



Pole To Win Holdings, Inc.

Supplementary Information to the Financial Results

for the Three Months Ended April 30, 2024

- Stock Code : 3657
- Abbreviation : Pole HD

June 7, 2024

In addition to this Supplementary Information to the Financial Results, we disclosed 'Key Points of Interest Expected in the Consolidated Financial Results for the Three Months Ended April 30 2024'.

Financial Result for the Three Months Ended April 30, 2024

Q1 results exceeded internal plans

- Sales are exceeding the internal plan for Overseas Solutions and profits for all business segment, **increasing the probability of achieving the first half of the current fiscal year forecast.**
- One-time costs (¥270 million for overseas business liquidation costs and ¥229 million for additional game co-development) as planned at the beginning of the current period result in an operating loss, but **profitability of existing businesses continues to improve steadily.**
Loss on valuation of investment securities of ¥49 million is recorded as an extraordinary loss.

Consolidated Forecasts for the Year Ending January 31, 2025

No change to full-year forecasts

- Costs for integrating domestic sites and new overseas business have decreased significantly. Business consolidation in Overseas Solutions and Media Contents (closure of sites, termination of operations, personnel adjustments) is on track in the first half of the current fiscal year, and profitability improvement will begin in earnest in the second half of the current fiscal year, with seasonal uptime in game-related operations, delivery of animation production and entertainment in the stage business, and an increase in sales and profit expected.

Dividends Forecast for the Year Ending January 31, 2025

Change from annual dividends to biannual dividends from the current fiscal year

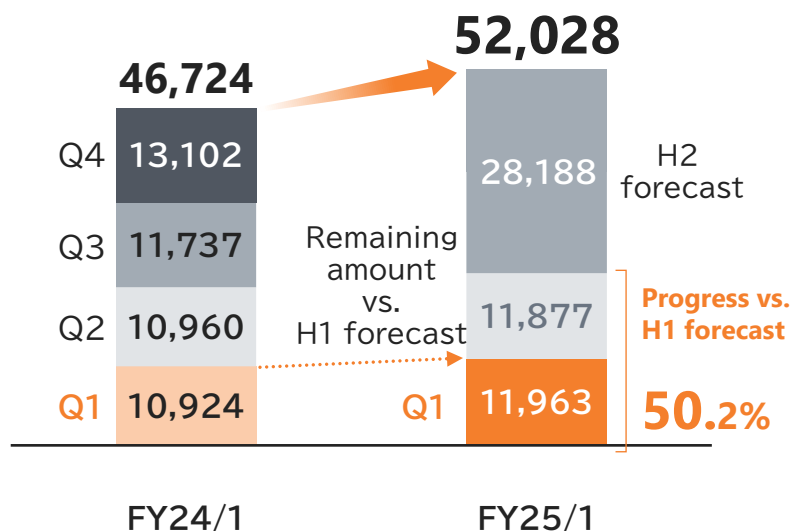
- Net profit is expected to be temporarily low, but the Group expects a steady recovery in earnings in the future. The annual dividends remain unchanged at ¥16 per share, with an emphasis on maintaining stable shareholder returns.
- In view of the recovery in performance from the Q1, and to enhance opportunities to return profits to shareholders and to reward continued ownership of the company's shares, the annual **dividends have been changed from once a year to twice a year, with an interim dividend of ¥8 and a year-end dividend of ¥8 from the current fiscal year.**

Consolidated Earnings Forecasts for FY2025/1 and Progress of Q1

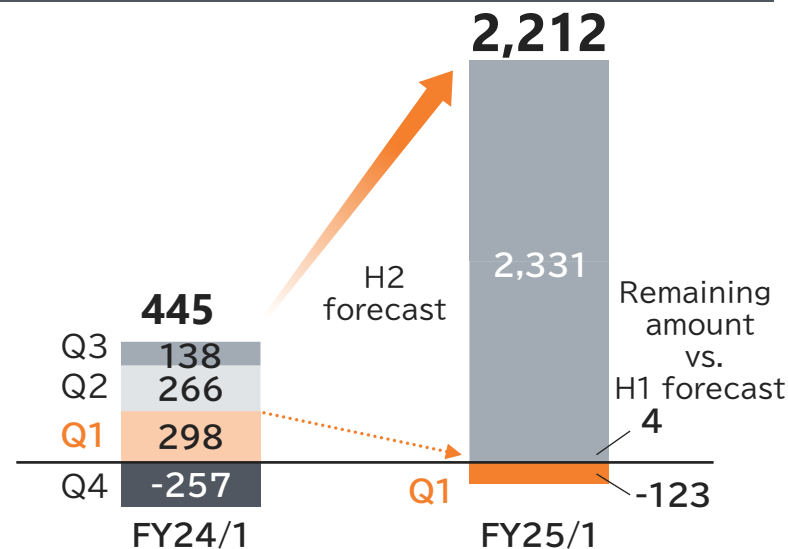
Q1 results exceeded the internal plan, increasing the certainty of achieving the first half of the current fiscal year forecast.

- Sales exceeded the internal plan for Overseas Solutions and operating profit exceeded the internal plan for all business segment.
 - Q2 sales and profits are planned to increase compared to Q1, increasing the probability of achieving the first half of the current fiscal year forecast.
- (Amounts less than ¥1 million omitted)

Net Sales



Operating Profit



Changes in the financial statements from the current fiscal year

- Previously, profit and expenses of overseas subsidiaries were converted into yen at the spot exchange rate on the balance sheet date. From the fiscal year under review, the method was changed to the average exchange rate during the period. The figures for the previous year have been retrospectively adjusted.
- Previously, the results of PTW Japan Co., Ltd. etc, were recorded under Domestic Solutions. From the fiscal year under review, the method was changed to record the results of PTW Japan Co., Ltd. etc. under Overseas Solutions. The figures for the previous year have been retrospectively adjusted.

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■ Notes on the description in this document

1. Amounts are omitted less than unit decimal
2. Percentages are rounded to the indicated unit
3. Sales and Operating profit by business segment are for reference only, based on internal management figures (other company-wide expenses are incurred).

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Overview of Consolidated Financial Results for the Three Months Ended April 30, 2024 - Change YoY -

PTW

- Overseas Solutions drives sales, with sales up +9.5% year-on-year.
- One-time costs (¥270 million for overseas business liquidation costs and ¥229 million for additional game co-development) as planned at the beginning of the current period result in an operating loss, but profitability of existing businesses continues to improve steadily.
- Loss on valuation of investment securities of ¥49 million is recorded as an extraordinary loss.

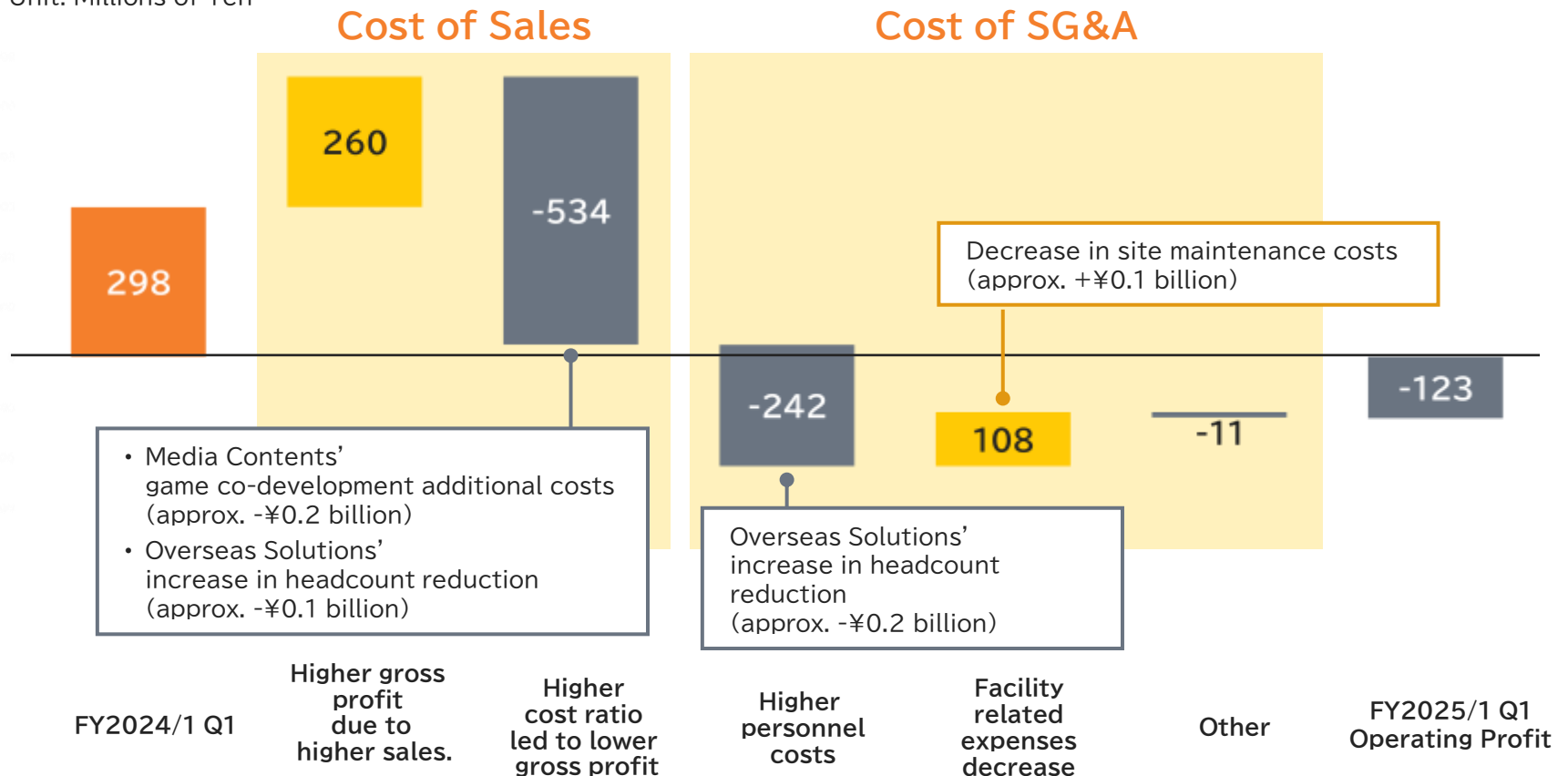
Unit: Millions of Yen

	Current Year FY2025/1 Q1 (2024/2-2024/4)		Previous Year FY2024/1 Q1 (2023/2-2023/4)		Change YoY	
	Amount	Margin	Amount	Margin	Actual	%
Net Sales	11,963	-	10,924	-	+1,039	+9.5%
Gross Profit	2,468	20.6%	2,743	25.1%	-274	-10.0%
Operating Profit	-123	-1.0%	298	2.7%	-421	-%
Ordinary Profit	-91	-0.8%	331	3.0%	-422	-%
Before taxes and other adjustments Quarterly Net Profit	-152	-1.3%	329	3.0%	-482	-%
Quarterly Net Profit attributable to parent company shareholders	-404	-3.4%	97	0.9%	-502	-%
Reference: EBITDA	154	1.3%	543	5.0%	-389	-71.6%

Consolidated Operating Profit Analysis of Changes for the Three Months Ended April 30, 2024

- Cost of sales decreased as a result of business liquidation costs (closure of sites, personnel adjustments) in Overseas Solutions and a one-time burden of additional game co-development in Media Contents, as planned at the beginning of the period, resulting in lower gross profit.
- In SG&A expenses, the operating loss was also due to business liquidation costs incurred by Overseas Solutions.

Unit: Millions of Yen



(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 (25.1%) in FY2024/1 Q1.

Business Overviews for the Three Months Ended April 30, 2024

PTW

- Domestic Solutions: Sales driven by the Tech sector, operating profit increased due to a decrease of ¥246 million in site development and integration costs.
- Overseas Solutions: Sales increased, partly due to the yen's depreciation, but operating loss due to business liquidation costs of ¥270 million.
- Media Contents: Operating loss due to ¥229 million additional burden of game co-development.

Unit: Millions of Yen

		Current Year FY2025/1 Q1 (2024/2-2024/4)		Previous Year FY2024/1 Q1 (2023/2-2023/4)		Change YoY	
		Amount	Margin	Amount	Margin	Actual	%
		Domestic Solutions	Net Sales	Ext.	6,189	5,663	
Int.	56			43		+12	+27.6%
Total	6,245			5,707		+538	+9.4%
	Operating Profit	527	8.5%	327	5.8%	+199	+60.9%
Overseas Solutions	Net Sales	Ext.	4,306	3,675		+630	+17.2%
		Int.	42	24		+17	+71.7%
		Total	4,348	3,699		+648	+17.5%
	Operating Profit	-243	-5.7%	43	1.2%	-287	-%
Media Contents	Net Sales	Ext.	1,467	1,586		-118	-7.5%
		Int.	2	5		-3	-61.2%
		Total	1,469	1,591		-121	-7.6%
	Operating Profit	-330	-22.5%	12	0.8%	-342	-%

(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.

Overview of Business Segment Quarterly Results

PTW

- Profits bottomed out in the Q4 of the previous fiscal year and apart from one-off costs, profitability is improving in all business segment.

Unit: Millions of Yen

		FY2024/1				FY2025/1				QoQ change (B)-(A)
		Q1	Q2	Q3	Q4 (A)	Q1 (B)	Q2	Q3	Q4	
Net Sales		10,924	10,960	11,737	13,102	11,963	-	-	-	-1,138
Operating Profit		298	266	138	-257	-123	-	-	-	+134
Operating Margin		2.7%	2.4%	1.2%	-2.0%	-1.0%	-	-	-	+0.9Pt
Domestic Solutions	Net Sales	5,663	5,634	6,015	6,209	6,189	-	-	-	-20
	Operating Profit	327	422	253	507	527	-	-	-	+19
	Operating Margin	5.8%	7.5%	4.2%	8.2%	8.5%	-	-	-	+0.3Pt
	(B)-(A)	Sales remained flat, but profits increased due to a decrease of ¥18 million in costs for the integration and maintenance of sites.								
Overseas Solutions	Net Sales	3,675	3,662	4,398	4,360	4,306	-	-	-	-54
	Operating Profit	43	-154	362	-120	-243	-	-	-	-123
	Operating Margin	1.2%	-4.2%	8.2%	-2.8%	-5.7%	-	-	-	-2.9Pt
	(B)-(A)	Sales remained flat, losses increased due to business liquidation costs of ¥270 million, profitability of existing businesses tending to improve as a result of business liquidation.								
Media Contents	Net Sales	1,586	1,662	1,323	2,531	1,467	-	-	-	-1,063
	Operating Profit	12	44	-404	-612	-330	-	-	-	+282
	Operating Margin	0.8%	2.7%	-30.6%	-24.2%	-22.5%	-	-	-	+1.7Pt
	(B)-(A)	Decrease in animation production and game event sales; reduced losses in Q1 of the current fiscal year due to no allowance for doubtful accounts of ¥298 million as in Q4 of the previous fiscal year.								

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

- Tech sector (third-party verification, system development) drives sales, with year-on-year revenue growth.
- Profit increased due to one-time costs of ¥246 million in the Q1 of the previous fiscal year for the development of sites (double rent, fixtures and fittings, etc.), which did not arise in the Q1 of the current fiscal year.

Net Sales

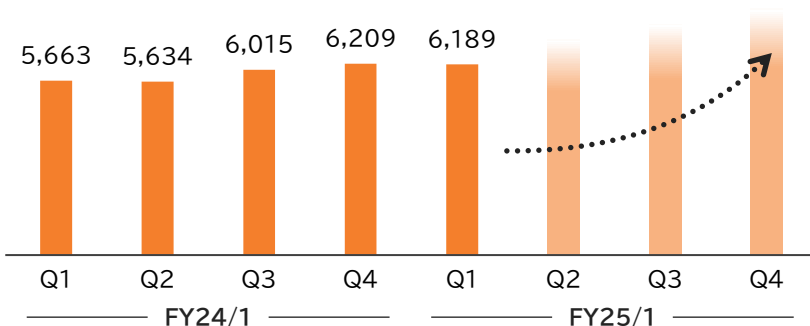
Change YoY

Sales growth rates in Tech, E-commerce and Games are higher, in that order; third-party verification and system development projects in Tech tend to be larger.

Budget Variance

As of Q1, the Company's performance was generally in line with internal plans.

Unit: Millions of Yen



	FY24/1				FY25/1			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(Persons)								
Regular employee	1,222	1,247	1,270	1,300	1,396	-	-	-
Part-time employee	2,948	2,973	3,538	3,785	3,793	-	-	-
Total	4,170	4,220	4,808	5,085	5,189	-	-	-

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

Operating Profit

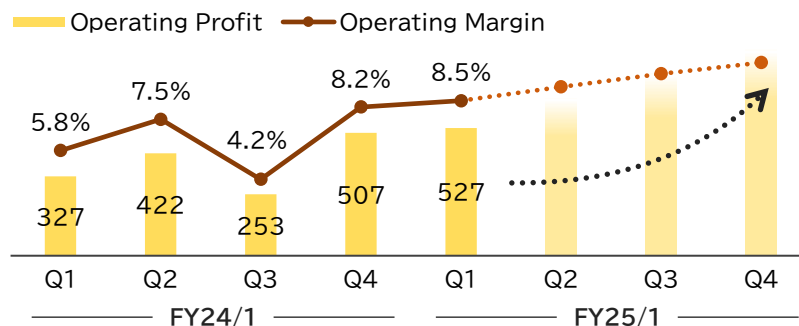
Change YoY

Profit increased in the current fiscal year under review due to the absence of one-off costs for site development.

Budget Variance

Actual recruitment costs were lower than budgeted due to more efficient recruitment. Operating profit exceeded the internal plan.

Unit: Millions of Yen



- Sales increased year-on-year due to a pick-up in the gaming industry environment and the effect of the yen's depreciation.
- Profit: Affected by business liquidation costs (closure of the Glasgow site in the UK and headcount reduction) amounting to ¥270 million, but excluding these one-off costs, operating profit was secured due to increased sales and reduced personnel costs in the existing service categories.

Net Sales

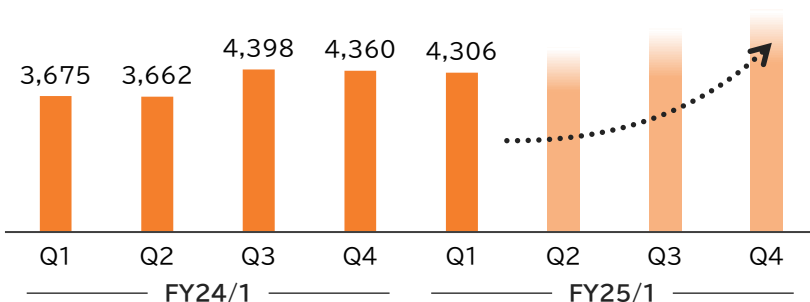
Change YoY

17% increase as postponement of new game launches and layoffs in the games industry have subsided and orders have increased, as well as the effect of the yen's depreciation

Budget Variance

Mainly voice recording and customer support exceeded internal plans.

Unit: Millions of Yen



	FY24/1				FY25/1			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
(Persons)								
Regular employee	1,843	1,818	1,855	1,689	1,558	-	-	-
Part-time employee	990	1,192	1,086	1,463	1,042	-	-	-
Total	2,833	3,010	2,941	3,152	2,600	-	-	-

Operating Profit

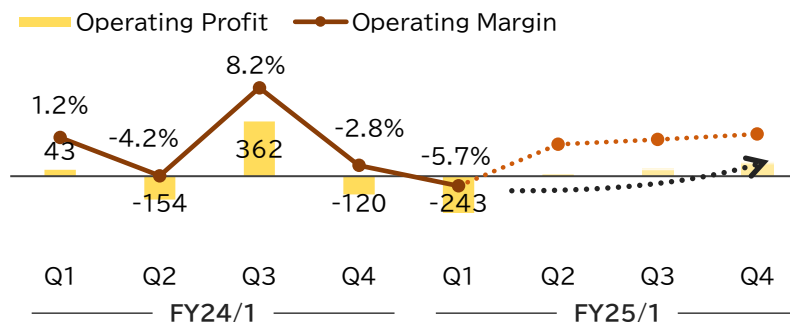
Change YoY

Decreased due to business liquidation costs of ¥270 million.

Budget Variance

Business liquidation costs were incurred as planned at the beginning of the period. As sales exceeded the plan, operating profit also exceeded the internal plan.

Unit: Millions of Yen



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

- Animation production sales increased, partly due to higher bill rates, but sales fell slightly due to the liquidation of unprofitable businesses.
- Profit: Losses due to additional game co-development costs of ¥229 million, and replacement of unprofitable businesses such as the MD business with new businesses such as the launch of the VTuber production 'TRIVE.'

Net Sales

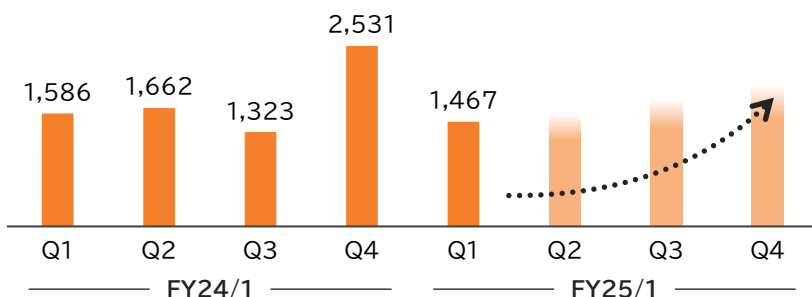
Change YoY

Despite an increase in animation production sales, sales declined slightly due to a decrease in merchandising (MD) business as a result of business selection and concentration.

Budget Variance

Game co-development revenue share of ¥132 million was generated outside the plan, but the MD business fell short of the plan, and overall the business remained largely in line with the internal plan.

Unit: Millions of Yen



Operating Profit

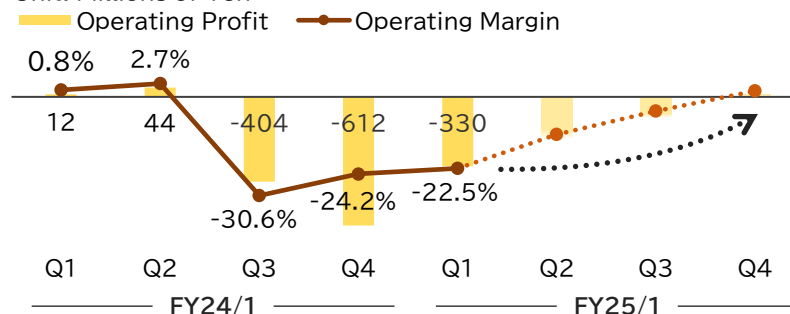
Change YoY

Profitability tends to improve due to business selection and concentration and optimisation of personnel, but profit decline due to additional burden of ¥229 million incurred in game co-development.

Budget Variance

Additional game co-burden incurred as planned at the beginning of the period. ¥124 million in unplanned gains from the recording of game co-development revenue share, exceeding internal plans.

Unit: Millions of Yen



(Persons)	FY24/1				FY25/1			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Regular employee	256	274	275	296	293	-	-	-
Part-time employee	117	105	107	108	102	-	-	-
Total	373	379	382	404	395	-	-	-

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

Q1 Consolidated Financial Position

PTW

- Decrease in cash and cash equivalents due to dividend payments of ¥565 million, repayment of borrowings of ¥163 million, and etc.

- Equity ratio 53.2%

Unit: Millions of Yen

	As of April 30, 2024	As of January 31, 2024	Actual
Current Assets	16,583	17,223	-640
(of which, cash and deposits)	(6,558)	(7,843)	(-1,284)
Property, Plant and Equipment	2,379	2,365	+13
Intangible Assets	2,365	2,324	+40
Investments and Other Assets	2,509	2,522	-13
Non-current Assets	7,254	7,212	+41
Total Assets	23,838	24,436	-598
Current Liabilities	10,389	10,072	+316
Non-current Liabilities	771	922	-151
Total Liabilities	11,160	10,995	+165
Total Net Assets	12,677	13,441	-764
(of which treasury shares)	(-2,552)	(-2,552)	(-)
Total Liabilities and Net Assets	23,838	24,436	-598

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Consolidated Forecasts

PTW

- Costs for integrating domestic sites and new overseas operations have fallen significantly.
- In the first half of the year, the Company reached the point of business liquidation (closure of sites, termination of operations, personnel adjustments) in overseas and media. Sales and profits are expected to increase from the second half of the year, and the Company will strengthen its business base for growth from FY2026/1 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 (Change to twice-yearly dividends: interim 8 yen & year-end 8 yen), with emphasis on maintaining stable shareholder returns.

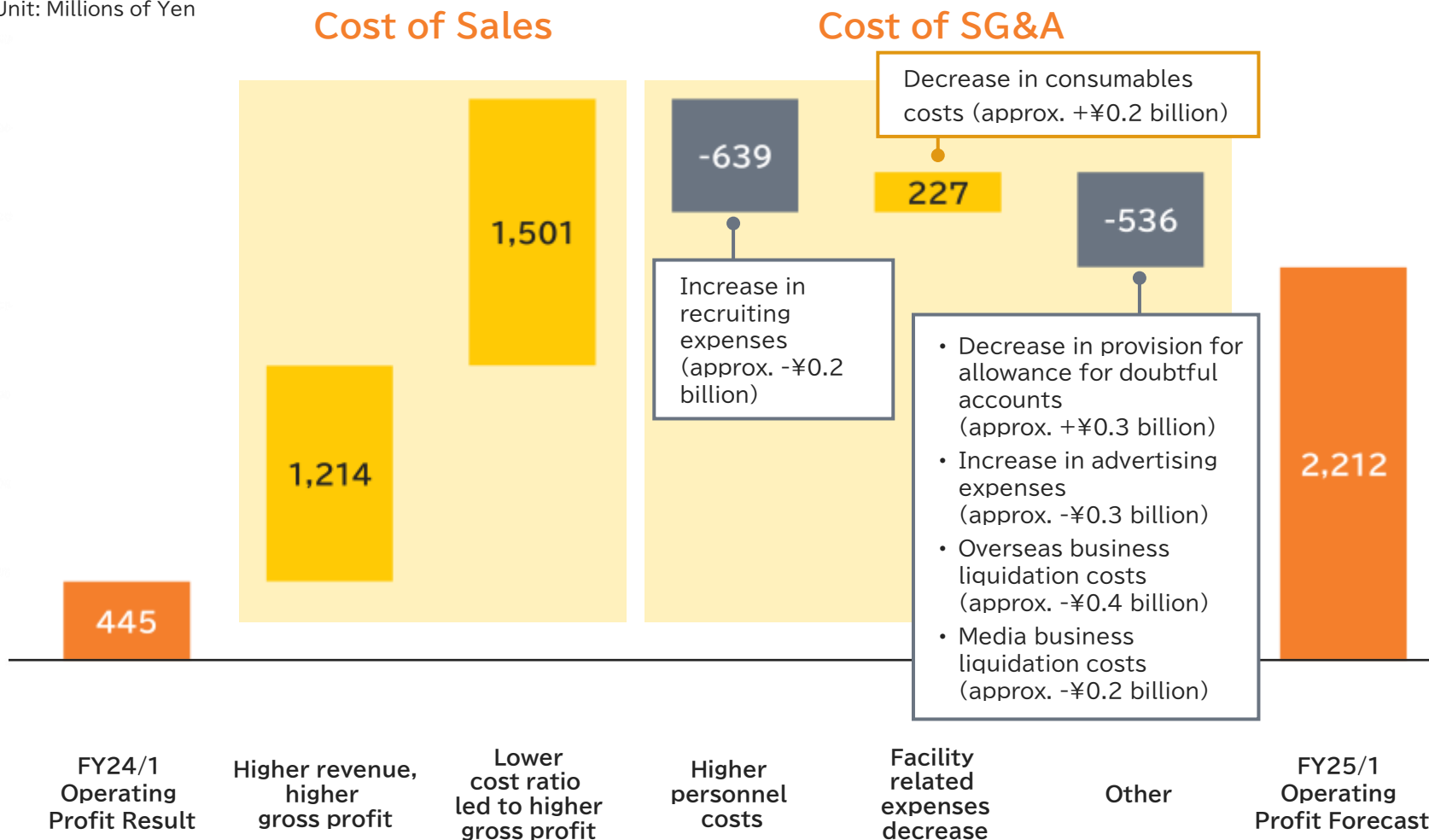
Unit: Millions of Yen

	FY2025/1 Forecast			FY2024/1 Results			YoY Change	
	H1	H2	Annual	H1	H2	Annual	Actual	%
Net Sales	23,840	28,188	52,028	21,884	24,839	46,724	+5,304	+11.4%
Operating Profit	-118	2,331	2,212	564	-118	445	+1,766	+396.2%
Ordinary Profit	-124	2,326	2,201	447	77	525	+1,676	+318.9%
Profit attributable to owners of parent	-860	1,106	246	-321	-1,599	-1,920	+2,167	-
Net Profit per Share	¥-	¥-	¥6.96	¥-	¥-	-¥53.27	+¥60.23	-
Dividends per Share	¥8	¥8	¥16	¥-	¥16	¥16	±¥0	-

Consolidated Operating Profit Forecast Analysis of Changes

- Aiming for a full-year operating margin of 4.3%, with business infrastructure restructuring in the first half of the current fiscal year and full-scale improvement in profitability in the second half of the current fiscal year .

Unit: Millions of Yen



(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 (22.9%) in FY2024/1

Consolidated Forecasts Progress by Business Segment

PTW

- Sales for Overseas Solutions and profits for all operations are exceeding the internal plan, increasing the probability of achieving the first half of the current fiscal year forecast.

Unit: Millions of Yen

		FY2025/1					
		Q1 Results	H1 Forecast	Progress vs. H1 Forecast	H2 Forecast	Full-year Forecast	Progress vs. Full-year Forecast
Net Sales		11,963	23,840	50.2%	28,188	52,028	23.0%
Operating Profit		-123	-118	-%	2,331	2,212	-%
Operating Margin		-1.0%	-0.5%	-	8.3%	4.3%	-
Domestic Solutions	Net Sales	6,189	12,994	47.6%	14,865	27,859	22.2%
	Operating Profit	527	905	58.3%	1,521	2,426	21.7%
	Operating Margin	8.5%	7.0%	-	10.2%	8.7%	-
	Future Forecasts	Games and e-commerce-related work from some clients have a bearish tendency, but budgets is targeted to be achieved through increased sales in Tech.					
Overseas Solutions	Net Sales	4,306	7,762	55.5%	9,161	16,923	25.4%
	Operating Profit	-243	-353	-%	909	555	-%
	Operating Margin	-5.7%	-4.6%	-	9.9%	3.3%	-
	Future Forecasts	Business reorganization completed in Q1, aiming to return to profitability from Q2 (3 months).					
Media Contents	Net Sales	1,467	3,083	47.6%	4,161	7,245	20.3%
	Operating Profit	-330	-432	-%	10	-421	-%
	Operating Margin	-22.5%	-14.0%	-	0.3%	-5.8%	-
	Future Forecasts	In Q2, the Company will continue to liquidate unprofitable businesses, with the aim of returning to profitability in the second half of the fiscal year, as animation delivery goes into full swing in the second half of the fiscal year.					

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

- The number of games developed is on a downward trend as game development budgets soar. Despite ongoing wage increases and rise in cost of living, growth in the Tech sector (third-party verification, system development) and increased labor productivity through DX and AI in operations will lead to growth in both sales and profits.

Unit: Millions of Yen

	FY2024/1 Result			FY2025/1 Forecast		
	H1	H2	Annual	H1	H2	Annual
Net Sales	11,297	12,225	23,523	12,994	14,865	27,859
Operating Profit	750	760	1,511	905	1,521	2,426
Operating Margin	6.6%	6.2%	6.4%	7.0%	10.2%	8.7%

Issues (FY24/1)

- Sales in the growth area Tech sector at +5% y-o-y, below the initial budget of +30%.
- Increased fixed costs, such as rent and labor costs (e.g. converting into full time employees)

Actions (FY25/1)

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

Strategy

- Increase existing value in the games and entertainment industry with full process support through Group collaboration.
- Growth in the Tech sector (third-party verification, system development).
- Improved labor productivity through DX and AI in operations (>Development of the project management tool 'FACT' is announced).
- Remote work promotion to curb office lease costs and achieve efficient recruitment in a wide area.

- Improve profitability by expanding the product business and increasing labor productivity through the use of AI in operations, despite the slowdown in growth in the games market and the sharp rise in labor costs and cost of living, particularly in Europe and the US.

Unit: Millions of Yen

	FY2024/1 Result			FY2025/1 Forecast		
	H1	H2	Annual	H1	H2	Annual
Net Sales	7,337	8,758	16,096	7,762	9,161	16,923
Operating Profit	-111	241	130	-353	909	555
Operating Margin	-1.5%	2.8%	0.8%	-4.6%	9.9%	3.3%



Issues (FY24/1)

- Due to the market environment and delays in new business, sales was below the budget set at the beginning of the fiscal year.
- Deterioration in profitability due to rising labor costs and cost of living, some new businesses becoming unprofitable.



Actions (FY25/1)

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

Strategy

- Strengthen sales structure, gain market share through M&A, and increase the number of clients.
- Expansion of product business (BtoC).
- Improving labor productivity through AI in operations.
(>New user support product 'RESOLVE' as one of the AI and machine extension solution developments)
- Reduction in office lease cost through consolidation of sites.

- 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 of Yen

	FY2024/1 Result			FY2025/1 Forecast		
	H1	H2	Annual	H1	H2	Annual
Net Sales	3,249	3,855	7,104	3,083	4,161	7,245
Operating Profit	57	-1,017	-959	-432	10	-421
Operating Margin	1.8%	-26.4%	-13.5%	-14.0%	0.3%	-5.8%



Issues (FY24/1)

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



Actions (FY25/1)

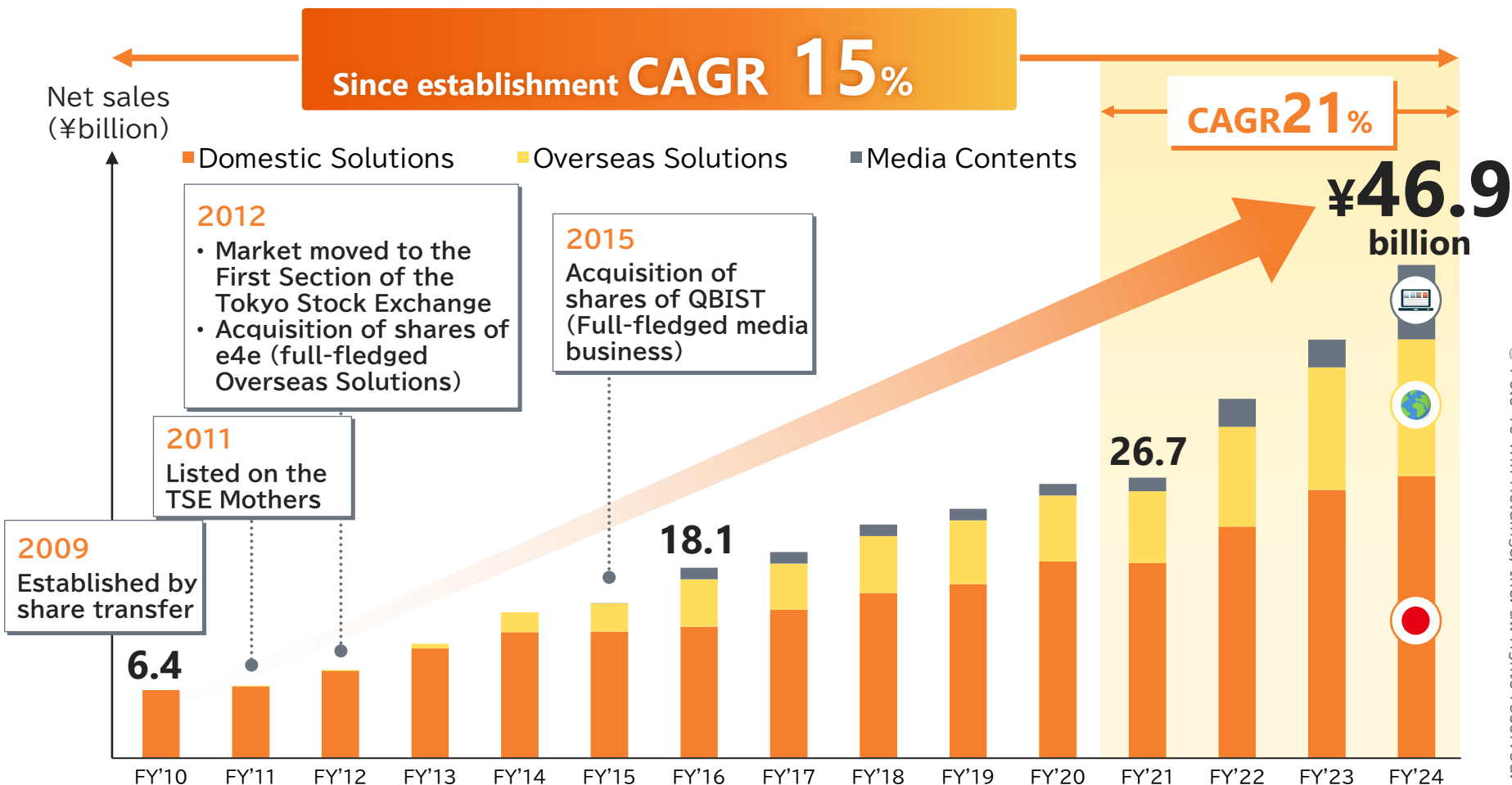
- Aiming to increase sales in the PR marketing area.
- Organize and withdraw from unprofitable businesses, review the number and deployment of personnel and business management systems.
- Selection and concentration on businesses with profitability potential.

Strategy

- Creation and acquisition of IPs, maximising revenues through 360° media mix (animation, games, MD).
- Recruitment of producer personnel, 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.
(>Funded and prime contracted production titles: (Theatrical animation 'A Few Moments of Cheers', TV animation 'Quality Assurance in Another World.' Delivery record).

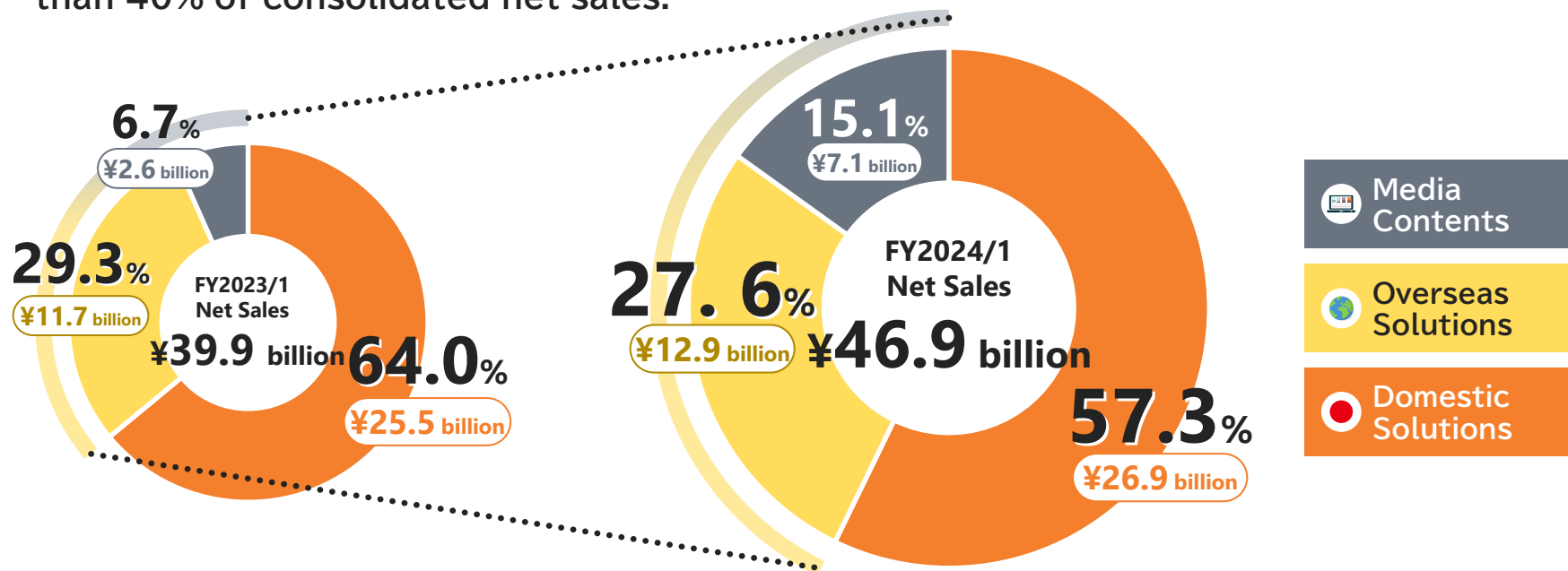
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- In 2009, established through a share transfer between Pole to Win and Pitcrew.
- Strengthen the business base and carry out mergers and acquisitions, starting from testing and net monitoring, to meet the various challenges that arise in the life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



Note: The method of converting revenues and expenses of overseas subsidiaries into yen and the classification of PTW Japan Co., Ltd. results have been changed from the consolidated fiscal year ending January 31, 2025, but have not been retrospectively adjusted.

- 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
<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 Environment 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"> Graphic development Animation production, production financing Game publishing PR marketing support Barrier-free Subtitle Audio guide production

Main Clients

- Gaming companies
- Internet contents
- Operating companies
- Electronic payment service companies
- Software development companies
- Animation and film production companies

Note: The method of converting revenues and expenses of overseas subsidiaries into yen and the classification of PTW Japan Co., Ltd. results have been changed from the consolidated fiscal year ending January 31, 2025, but have not been retrospectively adjusted.

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

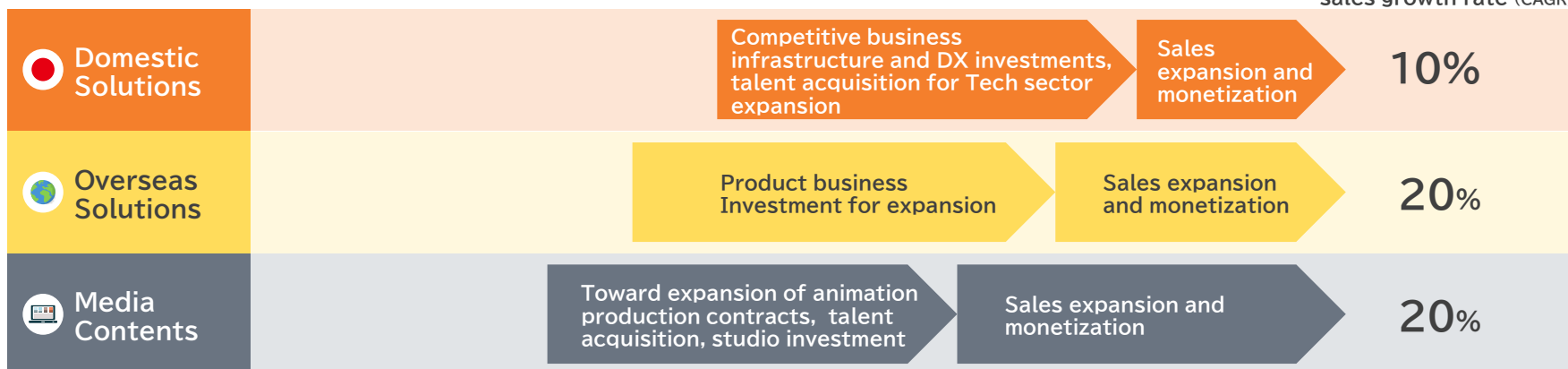
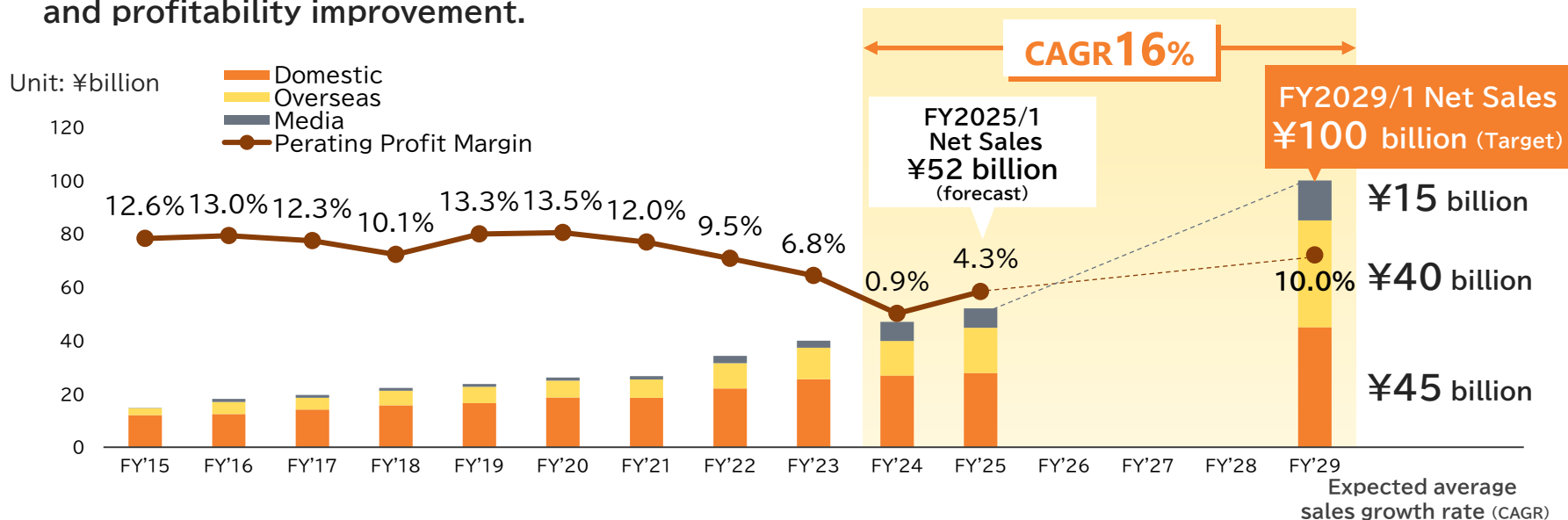
Linking to sustainable growth.

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 unit price improvement and cost control. Determining the profit/loss line for each business and region, and discontinue or integrate unprofitable businesses and sites.
	Strengthening post-M&A PMI and creating group synergies	<ul style="list-style-type: none"> Continuing implementation of M&A and creation of systems to ensure early creation of acquisition benefits. 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

PTW

- Proactively invest in business growth (strengthening business foundations, DX, new businesses, M&A) in each business by making HIKE a subsidiary in FY2020/1, entering overseas product business in FY2021/1 and commencing domestic reorganisation in FY2022/1.
- Aim for sales of ¥100 billion and operating margin of 10% through continuous sales expansion and profitability improvement.



Note: The method of converting revenues and expenses of overseas subsidiaries into yen and the classification of PTW Japan Co., Ltd. results have been changed from the consolidated fiscal year ending January 31, 2025, but have not been retrospectively adjusted.

- 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 making 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.

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, post monitoring, 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

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

- Implementation of diversity management training for senior management.
- Implementation of job-specific training by experts.
- Active recruiting a diverse human resources from young freelancers 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

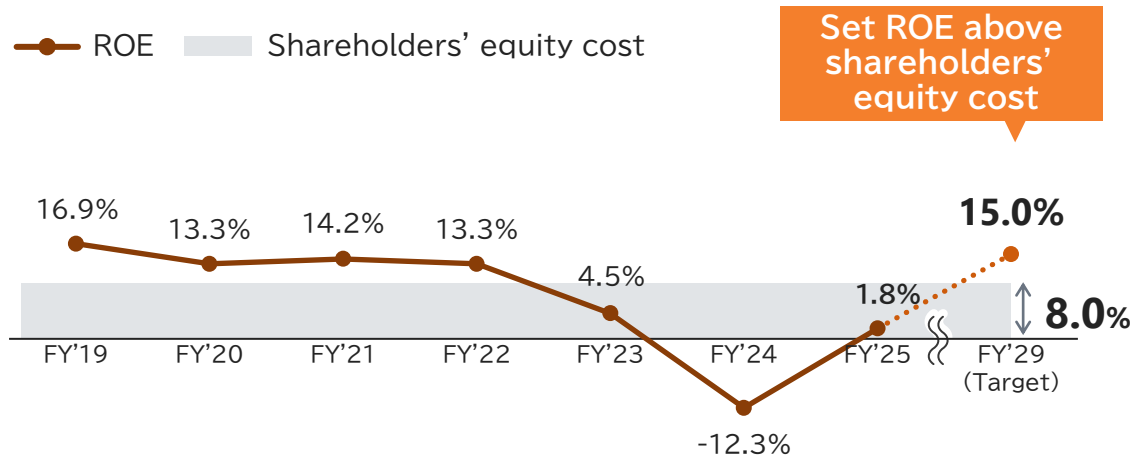
- Optimise the balance between growth investment and shareholder returns with a view to improving profitability, while maintaining financial soundness. Assuming a cost of capital (WACC) of 8%*, and improve corporate value sustainably.

FY2029/1 Target

ROE

15% or more

In FY2023/1 and FY2024/1, 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

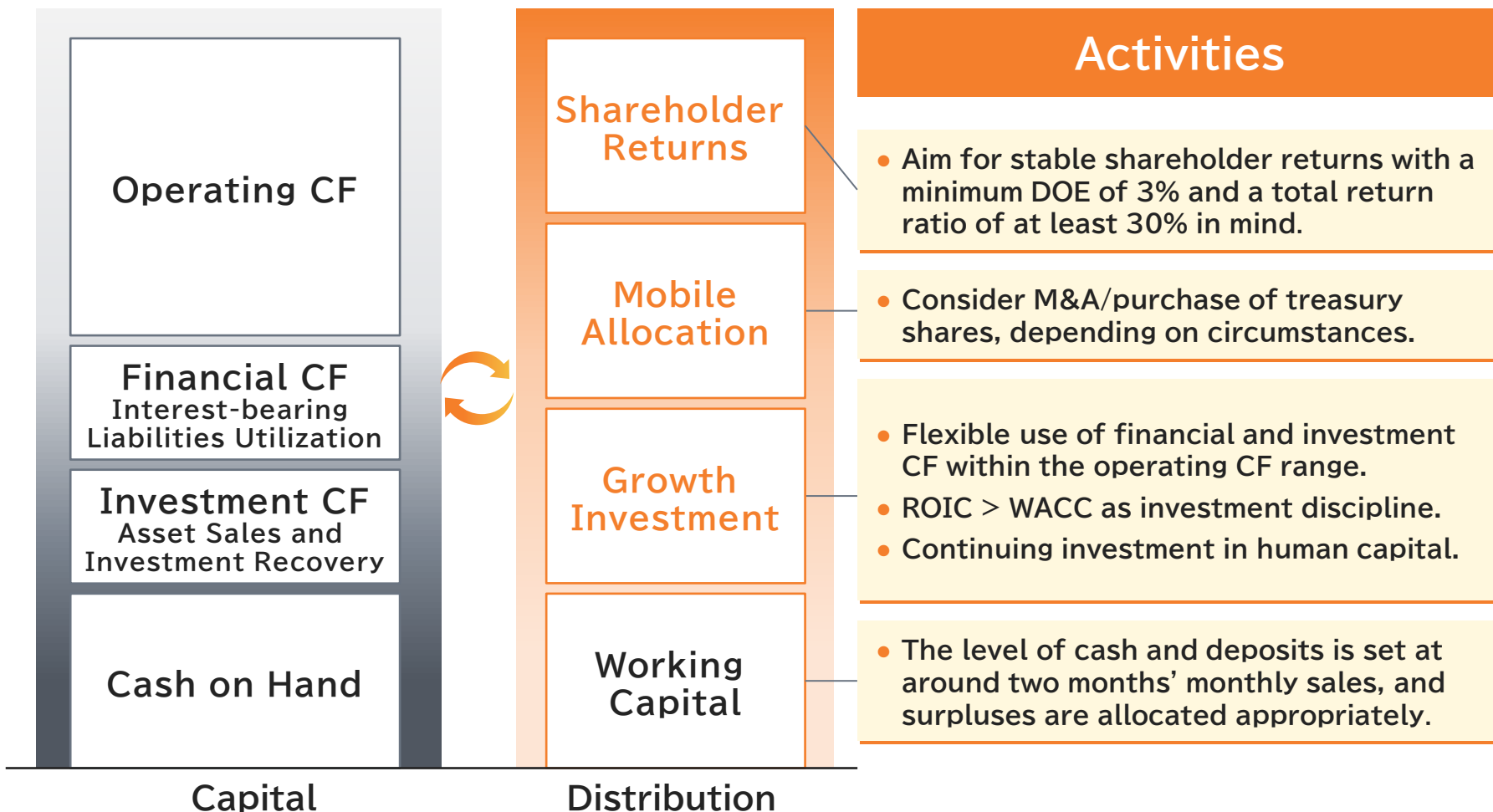
Equity Ratio

▶ Steadfastness 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)




















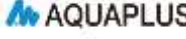

- M&A of related businesses
- Investment in peripheral business alliances
- Acqui-hiring to acquire know-how



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%.

Growth Investment/Utilize of M&A

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

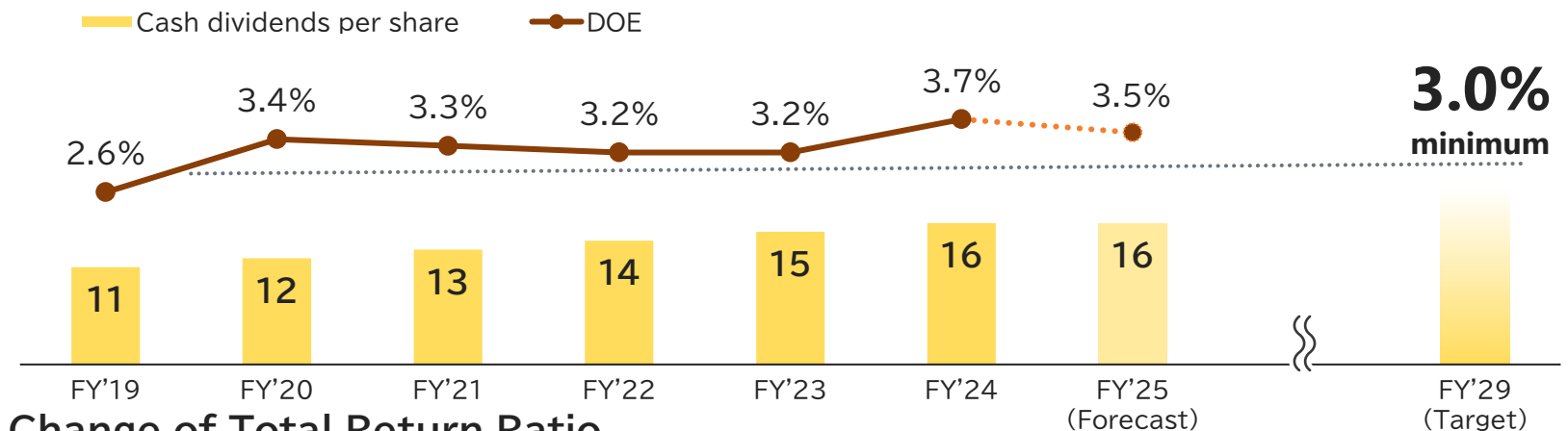
Business Classification	Major M&A to Date				
Domestic Solutions	 July 2012	 September 2012	 March 2018	 July 2021	 January 2022
Overseas Solutions	 October 2012	 August 2015	 March 2016	 December 2019	 January 2021
				 August 2021	 October 2023
Media Contents	 March 2010	 January 2015	 March 2019	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

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

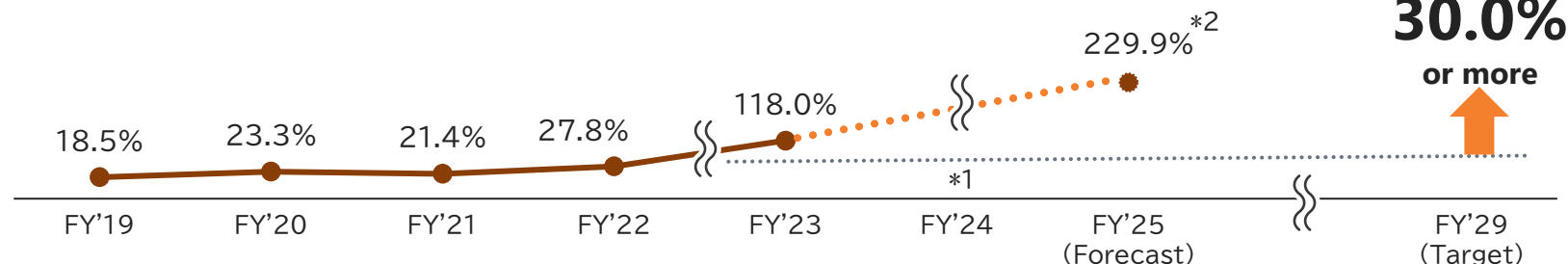
- Revised from the previous 'payout ratio target of 25%' in light of the Company's business characteristics and financial situation.
- Basic policy of stable and continuous shareholder returns, with a target of 'DOE of 3% minimum' and 'total return ratio of 30% or more', and efforts to increase shareholder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

Changes in DOE and Dividends

(Yen)



Change of Total Return Ratio



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

2: Although net profit for FY2025/1 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%.

- A Sustainability Committee was established in March 2024. Promote sustainability initiatives to contribute to the realization of a sustainable society and increase corporate value.

Environment

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

Social

- Partial Amendment of Act for Eliminating Discrimination against Persons with Disabilities came into force in April 2024, promoting barrier-free content. (Palabra)
- Eliminate labor shortages by matching foreign personnel who want to work in Japan. (Stepjob)
- In collaboration with the national labor support transition centers, technical assistance and active employment promotion for people with disabilities.
- Educational activities for a healthy online society. (Pole To Win)
- Cooperation in the management of the 'Study group on children's internet usage'. (Pole To Win)

Governance

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



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



「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.

- The Company’s policy is to build relationships of trust through active and constructive dialogue 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 inquiries via the website.
- Publication and distribution of company reports by Shared Research Inc.
- Introduction of voting via the Internet or other means for general meetings of shareholders and participation in electronic voting platforms.

Status of dialogue with shareholders and investors (FY2024/1)

Shareholders, investors and others engaged in dialogue	32 foreign investors, 20 domestic investors, 9 others (total companies)
Main themes and concerns of the dialogue	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 dialogue	<ul style="list-style-type: none"> • 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).

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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 47 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 April 30, 2024)

Group Organization (47 Consolidated Subsidiaries)

PTW



Domestic Solutions

• Pole To Win, Inc.

- MSD Holdings Inc.
- MIRAI Service Design co.ltd
- Ninjastars Inc.

• 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.

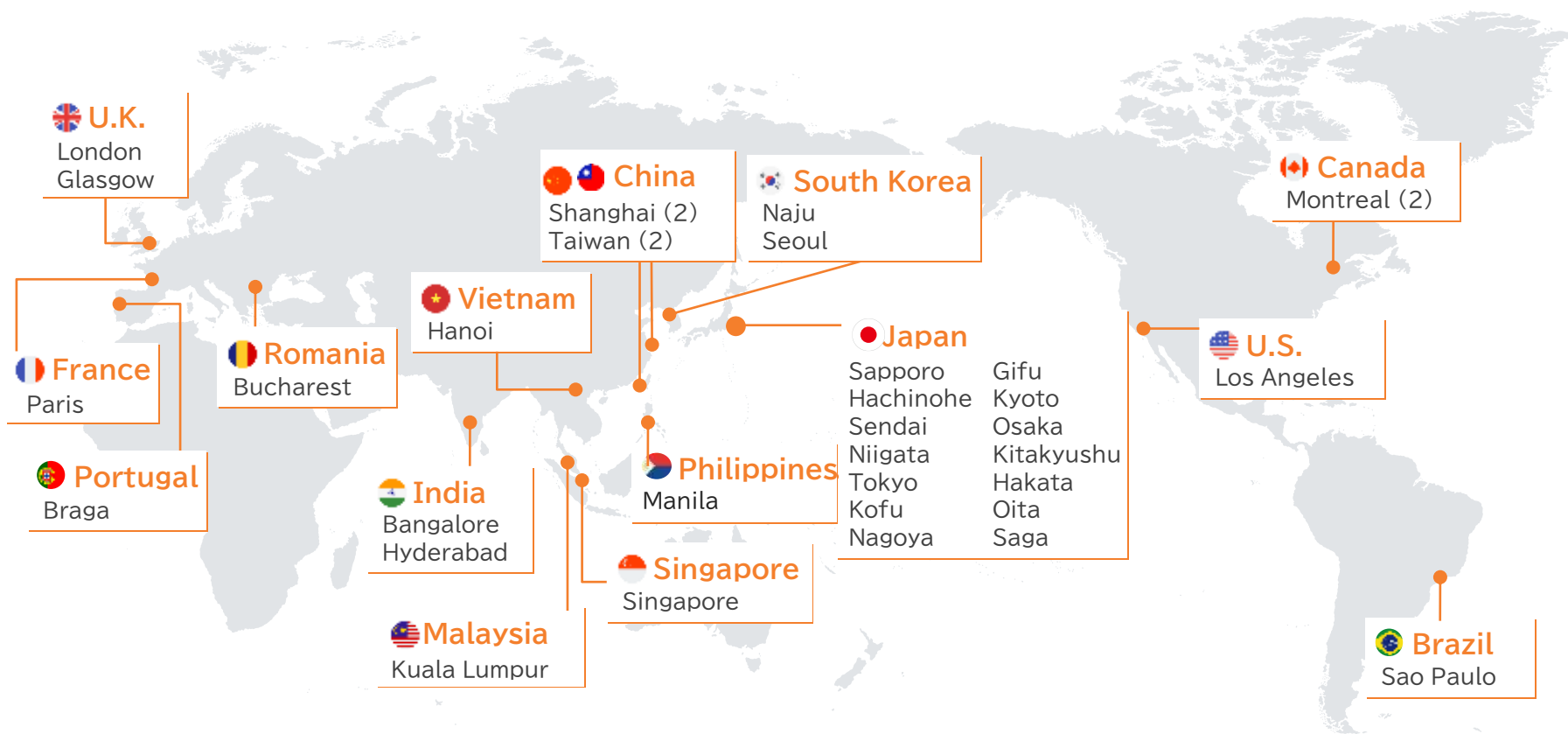
- Panda Graphics TAIWAN INC.
- Panda Graphics(Shanghai) Technology Co., Ltd.
- CREST JOB Inc.
- HIKE KOREA Inc.
- AQUAPLUS CO., Ltd
- FIXRECORDS Co., Ltd
- Shiitake Digital Inc.

• Palabra Inc.

(As of April 30, 2024)

Operating in

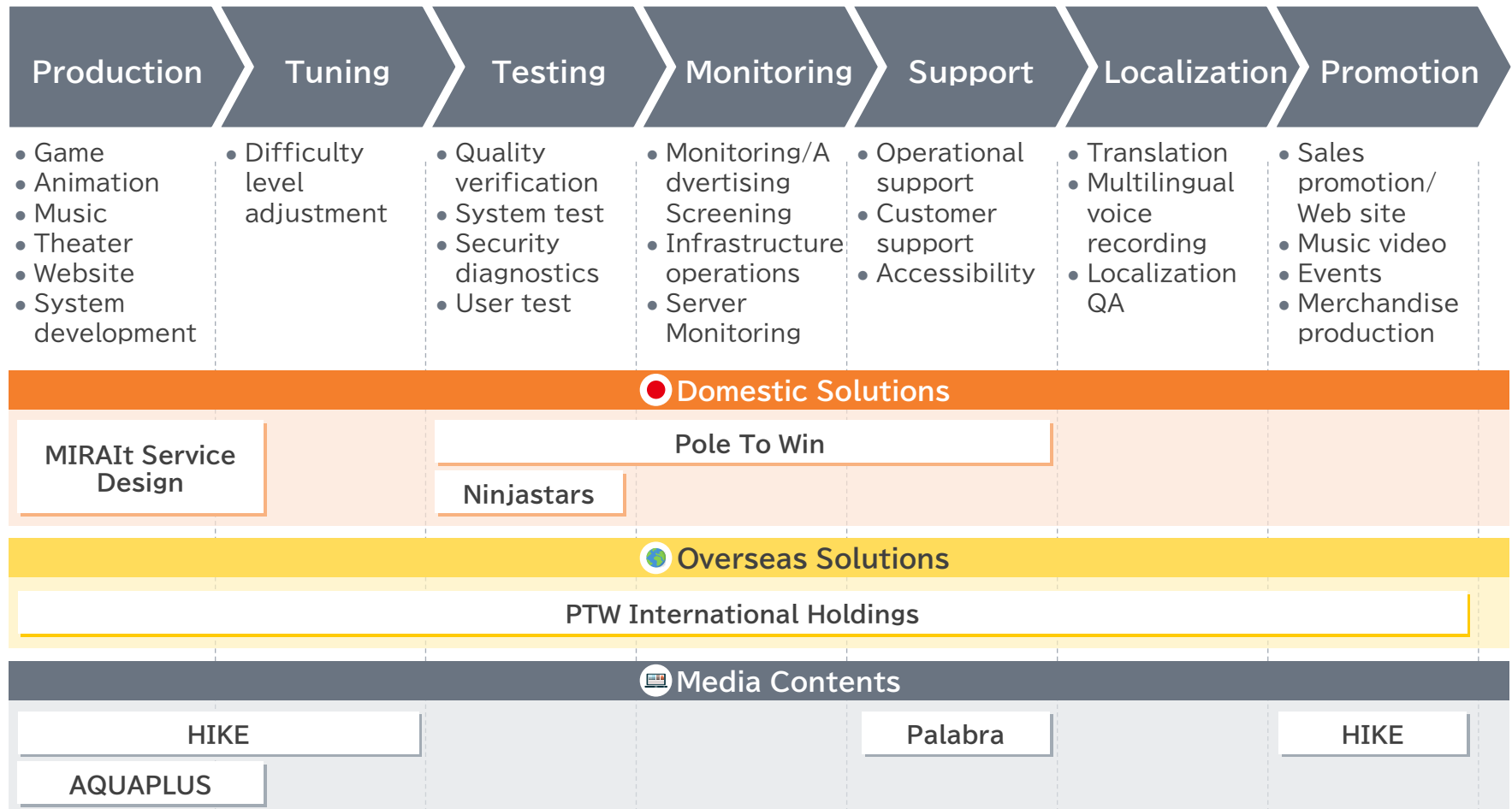
14 cities in Japan
21 sites in 14 overseas countries



(Excluding countries and sites not yet in operation as of April 30, 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

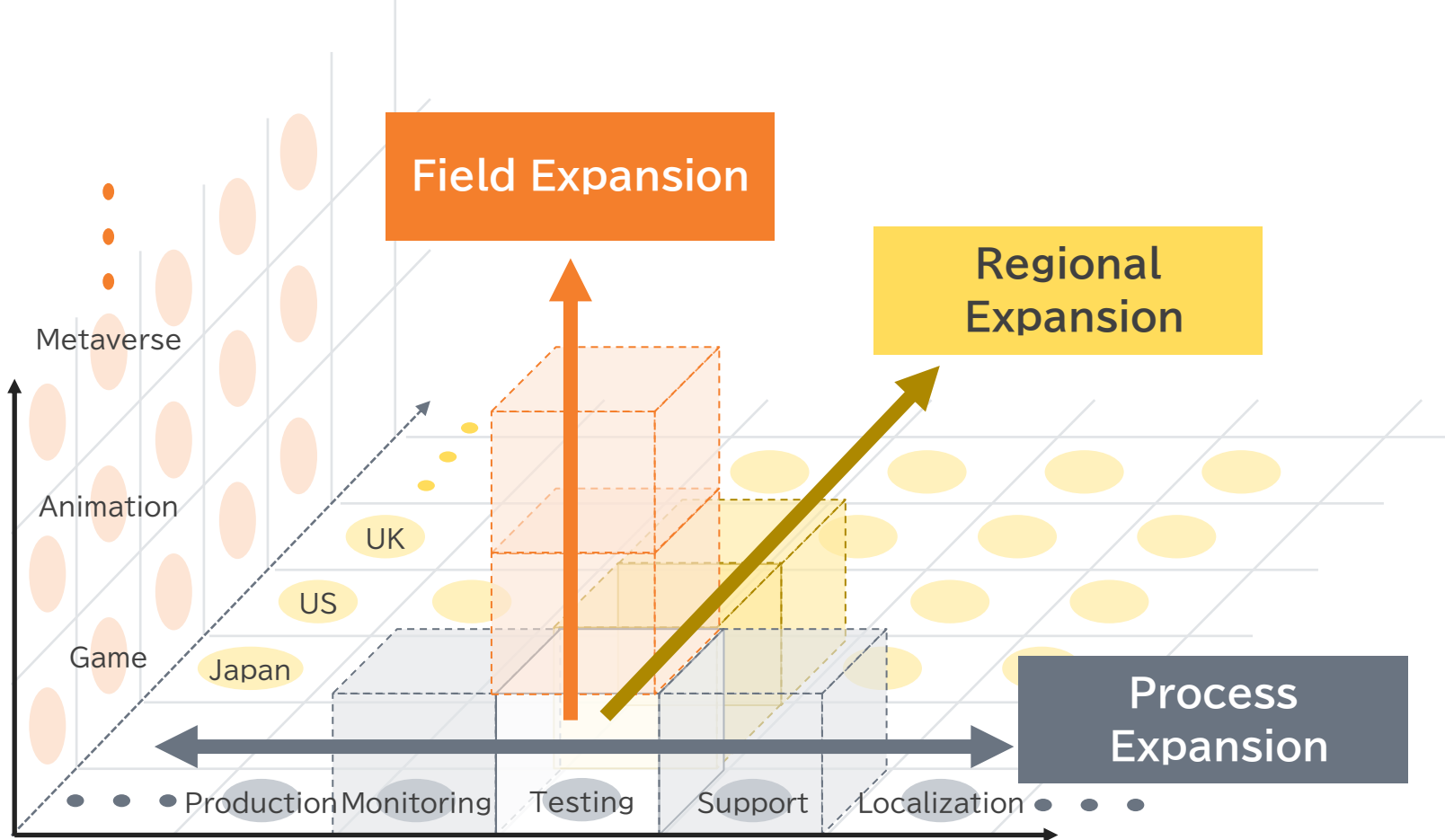
Steadily expanding business regions organically and through M&A, reaching to 3,000 employees at 21 sites in 14 overseas countries, with overseas sales accounting for approximately 30% of total sales.

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

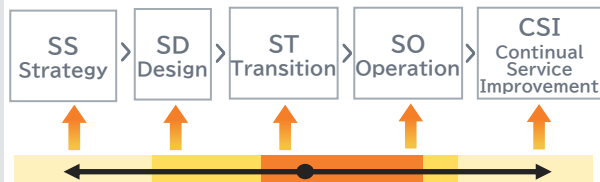
Challenges from the outsourcing side to the creative side

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

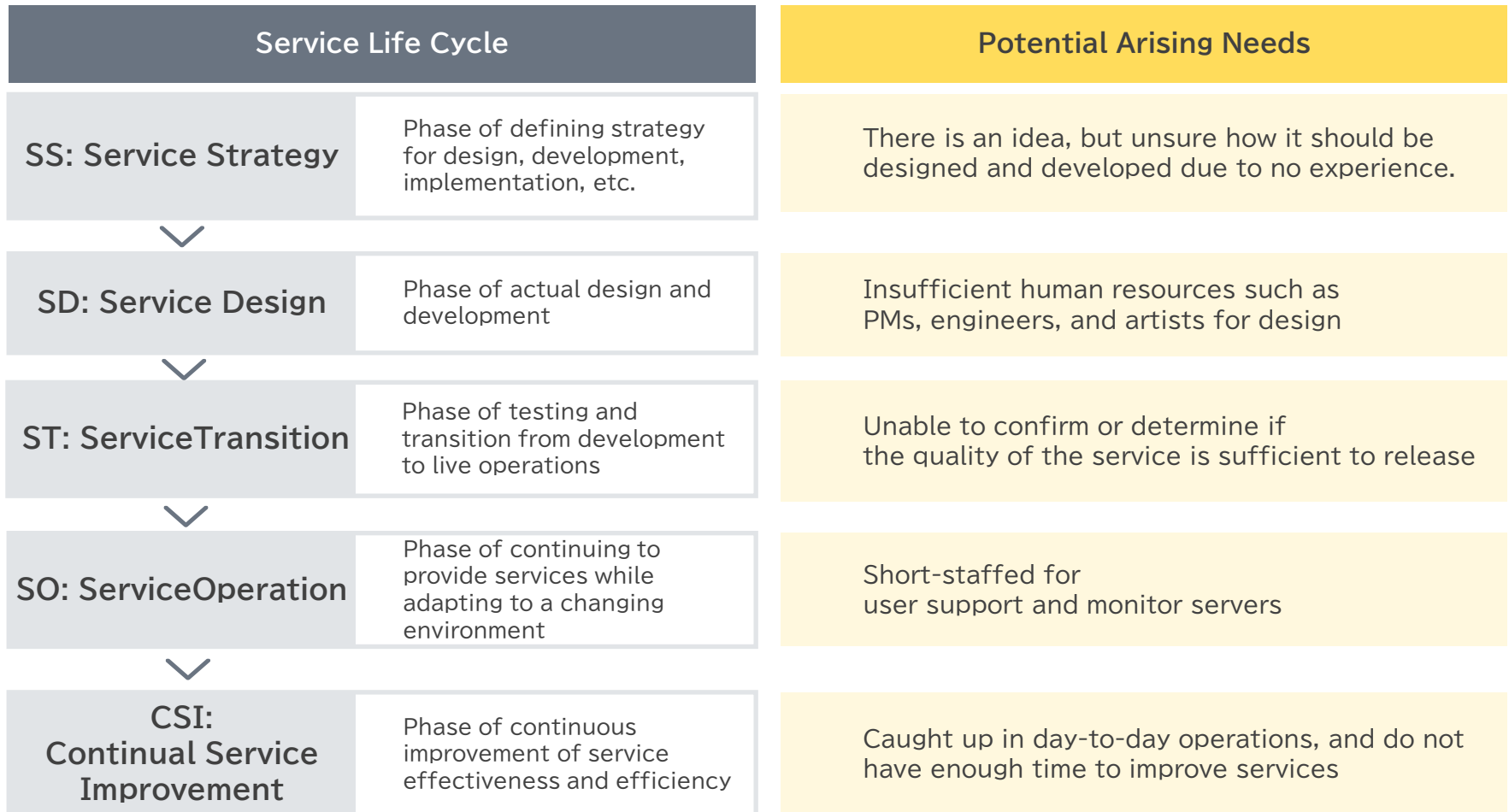
Expand 'Field' by leveraging knowledge

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.



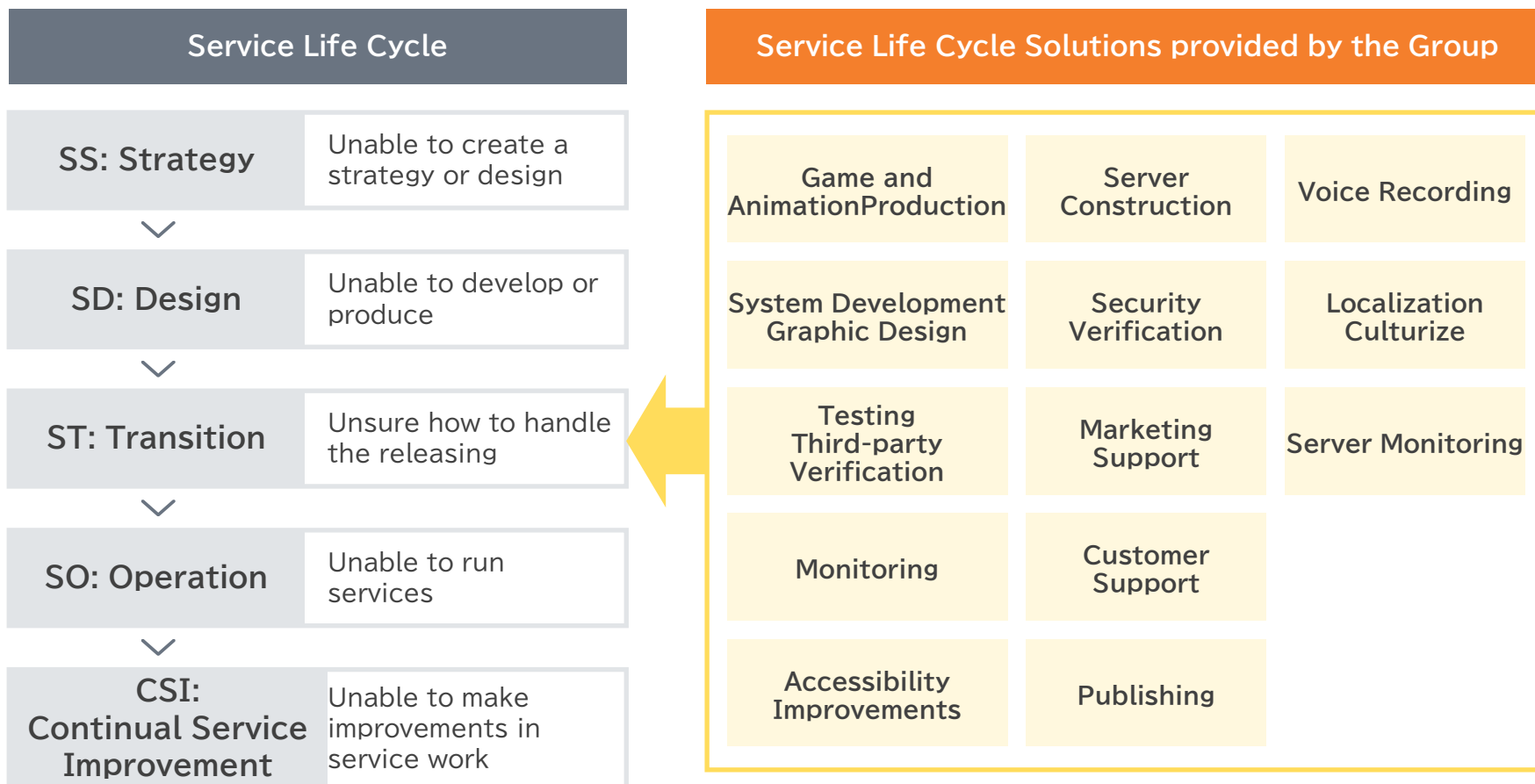
■ Service Life Cycle and Needs

- 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.



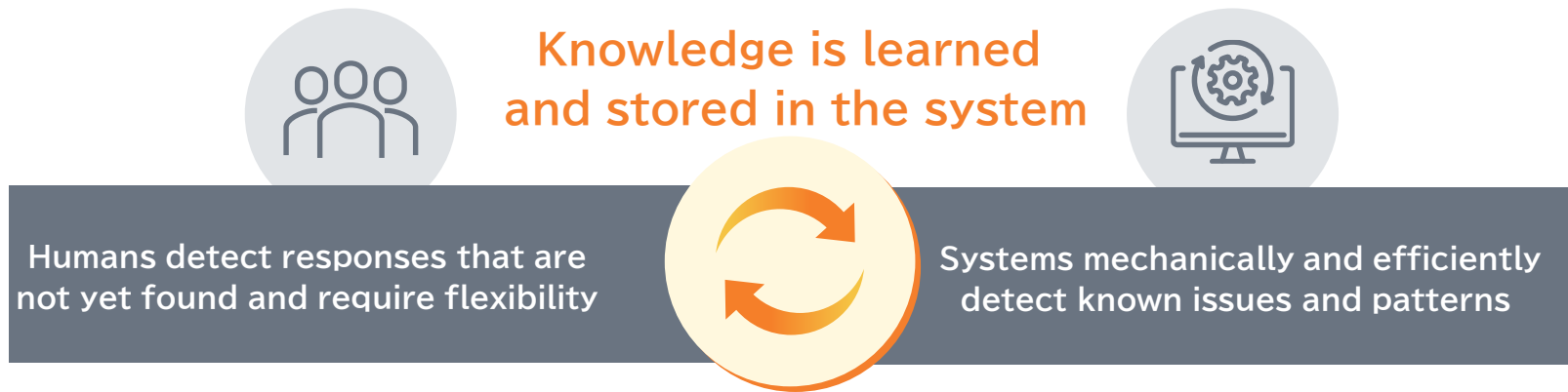
Business quality realized by both ‘Systems and People’

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 behavior to efficiently counter malpractice, while our staff comprehensively assesses and handles fraud behavior using new and unprecedented methods.

In an environment where quality definitions, error patterns, and fraud behaviors 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.