which has also been made into an animation.
- Announced the event "AQUAPLUS 30th Anniversary Festival" as a project to celebrate the 30th anniversary of AQUAPLUS.



- The acquisition of the 3DCG animation production studio "SHiiTAKE DiGiTAL, Ltd." has expanded the functions and scale of animation production to over 120 people, with the aim of expanding the production capacity to 200 people.

Status of securing and strengthening human resources

Headcounts	FY2023				FY2024			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Regular employee	161	157	170	231	256	274	275	296
Part-time employee	98	104	105	116	117	105	107	108
Total (persons)	259	261	275	347	373	379	382	404

Consolidated Financial Position

PTW

- Increase in non-current assets due to the opening of centers, decrease in intangible assets and investments and other assets due to various impairments
 - Decrease in cash and deposits due to dividend payment, purchase of treasury shares, etc.
 - Current liabilities increased due to a ¥1,500 million increase in short-term borrowings.
- Equity ratio 55.0%.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

	As of Jan. 31, 2024	As of Jan. 31, 2023	Results
Current assets	17,223	20,244	-3,020
(of which, cash and deposits)	(7,843)	(11,192)	(-3,349)
Property, plant and equipment	2,365	1,547	+818
Intangible assets	2,324	2,871	-547
Investments and other assets	2,522	2,795	-273
Non-current assets	7,212	7,215	-2
Total assets	24,436	27,459	-3,023
Current liabilities	10,072	8,664	+1,408
Non-current liabilities	922	1,102	-179
Total liabilities	10,995	9,766	+1,228
Total net assets	13,441	17,693	-4,251
(of which, treasury shares)	(-2,552)	(-703)	(-1,849)
Total liabilities and net assets	24,436	27,459	-3,023

Consolidated Cash Flow

PTW

- Profits decreased in all three operations, and operating cash flows decreased significantly to ¥838 million.
- Investing cash flows -¥2,899 million due to the integration and development of sites.
- Financing cash flows -¥1,511 million due to purchase of treasury shares -¥1,863 million, dividend payments -¥559 million and short-term borrowings +¥1,500 million.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

	FY2024 (2023/2-2024/1)	FY2023 (2022/2-2023/1)	Change YoY
Cash flows from operating activities	838	1,920	-1,081
Cash flows from investing activities	-2,899	-2,563	-335
Cash flows from financing activities	-1,511	2,011	-3,523
Effect of exchange rate changes on cash and cash equivalents	223	89	+133
Net increase in cash and cash equivalents	-3,349	1,457	-4,806
Cash and cash equivalents at beginning of year	11,192	9,735	+1,457
Cash and cash equivalents at end of year	7,843	11,192	-3,349

1	Financial Summary	...	2
2	Financial Report for the Year Ended January 31, 2024	...	4
3	Consolidated Forecasts for the Year Ending January 31, 2025	...	18
4	Future Operating Policy	...	25
5	Appendix	...	38

Consolidated Forecasts

PTW

- Costs for integrating domestic sites and new overseas projects will fall significantly.
- In the first half of the year, the Company reaches the point of business liquidation (closure of sites, termination of operations, personnel adjustments) in overseas solution and media content. Sales and profits are expected to increase from the second half of the year, and the Company will consolidate its business base for growth from FY2026 onwards.
- Net profit is expected to be temporarily low, but the Company expects a steady recovery in earnings in the future. Dividend remains unchanged at ¥16, with emphasis on maintaining stable shareholder returns.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

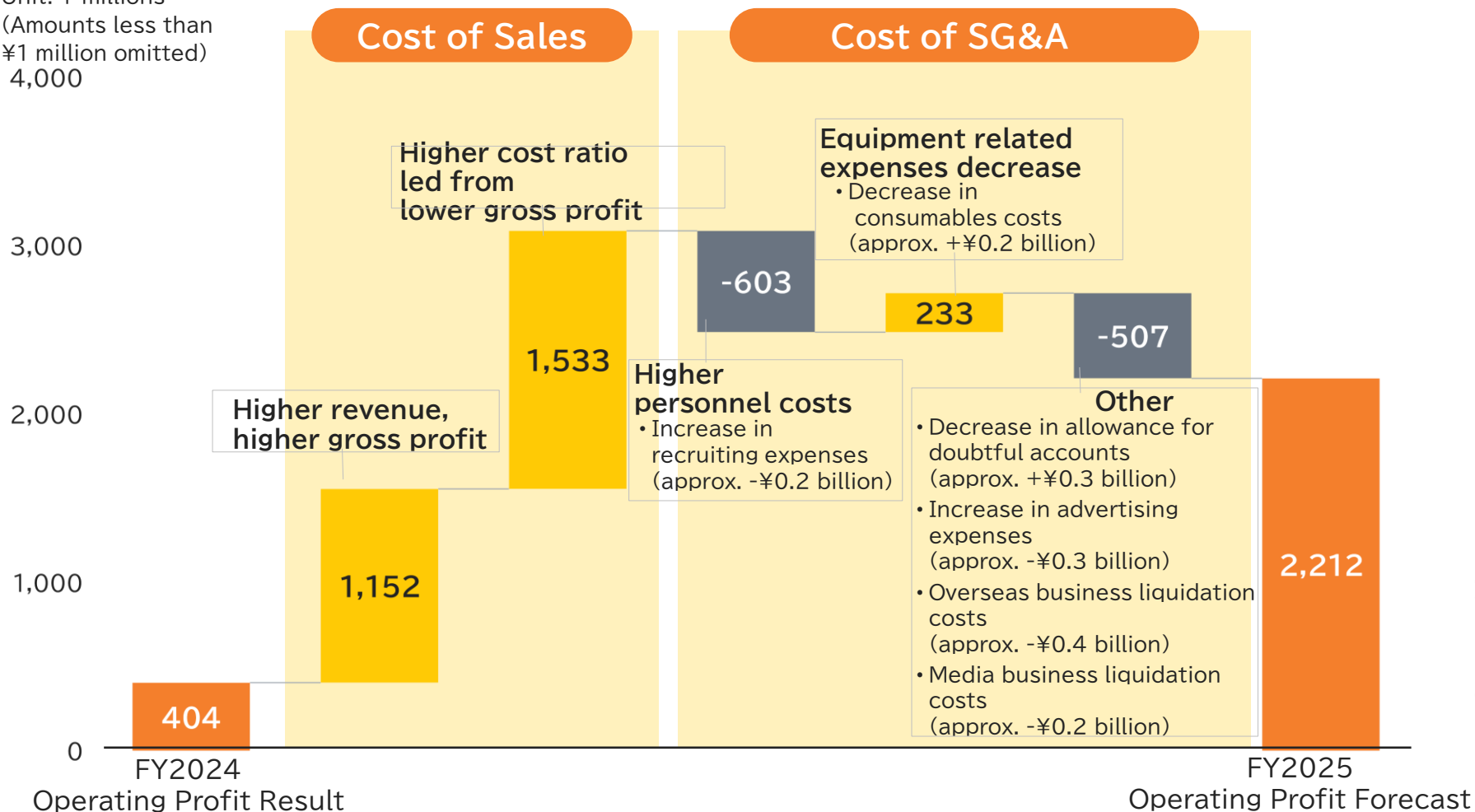
	FY2025 Forecast			FY2024 Results			YoY Change	
	1Q & 2Q	3Q & 4Q	Annual	1Q & 2Q	3Q & 4Q	Annual	Amount	%
Net Sales	23,840	28,188	52,028	22,340	24,639	46,980	+5,048	+10.7%
Operating Profit	-118	2,331	2,212	491	-87	404	+1,808	+447.0%
Ordinary Profit	-124	2,326	2,201	422	86	509	+1,692	+332.3%
Profit attributable to owners of parent	-860	1,106	246	-354	-1,613	-1,967	+2,058	-
Net Profit per share	¥-	¥-	¥6.96	¥-	¥-	-¥54.57	+ ¥61.53	-
Cash Dividends per share	¥-	¥16	¥16	¥-	¥16	¥16	±¥0	-

Consolidated Operating Profit Forecast Analysis of Changes

PTW

- Aim for an operating margin of 4.3% for the full year, with business infrastructure restructuring in the first half of the year and profitability improvement gaining momentum in the second half of the year.

Unit: ¥ millions
(Amounts less than
¥1 million omitted)
4,000



(Note) "Increase in gross profit due to revenue growth" is the amount of increase in gross profit based on the assumption that sales increased at the gross profit margin (22.8%) in FY2024.

Consolidated Forecasts by Business Segment

PTW

Unit: ¥ millions (Amounts less than ¥1 million omitted)

		FY2024 Result			FY2025 Forecast		
		1Q & 2Q	3Q & 4Q	Annual	1Q & 2Q	3Q & 4Q	Annual
Net Sales		22,340	24,639	46,980	23,840	28,188	52,028
Operating Profit		491	-87	404	-118	2,331	2,212
Operating Margin		2.2%	-0.4%	0.9%	-0.5%	8.3%	4.3%
Domestic Solutions	Net Sales	11,242	12,333	23,576	12,994	14,865	27,859
	Operating Profit	697	806	1,504	905	1,521	2,426
	Operating Margin	6.2%	6.5%	6.4%	7.0%	10.2%	8.7%
	Forecast for FY2025	Decrease in consolidation and maintenance of sites and increase in sales in the Tech sector.					
Overseas Solutions	Net Sales	7,847	8,451	16,298	7,762	9,161	16,923
	Operating Profit	-65	188	123	-353	909	555
	Operating Margin	-0.8%	2.2%	0.8%	-4.6%	9.9%	3.3%
	Forecast for FY2025	Closure of unprofitable sites and personnel adjustments in the first half of the year to improve performance from the second half of the year.					
Media Contents	Net Sales	3,251	3,854	7,105	3,083	4,161	7,245
	Operating Profit	55	-1,017	-961	-432	10	-421
	Operating Margin	1.7%	-26.4%	-13.5%	-14.0%	0.3%	-5.8%
	Forecast for FY2025	Unprofitable business liquidated in first half of the year, animation delivery and stage business in full swing in second half of the year, aiming to return to profitability.					

(Note) PTW Japan's results were previously recorded under Domestic Solutions, but will be recorded under Overseas Solutions from FY25/1, and FY24/1 has been retrospectively adjusted.

- The number of games developed is on a downward trend as game development budgets soar. Growth in both sales and profits through implementation of the strategy, despite ongoing wage increases and cost of living.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

	FY2024 Result			FY2025 Forecast		
	1Q & 2Q	3Q & 4Q	Annual	1Q & 2Q	3Q & 4Q	Annual
Net Sales	11,242	12,333	23,576	12,994	14,865	27,859
Operating Profit	697	806	1,504	905	1,521	2,426
Operating Margin	6.2%	6.5%	6.4%	7.0%	10.2%	8.7%



Issues (FY2024)

- Sales in the growth area Tech sector at +5% YoY, below the initial budget of +30%.
- Increased fixed costs, such as rent and labour costs (e.g. converted to regular employee and hiring.)



Actions (FY2025)

- Increase sales staff in the Tech sector and strengthen recruitment of engineers.
- Price pass-on to clients.
- Continue promotion of remote working.

Strategy

- Increase presence value in the games and entertainment industry with full process support through the Group collaboration.
- Growth in the Tech sector (third-party verification, system development).
- Improve labour productivity through DX and AI in operations.
- Remote work promotion to curb office lease costs and achieve efficient recruitment in a wide area.

Business Environment and Strategy

<Overseas Solutions>

PTW

- Restructure the business base and improve profitability despite the slowdown in growth in the video game market and the sharp rise in labour costs and cost of living, particularly in Europe and the North America.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

	FY2024 Result			FY2025 Forecast		
	1Q & 2Q	3Q & 4Q	Annual	1Q & 2Q	3Q & 4Q	Annual
Net Sales	7,847	8,451	16,298	7,762	9,161	16,923
Operating Profit	-65	188	123	-353	909	555
Operating Margin	-0.8%	2.2%	0.8%	-4.6%	9.9%	3.3%



Issues (FY2024)

- Due to the market environment and delays in new business, sales rose only +9% YoY, below the budget set at the beginning of the year of +39%.
- Deterioration in profitability due to rising labour costs and cost of living, some new business becoming unprofitable.



Actions (FY2025)

- Increase in sales staff and assignment of a head of M&A activities.
- Restructuring of the business base by closing unprofitable sites and adjusting the workforce.
- New businesses will be selected and concentrated on those with the potential to generate revenue.

Strategy

- Strengthen sales structure, gain market share through M&A, increase number of clients.
- Expansion of product business (B to C).
- Reduction in office lease costs through consolidation of sites.
- Improve labour productivity through AI in operations.

- The character content market continues to expand, while outsourced production costs soar. Maximise revenues through the use of IP, M&A, enhanced recruitment of animators and production investment.

Unit: ¥ millions (Amounts less than ¥1 million omitted)

	FY2024 Result			FY2025 Forecast		
	1Q & 2Q	3Q & 4Q	Annual	1Q & 2Q	3Q & 4Q	Annual
Net Sales	3,251	3,854	7,105	3,083	4,161	7,245
Operating Profit	55	-1,017	-961	-432	10	-421
Operating Margin	1.7%	-26.4%	-13.5%	-14.0%	0.3%	-5.8%



Issues (FY2024)

- Sales in line with plans, but cost of business expansion ahead of schedule, some projects in the games and MD business fell short of revenue plans and became unprofitable.



Actions (FY2025)

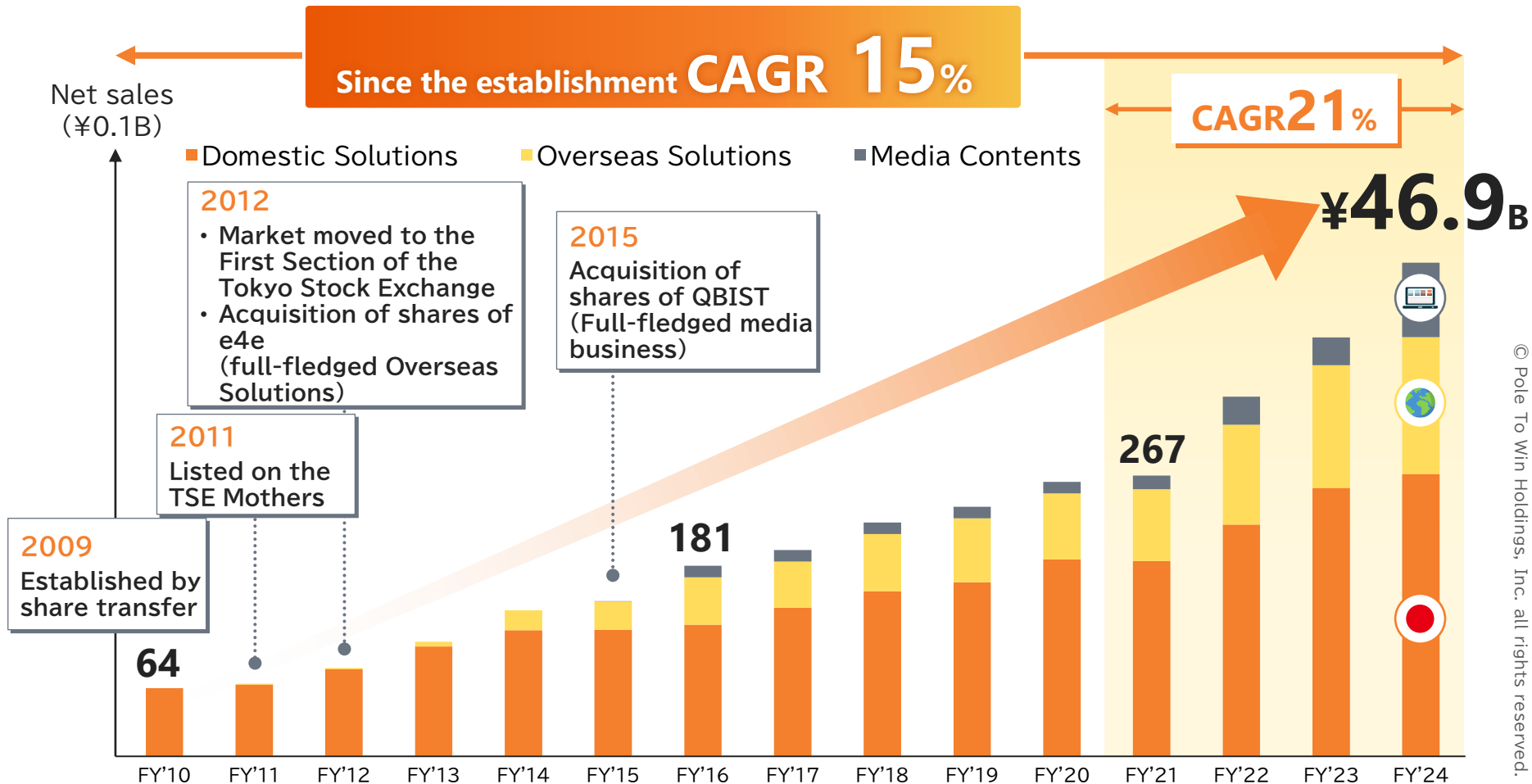
- Aiming to increase sales in the PR marketing area.
- Organize and withdraw from unprofitable businesses, review the headcount and allocation of personnel and business management systems.
- Selection and concentration on businesses with profitability potential.

Strategy

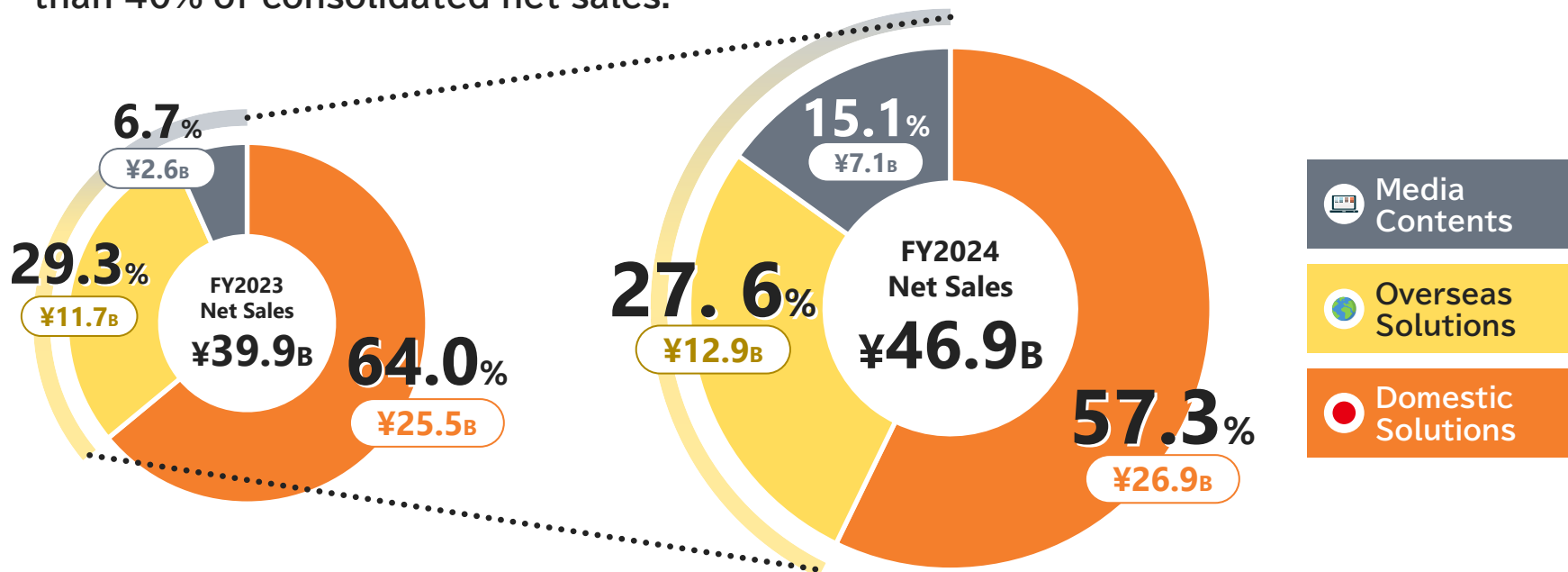
- Creation and acquisition of IPs, maximising revenues through 360° media mix (animation, games, merchandising).
- Recruitment of producer position, strengthening M&A of production companies, introduction and use of AI technology in work-flows.
- Expanding highly profitable licence income by investing in production in addition to production contracts.

1	Financial Summary	...	2
2	Financial Report for the Year Ended January 31, 2024	...	4
3	Consolidated Forecasts for the Year Ending January 31, 2025	...	18
4	Future Operating Policy	...	25
5	Appendix	...	38

- In 2009, established through a share transfer between Pole To Win and Pitcrew.
- Strengthen the business base and carry out mergers and acquisitions, starting from testing and net monitoring, to meet the various challenges that arise in the life cycle of customer products and achieved sustainable growth.



- Under the single segment of “Service Life Cycle Solutions“, the Company operates three businesses: Domestic Solutions, Overseas Solutions and Media Contents.
- Operations outside of the core Domestic Solutions business have expanded to more than 40% of consolidated net sales.



Business Contents	Domestic Solutions	Overseas Solutions	Media Contents	Main Clients
	<ul style="list-style-type: none"> Gaming <ul style="list-style-type: none"> Testing Customer support Localization Support for overseas expansion E-commerce sector <ul style="list-style-type: none"> Monitoring Customer support Tech sector <ul style="list-style-type: none"> Third-party verification Infrastructure set up System development 	<ul style="list-style-type: none"> Testing Localization Voice recording Customer support Product development support Art production 	<ul style="list-style-type: none"> Art production Animation production, production financing Game publishing PR marketing support Accessible Subtitle Audio guide production 	<ul style="list-style-type: none"> Game companies Internet contents operating companies Electronic payment service companies Software development companies Animation and film production companies

- Achieve business growth, strengthen human resources and financial soundness based on the environment and strategies surrounding each operation.

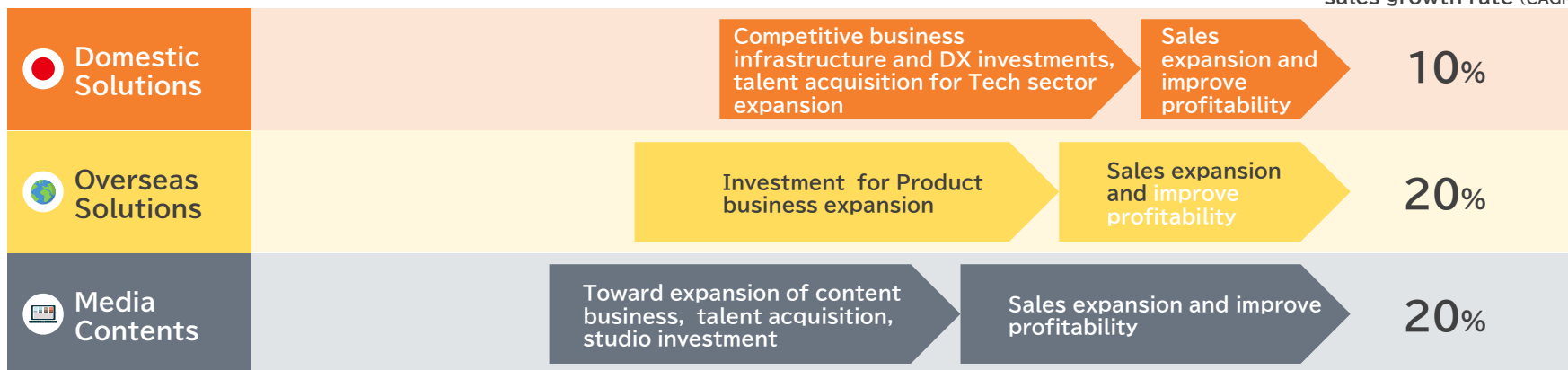
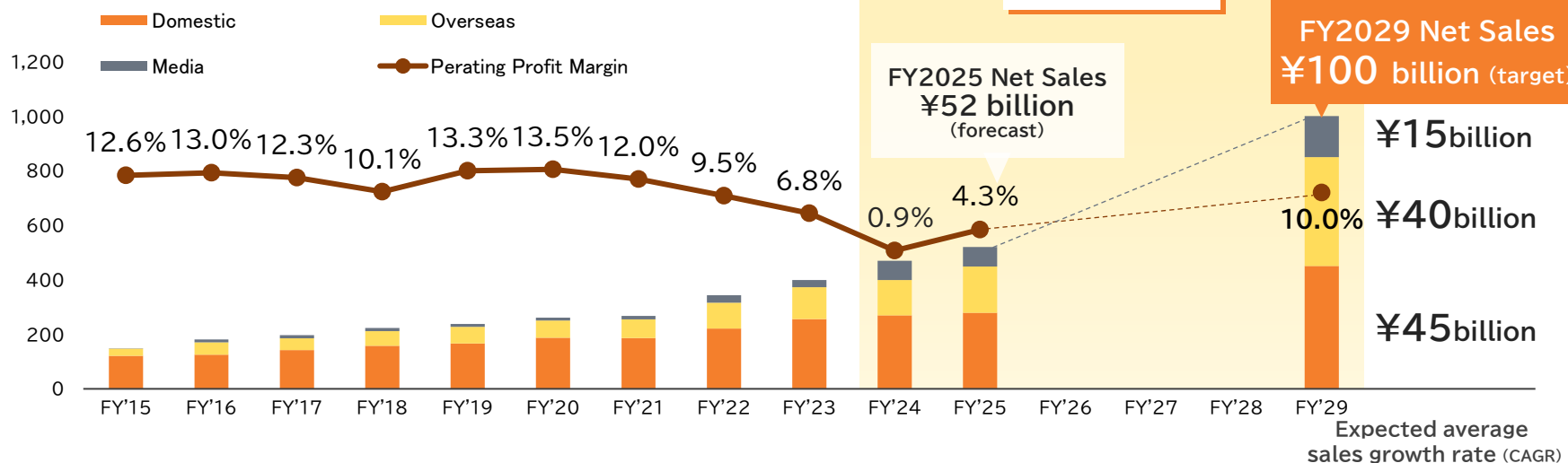
Linking to sustainable growth.

Business Growth	Top Line (net sales) Growth	<ul style="list-style-type: none"> ● Process, Region, Field = Thoroughness and penetration of "Service Life Cycle Solutions".
	Improve/Increase Profit Margins	<ul style="list-style-type: none"> ● Promotion and thoroughness of billing rate improvement and cost control. ● Examining breakeven points by each business and region, and discontinue or integrate unprofitable businesses and sites.
	Strengthening post-merger integration and creating group synergies	<ul style="list-style-type: none"> ● Continuing execution of M&A and creation of systems to produce acquisition benefits in early stage. ● Stricter management of forecasts and actual results
Strengthening of human resources	Continued investment in human capital	<ul style="list-style-type: none"> ● Building office environments and ways of working to maximise human capital. ● Retaining and promoting a diverse workforce and developing the next generation of executive candidates.
Financial Soundness	Optimise the balance between investment in growth and shareholder returns	<ul style="list-style-type: none"> ● By generating operating cash and making effective use of interest-bearing debt, investment in growth and shareholder returns can be achieved at the same time. ● Formulating investment and withdrawal discipline.

Business Expansion Image of the Group

- Proactively invest in business growth (strengthening business foundations, DX, new businesses, M&A) in each business by making HIKE a subsidiary in FY2020, entering overseas product business in FY2021 and commencing domestic reorganisation in FY2022.
- Aim for sales of ¥100 billion and operating margin of 10% through continuous sales expansion and profitability improvement.

Unit: ¥0.1B



- Establish office environments and ways of working to maximise human capital. Focus on recruiting and training the next generation of executive candidates in addition to converting non-regular employees to regular employees, to secure the foundations to support sustainable growth.

”Improving the working environment”, including integration of sites, and Work Style Reform.

Promoting the recruitment and performance of a diverse human resources
”Achieving diversity”

Examples



Akihabara Center
(Relocated and integrated in March 2023)

- Consolidating the functions of the six metropolitan centers, covering all the main services.



Oita Center
(Newly established in August 2023)

- Providing EC business support services (monitoring, moderation, customer support).



Newly established Saga Center
(November 2023)

- Providing monitoring and customer service such as annotation services, e-commerce sites and other.

Contributing to job creation and regional development through introducing remote work and flextime

- Implementation of diversity management training for senior management.
- Implementation of job-specific training by experts.
- Active recruiting a diverse human resources from young contractors to next-generation executive candidates.
- Strengthen measures to promote and retain new graduate recruitment and employment of persons with disabilities.

Diversity management training by Shoko Hanyu



Job-specific training by Tsuyoshi Yumoto



Providing re-skilling opportunities through operations and human resources development

- Optimise the balance between growth investment and shareholder returns with a view to improving profitability, while maintaining financial soundness. Assuming a cost of capital (WACC) of 8%*, and improve corporate value sustainably.

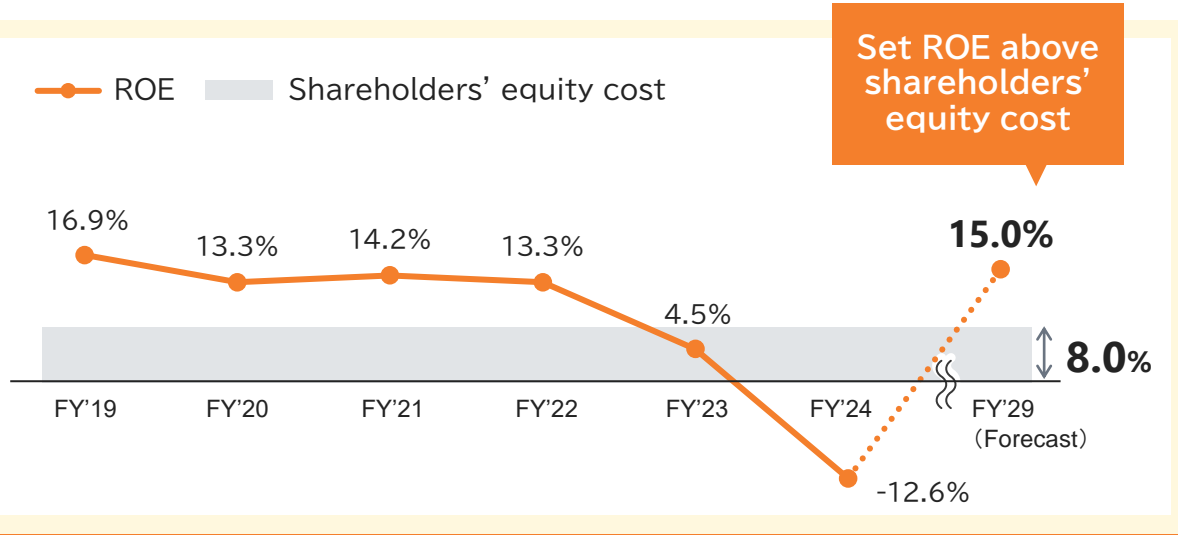
FY2029 Target

ROE

15% or more

In FY2023 and FY2024, business growth cost was large and resulted lower ROE.

Targeting to improve ROE by improving profitability through strategy implementation, and optimising capital allocation.



Growth Investment

Implement investments with $ROIC > WACC$, and verify investment effectiveness by targeting a post-investment ROIC of **10%**.

Shareholder Returns

DOE (Dividend On Equity)

▶ **3%** minimum

Assuming of constant dividends even in the event of a negative net profit.

Total Return Ratio

▶ **30%** or more

Assuming dividend linked to profit growth.

Financial Soundness

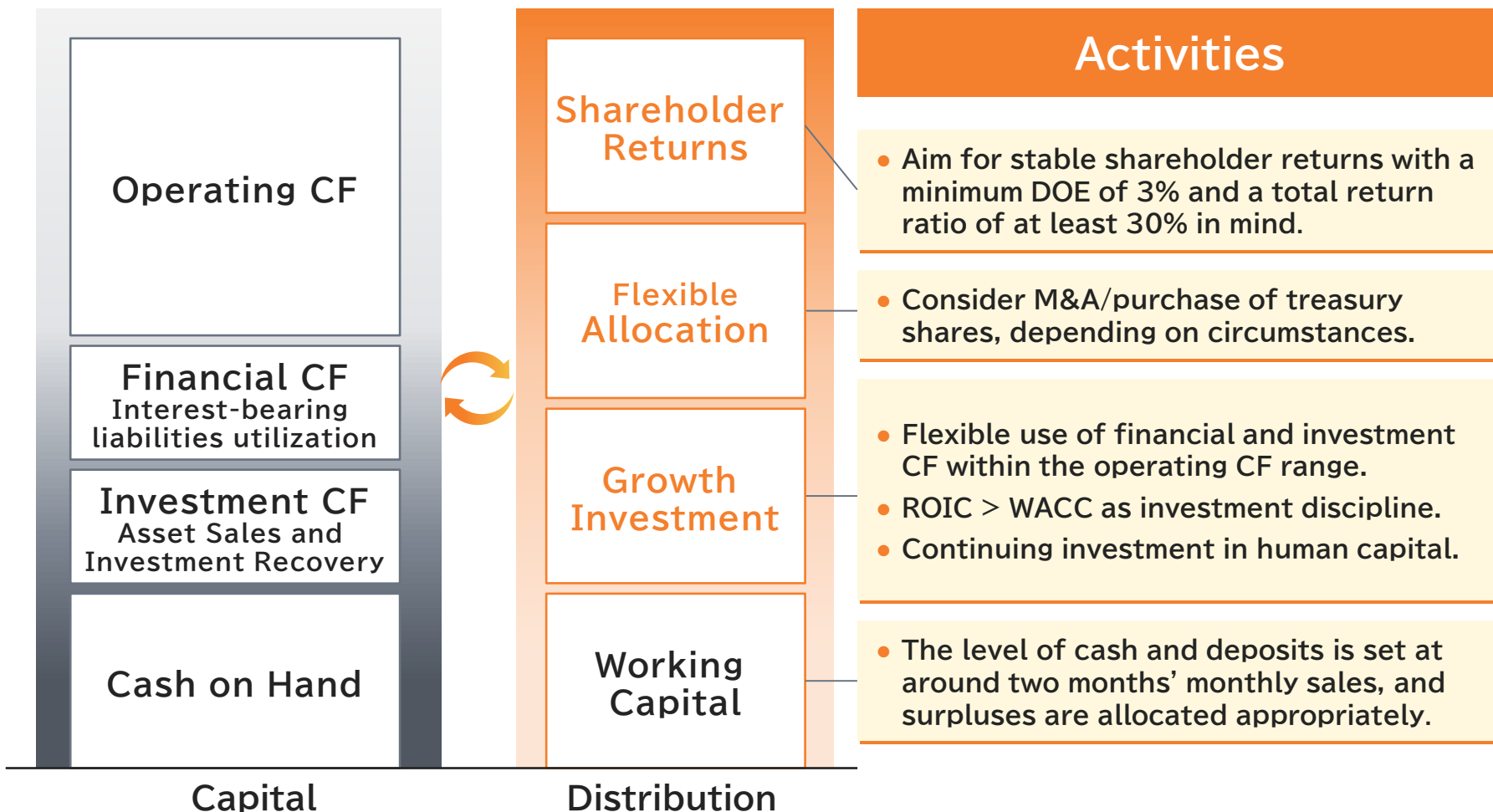
Equity Ratio

▶ Adherence of more than **50%**

Balance between utilization of interest-bearing liabilities and financial soundness.

(Note) The Company's WACC premise: Risk-free rate (0 to 1%) + β (1.0 to 1.2) x Market risk premium (6 to 7%), Cost of debt 1%, Effective tax rate 30.62%

- Improve profitability and balance sheet, and allocate cash generated from operating, financing and investment activities to investment in growth and shareholder returns, with room for flexible allocations.



- Investments with ROIC > WACC to realize three-dimensional growth
- Monitoring by the "Investment Committee" of the necessity, appropriateness and post-investment profitability of investments.

Growth Investment Policy

Organic (Internal strengthening)

- Human capital investment
- Investment in DX, etc.






















Inorganic (Intake of external resources)



- M&A of related businesses
- Investment in surrounding business alliances
- Acqui-hiring to acquire know-how

Monitoring Policy

- Investment verification is carried out at least once a year by the "Investment Committee".
- Investment verification after a certain period of time after investment (3 to 5 years) with a target ROIC of 10%.

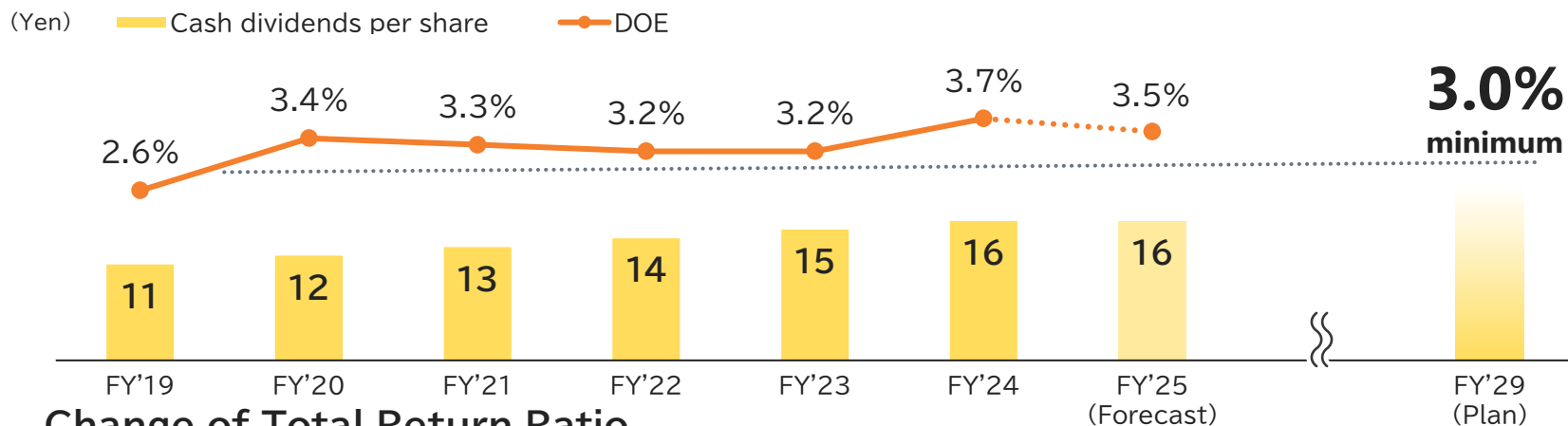
- Actively utilize M&A to achieve steady growth in core businesses and expand into new businesses.
- Continue to promote M&A that expand the Group's "Process," "Region," and "Field".

Business Classification	Major M&A to Date				
Domestic Solutions	 July 2012	 September 2012	 March 2018	 July 2021	 January 2022
Overseas Solutions	 October 2012	 August 2015	 March 2016	 December 2019	 January 2021
				 August 2021	 October 2023
Media Contents	 March 2010	 January 2015	 March 2019	 November 2019	 October 2020
		 August 2021	 November 2022	 December 2022	 January 2024

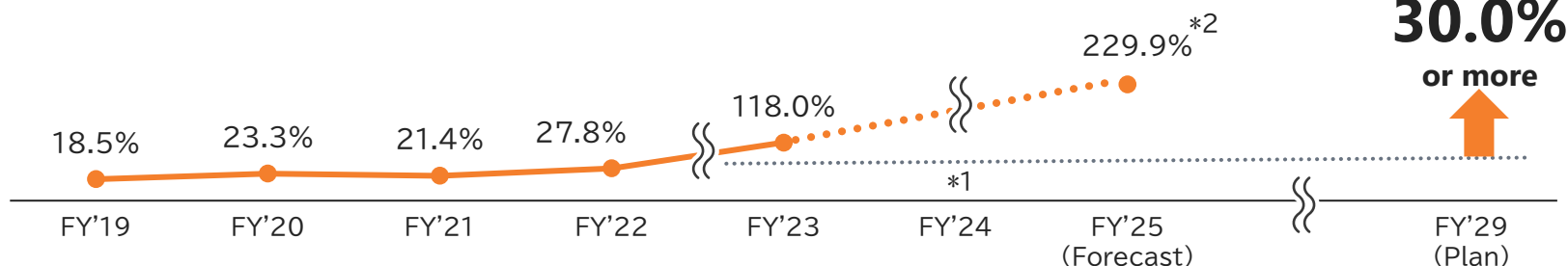
(Note) 1.  shows goodwill amortized over the planned period. 2.  shows goodwill amortized due to impairment loss. 3. Companies without box are in the process of amortizing goodwill.

- Revised from the previous "payout ratio target of 25%" in light of the company's business characteristics and financial situation.
- Basic policy of stable and continuous shareholder returns, with a target of "DOE of 3% minimum" and "total return ratio of 30% or more", and efforts to increase shareholder returns in the future.

Changes in DOE and Dividend



Change of Total Return Ratio



(Note) 1. Not stated due to negative net profit for FY2024.

2: Although net profit for FY2025 is small, total shareholder returns ratio is expected to be high due to continued stable shareholder returns and a policy of a minimum DOE of 3%.

Achieve ESG management through business activities

Environment

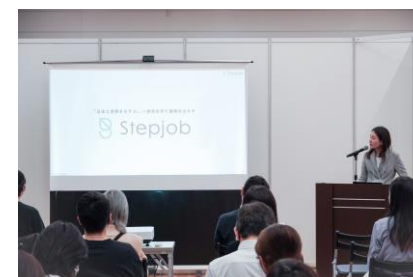
- DXing of internal procedures to promote paperless operations.
- Promotion of the introduction of LED lighting in offices.



Palabra offers a barrier-free collaboration platform for expanding the possibilities of arts and cultural experiences.

Social

- Promote Barrier-free content in anticipation of the implementation of Partial Amendment of Act for Eliminating Discrimination against Persons with Disabilities in April 2024. (Palabra)
- Eliminate labour shortages by matching foreign personnel who wants to work in Japan. (Stepjob)
- In collaboration with the national labour support transition centers, technical assistance and active employment promotion for people with disabilities.
- Educational activities for a non-toxic online society.
- Cooperation in the management of the "Study group on children's internet usage". (Pole To Win)



「日本と世界をむすぶ」、一歩先を行く採用のカタチ



A matching system that 'quickly connects' foreigners who want to work in Japan with Japanese companies. An example of 'Stepjob' seminar.

Governance

- Voluntary nomination and remuneration committee established.
- Establishment of criteria for determining the independence of outside directors.
- Promoting greater board diversity (women, investors).

- The Company’s policy is to build relationships of trust through active and constructive dialogues with shareholders, investors and others, and to implement IR activities that contribute to increasing corporate value.
- Director & CFO is designated as IR executive officer and the Administration Department as the department in charge of IR, and a system for dialogue has been established.

Main Activities

- Financial results briefings for shareholders, investors and others.
- Conduct individual interviews with analysts, institutional investors, etc.
- Organization of management update meetings for shareholders.
- Posting of various IR materials on website.
- Response to IR enquiries via the website.
- Publication and distribution of company reports by Shared Research Inc.
- Introduction of voting via the Internet or other means for General Shareholder Meetings and participation in electronic voting platforms.

Status of dialogues with shareholders and investors (FY2024)

Shareholders, investors and others engaged in dialogues

32 foreign investors, 20 domestic investors, 9 others (numbers are in total number of companies)

Main themes and concerns of the dialogues

M&A strategy, capital efficiency and dividend policy, and subsidiaries’ fraud, publication of short-, medium- and long-term forecasts, the impact of AI, the market environment and the medium-term management plan.

Matters incorporated on the basis of dialogues

- Analyze investors’ interest and announces ”matters of anticipated high interest” at the time of the results announcement.
- Announcing a capital allocation policy that balances investment in growth and shareholder returns.
- Corporate company reports (Japanese and English) by Shared Research Inc.
- Purchasing of treasury shares as a shareholder returns measure (approximately ¥2 billion and 2.15 million shares (5.63%) have been purchased in the period from December 2022 to June 2023).

1	Financial Summary	...	2
2	Financial Report for the Year Ended January 31, 2024	...	4
3	Consolidated Forecasts for the Year Ending January 31, 2025	...	18
4	Future Operating Policy	...	25
5	Appendix	...	38

Company Name	Pole To Win Holdings, Inc.
Representatives	Tamiyoshi Tachibana, Chairman Teppei Tachibana, President & CEO
Head Office	Shinjuku NS Building, 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan
Date Established	February 2, 2009
Share Capital	¥1,239.06 million
Number of Group Employees	8,652 (Number of regular employees: 3,292) *As of January 31, 2024
Stock Exchange /Securities Code	Tokyo Stock Exchange, Prime Market (Securities code: 3657 Abbreviation: Pole HD)
Business Description	<p>The control and management of the business activities of the Group as a whole, comprising the Company and its 48 consolidated subsidiaries, and operations incidental or related thereto.</p> <ul style="list-style-type: none"> ■ Major Group Businesses <ul style="list-style-type: none"> Service Life Cycle Solutions Business <ul style="list-style-type: none"> Domestic Solutions <ul style="list-style-type: none"> - Games: Testing, Customer support, Localization, Overseas expansion support - E-commerce: Monitoring and customer support - Technology: Third-party verification, Environment construction and System development Overseas Solutions <ul style="list-style-type: none"> - Testing, Localization, Voice recording, Customer support, Product development support, and Art production Media Contents <ul style="list-style-type: none"> - Art production, Animation production and production funding, Game publishing and PR marketing support - Barrier-free subtitles and Audio guides production

(As of January 31, 2024)

Group Organization (48 Consolidated Subsidiaries)

PTW



Domestic Solutions

- **Pole To Win, Inc.**
 - MSD Holdings Inc.
 - MIRAI Service Design co.ltd
 - Ninjastars Inc.
- **PTW Japan Co., Ltd.**
- **ADOOR Inc.**



Overseas Solutions

- **PTW International Holdings Limited**
 - PTW Shanghai Co., Ltd.
 - PTW America, Inc.
 - PTW International UK Limited
 - PTWI India Private Limited
 - PTW (Singapore) Pte. Ltd.
 - PTW Korea Co., Ltd.
 - SIDE UK Limited
 - PTW Romania SRL.
 - PTW International (Malaysia) Sdn. Bhd.
 - SIDE LA, LLC
 - PTW Canada Solutions, Inc.
 - 1518 Studios, Inc.
 - OneXP LLC
 - OneXP UK Limited
 - 1518 Studios Rus LLC
 - SIDE France SAS
 - PTW New Zealand Limited
 - PTW Brazil LTDA
 - PTWI Mexico, S. de R.L. de C.V.
 - PTWI Poland LLC
 - PTW Ireland Limited
 - PTWI Spain SLU
 - PTW Portugal, Unipessoal Lda.
 - PTWI Australia Pty Ltd
 - PTWI Philippines, Inc.
 - PTW Greece L.L.C.
 - PTW International Holdings Inc.
 - PTW Solutions Inc
 - Remag Productions Inc
 - Remag Entertainment Inc
 - Vibe Avenue Inc.
 - POLE TO WIN VIET NAM JOINT STOCK COMPANY



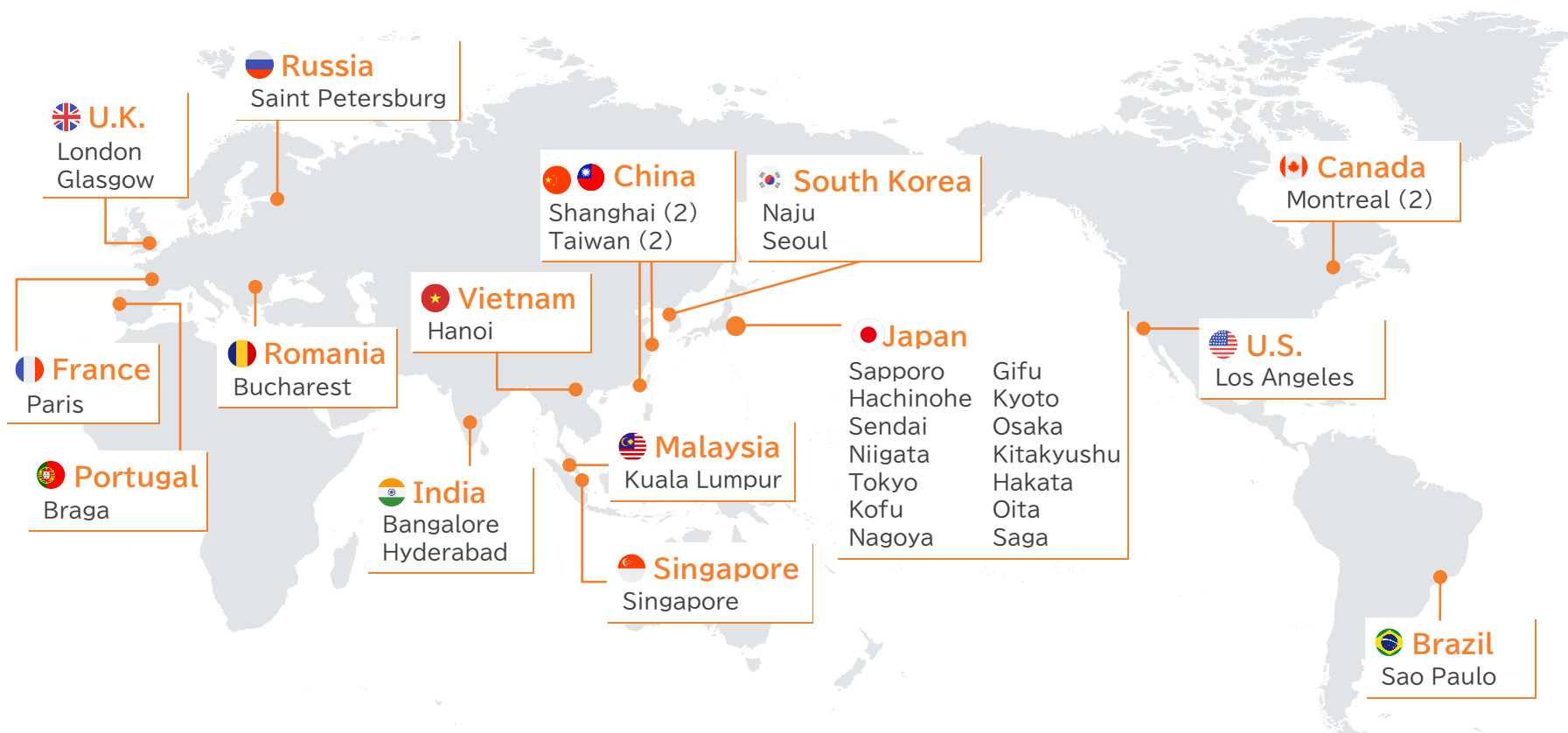
Media Contents

- **HIKE Inc.**
 - Panda Graphics TAIWAN INC.
 - Panda Graphics(Shanghai) Technology Co., Ltd.
 - CREST JOB Inc.
 - HIKE KOREA Inc.
 - AQUAPLUS CO., Ltd
 - FIXRECORDS Co., Ltd
 - ShiiTAKE DiGiTAL, Ltd.
- **Palabra Inc.**

(As of January 31, 2024)

Operating in

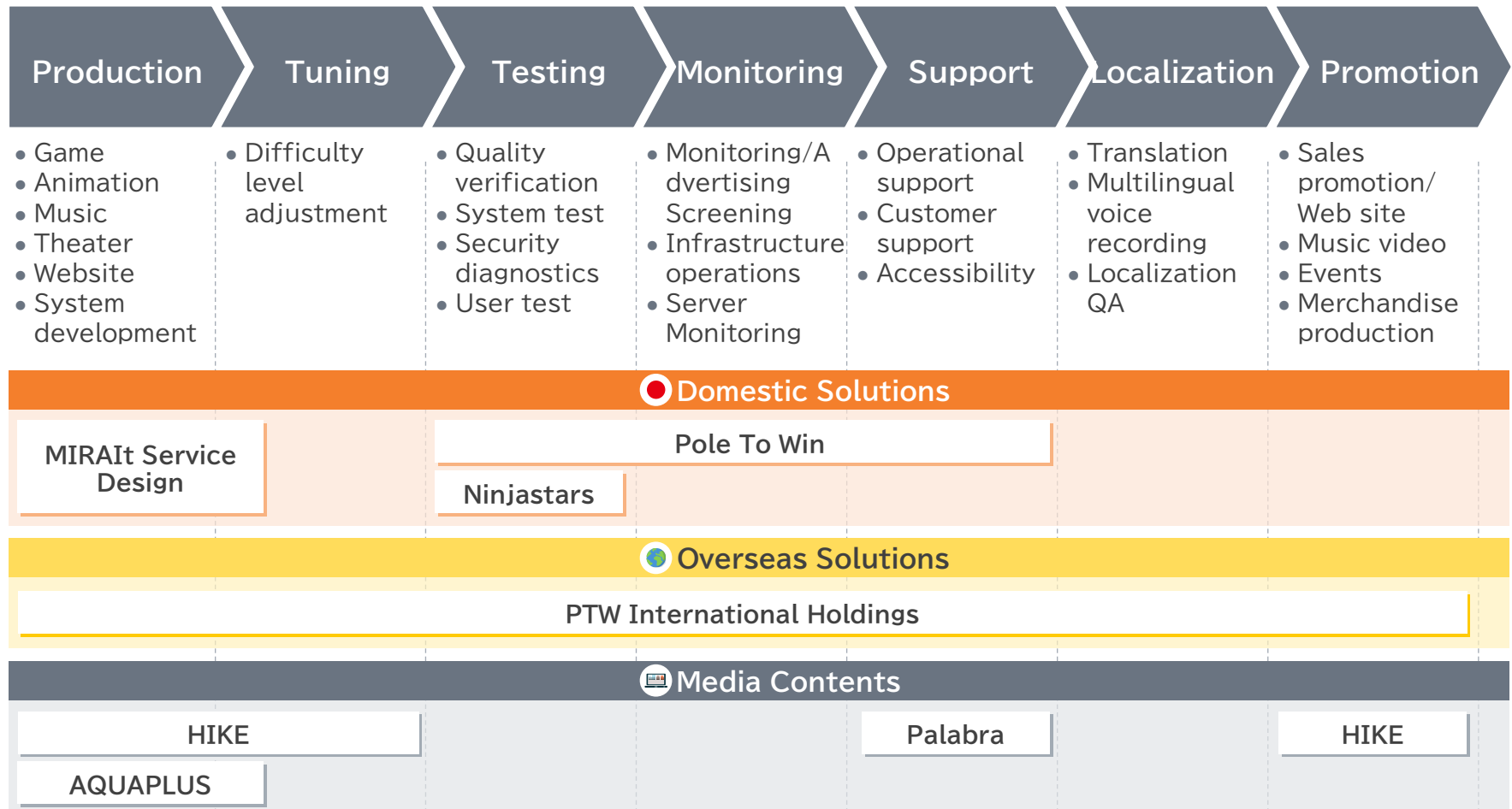
14 cities in Japan
21 sites in 14 overseas countries



(Excluding countries and sites not yet in operation as of January 31, 2024)

Characteristics of Our Business

- Hold solutions for client's Service Life Cycle and provide from all phases.
- In Media Contents, the Group has achieved a cycle of business expansion linked to domestic and overseas solutions through IP production, including contracted animation production and game publishing.



Strengths of Our Business

- Accumulated deep knowledge in the game industry due to a track record mainly in testing.
- Expansion into e-commerce, Tech, overseas, and media content industries to achieve business expansion into all-round services.

IP Producing Capability

Based on our experience and knowledge in the game industry, we produce a wide range of IPs, including game, animation, theater, and MD adaptations, and monetize the IPs to the maximum extent possible.

Testing/Verification & Evaluation Leading Company

Involved in more than 6,000 video game titles and 10,000 mobile titles as the first quality assurance specialist in Japan.

Game Testing as
a starting point to

All-round service Business Expansion

Track Record in Internet Support

Accumulated knowledge of anti-fraud measures through a track record of more than 20 years of experience in monitoring and screening major online services.

Service lines which support all along the value chain

Expand service lineup to include art production, marketing, and voice recording, besides utilizing M&A.

Overseas Expansion

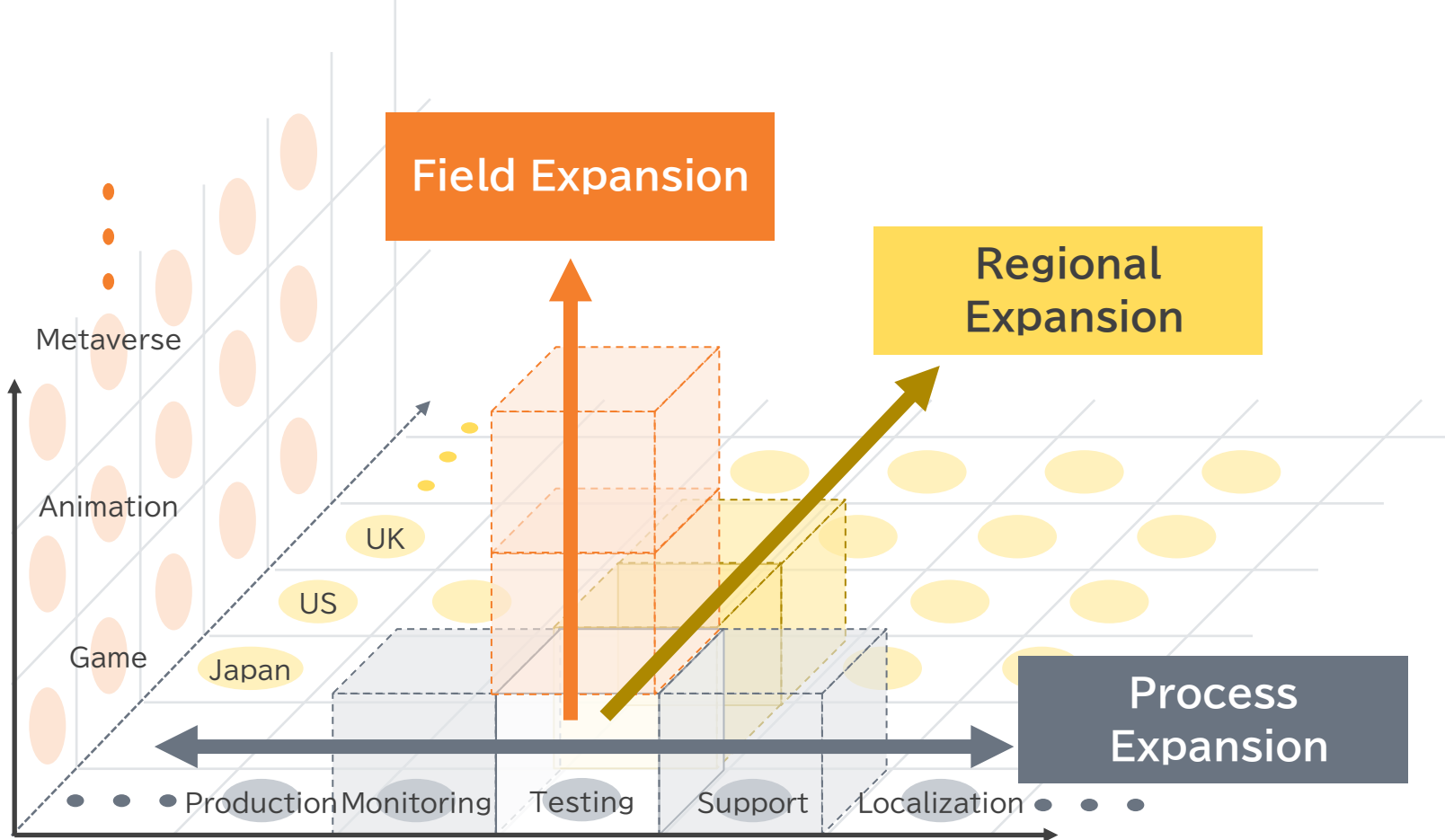
Steadily expanding business regions organically and through M&A, reaching to 3,000 employees at 21 sites in 14 overseas countries, with overseas sales accounting for approximately 30% of total sales.

Deep knowledge of the gaming industry

Utilizing strong business relationships with the game industry, we offer services such as game co-development and tuning.

■ Growth effects interacting in three vectors

- With "Service Life Cycle (SLC)" at the core of our business, we are committed to formulate and promote three-dimensional growth strategies in each of the three vectors that interact with each other: "Process", "Region", and "Field". This is defined as "Three-dimensional growth".



Process

Expand "Process" where solutions can be provided

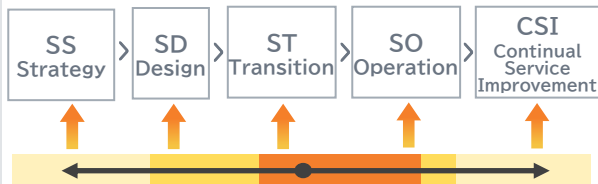
Challenges from the outsourcing side to the creative side

Starting from our strengths in "Testing" and "Monitoring", expand the number of processes we can handle while taking into account client needs.

Increase outsourcing opportunities through a system capable of providing one-stop solutions.

Furthermore, challenge the SS domain (IP creation) as a media content business.

Investment in a risk-reducing structure that allows BPO to be outsourced on a priority basis.



Region

Expand "Regions" through increasing locations and scaling them

Strengthen base building and collaboration on a global scale.

Expect top-line growth from increased opportunities to win projects in localization and culturalization that occur in each region mutually.

21 sites in 14 countries,
3,000 employees

Expand overseas sales ratio to
approx. 30%



Field

Expand "Field" by leveraging knowledge

While maintaining stable stages such as "Games" and "Monitoring", expand investment in new fields such as "Animation" and "Metaverse" as growth stages based on our know-how.

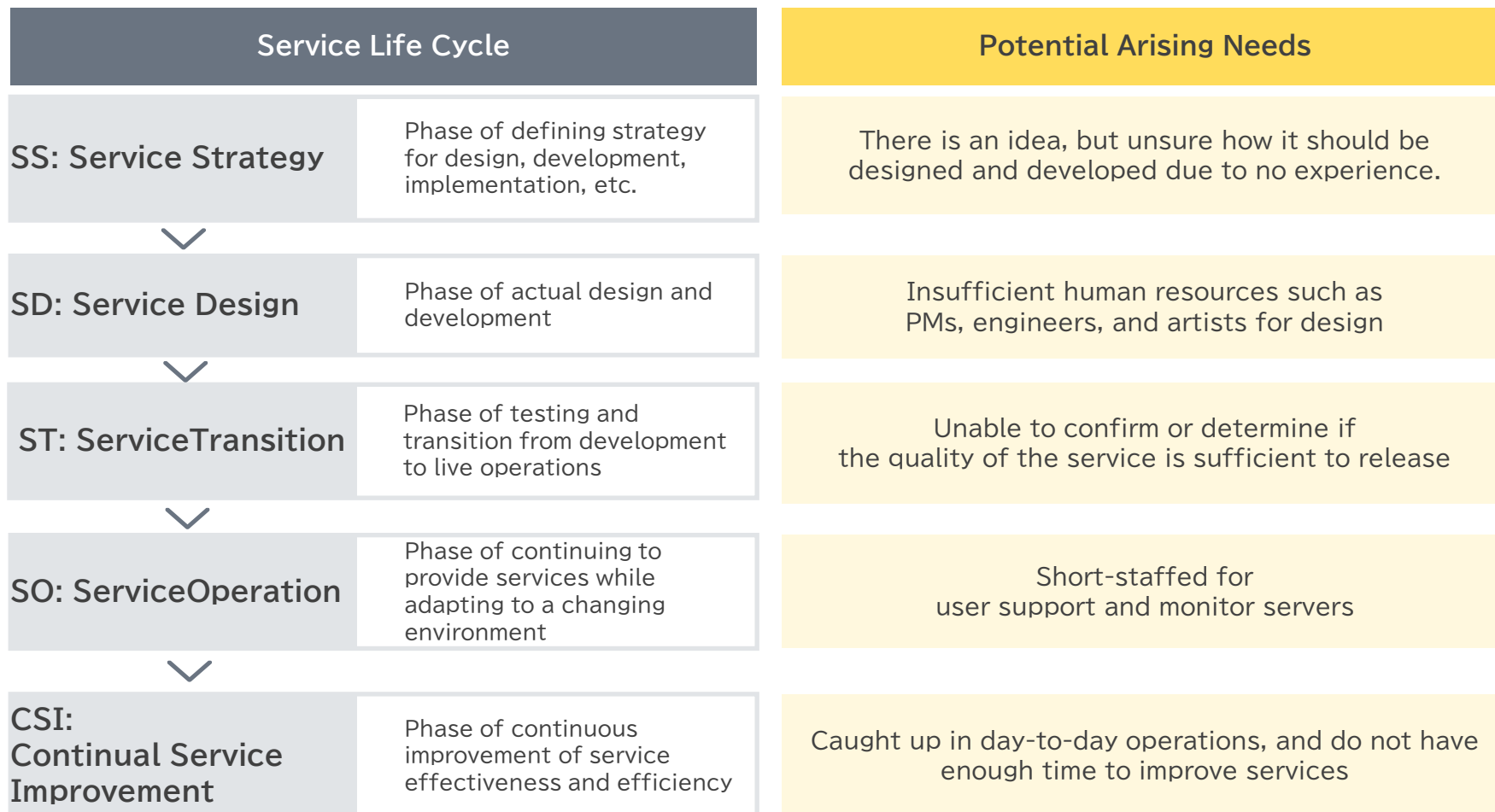


Growth potential

Stability

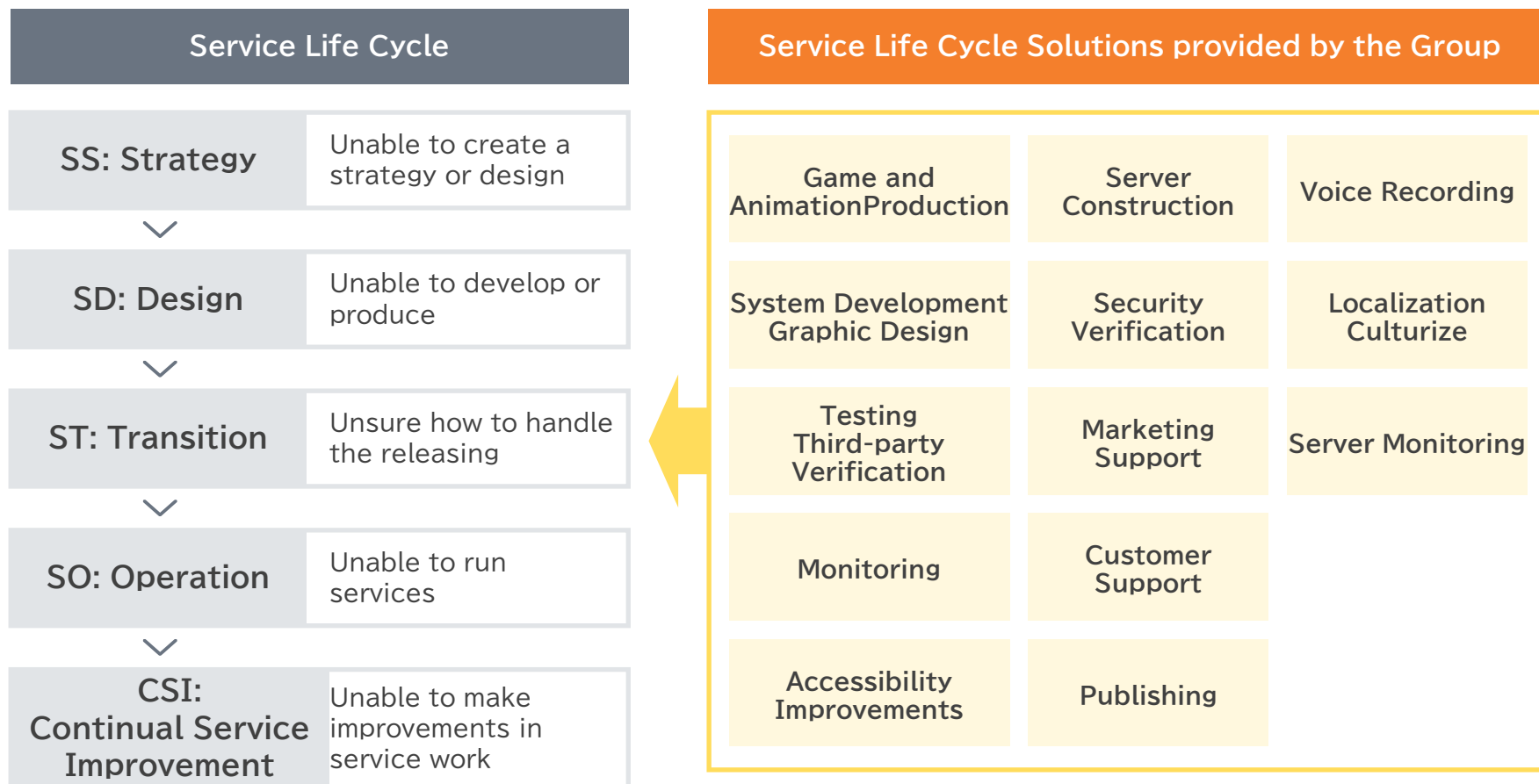
■ Service Life Cycle and Needs

- The five phases that occurs commonly in all services from "start to end" is defined as the Service Life Cycle.
- With many companies now having limited resources and knowledge, needs are arising at every phase.



Service Life Cycle Solutions

- We provide solutions to the needs that arise at each phase of the "Service Lifecycle".
- We have established a one-stop system that enables us to provide a one-shot services as well as to undertake all services as a single contract.
- Domestically, each process is provided by Media Contents and Domestic Solutions, while overseas, all phases are combined into Overseas Solutions.



From Small Insights to Japan's First Business

As Japan's first business specializing in "Testing/verification & evaluation" and "Internet support", the Group has a proven track record and client base. The origin of our business was a problem a game development company with which we had a relationship at the time.

In those days, the engineer who programmed the game would check directly to see if the game they had created worked correctly. It was a time when the "sleeping on the floor of the company on a piece of cardboard and developing while growing a beard", a scene often depicted in manga and TV dramas, was actually happening at game development companies.

The founding members casually overheard this problem the game development had, and this led to the idea of outsourcing game testing to an outside company and making it into a business.

Continuing to meet the ever-changing needs of clients

As we continued in the Testing/Verification & Evaluation Business, we accumulated experience and know-how, and were entrusted with more advanced assignments and more work. As we receive work in this way and continue to communicate with them, we were exposed to other problems that development companies have.

For example, customer support services. If the client is going to outsource the customer service after the service is released, we, who already have a thorough understanding of the service content through the testing/verification & evaluation process, can take care of it all together, which will bring great benefits to the client.

In this way, we have expanded the scope of our services in a way that continues to meet the needs of the video game industry.

Recently, in addition to various BPO services in the video game industry such as localization, voice recording, art production and marketing support, we have also started to offer third-party software verification and security diagnostics in other industries.

Similarly, Internet Supporting Business also provides e-commerce listing checks, customer support, evolving from social media post monitoring, identity verification services for cashless payment, customer support and monitoring with xTech including anti-fraud measures.

We have now integrated these businesses into a single segment called the Service Life Cycle Solutions Business, but we will continue to provide solution services that transcend frameworks and continue to meet the challenges faced by clients.



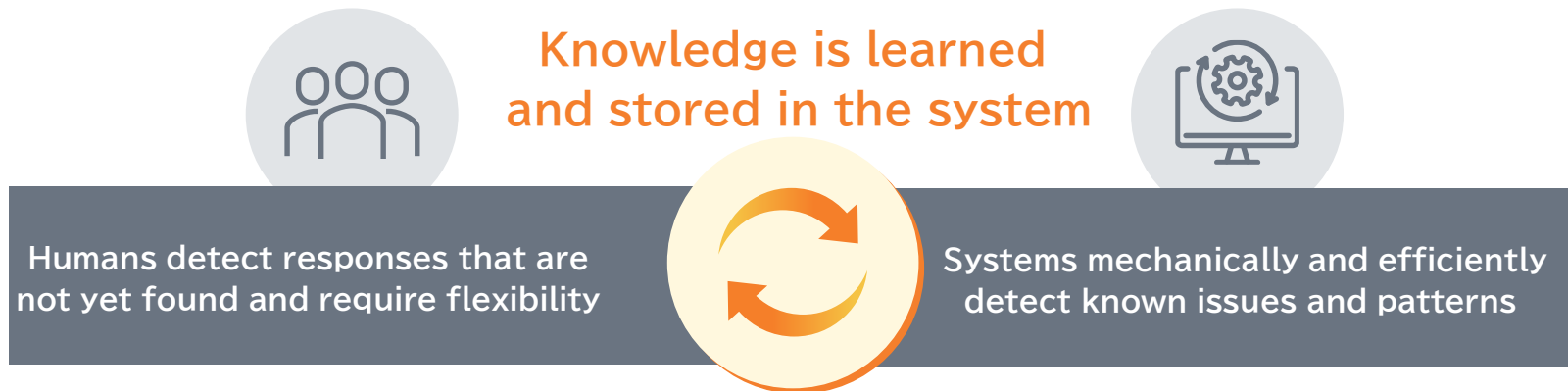
Business quality realized by both "Systems and People"

Although business processes are undergoing digital transformation, and automation and assistance by AI are evolving, our group's strength lies in final check by "People" and combining the advantages of both "Systems and People".

For example, in testing (quality verification by a third party) business and server monitoring, the system detects errors that can be judged mechanically, while our staff directly checks and reports on areas that cannot be judged as issues in the data, but are thought to be "not appropriate" based on our experience.

In e-commerce item checks and social media postings monitoring, the system uses known patterns of fraud behaviour to efficiently counter malpractice, while our staff comprehensively assesses and handles fraud behaviour using new and unprecedented methods.

In an environment where quality definitions, error patterns, and fraud behaviours are constantly evolving, both "Systems and People" are simultaneously increasing flexibility and efficiency.



Optimizing human operating costs

Seize The New

As needs, markets, and environments continue to change, we cannot sustainably increase our corporate value if we remain stable.

Through trial and error and new challenges, we "seize" the future and make it our own.



The information on this website includes forward-looking statements. These forward-looking statements do not guarantee our future financial results, involve risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements.

Risks and uncertainties include general and industry market conditions, and general domestic and international economic conditions such as interest rate and foreign exchange fluctuations.

Pole To Win Holdings, Inc. bears no obligation to update and revise the forward-looking statements disclosed herein, even in the event of new information, future events and other material incidents arising.