



August 27, 2024

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

Notice of Finalization of Simplified Absorption-Type Demerger Agreement: Transfer of DMM.com LLC's Stage Business to a Consolidated Subsidiary

HIKE Inc., a consolidated subsidiary of the Company ("HIKE"), has resolved to enter into an absorption-type demerger agreement with DMM.com LLC ("DMM.com") for the purpose of transferring DMM.com's stage business through a demerger (simple absorption-type demerger; the "Demerger").

1. Purpose of the Demerger

The Group is engaged in the Service Life Cycle Solutions Business, including quality consulting, game testing/verification & evaluation, third-party software verification, infrastructure setup and transition support, monitoring, customer support, anti-fraud, and BPR support throughout the planning, development, release, operation, and enhancement of clients' services and product life cycles. These services are divided into three segments: Domestic Solutions, Overseas Solutions, and Media Contents.

HIKE is the core operating company overseeing the Group's Media Content operations. It is involved in planning and producing a wide range of content, including animation, games, music, stage productions, and films. It is also engaged in comprehensive production services, including commercialization and sales of merchandise. The company is working on 360° development to maximize the value of its intellectual property (IP) by developing it across various media, including animation, games, music, stage productions, and films. In November 2022, the company made SANETTY Produce Co., Ltd. a subsidiary with the goal of expanding its 2.5-dimensional stage business. Since then, the company has merged with SANETTY Produce Co., Ltd. to accelerate its live entertainment business, particularly in the production of stage plays.

In addition to its diverse entertainment services, including video streaming, e-books, and anime, DMM.com is engaged in various other businesses. These include hardware-related fields like 3D printing and EV charging and businesses that leverage cutting-edge technologies such as web3 and AI. DMM STAGE, an entertainment label operated by the company, specializes in stage productions, particularly 2.5-dimensional works and other theatrical performances. It has earned a strong reputation for delivering high-quality stage productions, live performances, and video content. For the stage production *Ya Boy Kongming!*, which was performed in May 2024, both HIKE and DMM.com joined the production committee to bring the work to life on stage.

The decision was made to proceed with the Demerger because the goals of both DMM.com, which sought to grow its stage business within a corporate group with strong synergy, and HIKE, which aimed to further expand its 360° IP development, were well-aligned. Through the Demerger, HIKE seeks to strengthen its lineup of in-house productions and increase the number of staff with immediate impact. Additionally, HIKE aims to enhance its brand recognition among stage fans, original authors, and the entertainment industry. The company also plans to expand its presence in the live entertainment market by increasing the number of live concerts, reading plays, theatrical productions, and musical performances.

The assets being transferred from the demerged company to the successor company in the Demerger mainly consist of intellectual property rights related to performance items. However, because the transfer also includes titles scheduled for future production, the transfer period is divided into two phases. The first demerger phase is referred to as "the Demerger Phase 1," and the second as "the Demerger Phase 2."

2. Summary of the Demerger

(1) Schedule

Resolution by Board of Directors	August 27, 2024
Signing of absorption-type demerger agreement	August 27, 2024
Effective date	The Demerger Phase 1: December 1, 2024 (tentative) The Demerger Phase 2: December 1, 2025 (tentative)

Note: As this absorption-type demerger is a simplified absorption-type demerger under Article 796, Paragraph 2 of the Companies Act for HIKE and a simplified absorption-type demerger under Article 784, Paragraph 2 of the Companies Act for DMM.com, the demerged company, no general meeting of shareholders will be held to approve the demerger in either case.

(2) Method of the Demerger

Both the Demerger Phase 1 and the Demerger Phase 2 are absorption-type demergers, with HIKE as the successor company and DMM.com as the demerged company.

(3) Demerger allocation

For both the Demerger Phase 1 and the Demerger 2, HIKE plans to deliver 1 yen to DMM.com as consideration.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights of the demerged company

Does not apply to the Demerger Phase 1 or the Demerger Phase 2.

(5) Share capital that will increase or decrease as a result of the Demerger

There will be no increase or decrease in the share capital of the companies involved in either the Demerger Phase 1 or the Demerger Phase 2.

(6) Rights and obligations transferred to the successor company

Both the Demerger Phase 1 and the Demerger Phase 2 will involve the succession of assets, liabilities, contracts, and other rights and obligations related to a portion of the stage business of DMM.com, the splitting company, on the effective date, to the extent provided for in the absorption-type split agreement.

(7) Prospects of the successor company fulfilling its obligations

We have determined that there are no issues with the prospects for the performance of the obligations that HIKE, the successor company, will bear after the effective date of both the Demerger Phase 1 and the Demerger Phase 2.

3. Basis for the allotment pertaining to the Demerger, etc.

For both the Demerger Phase 1 and the Demerger Phase 2, the amount of money to be paid by HIKE was agreed upon after discussions between HIKE and DMM.com, considering the market value of the assets transferred to HIKE.

4. Overview of the companies involved in the Demerger

Item	Successor company	Demerged company
(1) Name	HIKE Inc.	DMM.com LLC
(2) Address	3-2-4 Nishishinjuku, Shinjuku-ku, Tokyo	24F Sumitomo Fudosan Roppongi Grand Tower, 3-2-1 Roppongi, Minato-ku, Tokyo
(3) Names and titles of representatives	Masataka Mikami, Representative Director	Representative Partner, DMM.com Holdings Inc. Keishi Kameyama, Executive Officer
(4) Business description	IP content production	Video streaming business, e-book business, anime business, mail order business, etc.
(5) Share capital	155,020 thousand yen (As of January 31, 2024)	100,000 thousand yen (As of February 29, 2024)
(6) Established	March 14, 2018	November 17, 1999
(7) Number of shares issued	250,900 shares (As of January 31, 2024)	-
(8) Fiscal year-end	January 31	February 29
(9) Main shareholder(s) and shareholding ratio(s)	Pole To Win Holdings, Inc.: 90% Masataka Mikami: 10%	DMM.com Holdings Inc.: 100%
(10) Financial results and financial position in the immediately preceding fiscal year (Millions of yen)		

Fiscal year-end	FY1/2024	FY2/2024
Net assets	(1,744)	-
Total assets	3,108	-
Net assets per share (yen)	(6,949.60)	-
Net sales	4,291	-
Operating profit	(1,061)	-
Ordinary profit	(1,090)	-
Profit	(1,236)	-
Profit per share (yen)	(4,924.38)	-

Note: In accordance with the agreement with the demerged company, the “-” indicates a figure that will not be disclosed.

5. Overview of the demerged business division

(1) The Demerger 1

(i) Description of business of demerged division

Portion of DMM.com’s stage business

(ii) Financial results of demerged division

Net sales in FYE Feb. 2024: 438,467,172 yen

(iii) Demerged assets, liabilities, and amounts (as of August 27, 2024)

(Unit: JPY)

Item	Book value	Item	Book value
Assets	0	Liabilities	0

Note: The amounts of the demerged assets and liabilities are estimated figures based on the situation as of August 27, 2024. In addition, the actual amounts of demerged assets and liabilities may differ from the estimated figures above.

(2) The Demerger 2

(i) Description of business of demerged division

Portion of DMM.com’s stage business

(ii) Financial results of demerged division

Net sales in FYE Feb. 2024: 0 yen

(iii) Demerged assets, liabilities, and amounts (as of August 27, 2024)

(Unit: JPY)

Item	Book value	Item	Book value
Assets	0	Liabilities	0

Note: The amounts of the demerged assets and liabilities are estimated figures based on the situation as of August 27, 2024. In addition, the actual amounts of demerged assets and liabilities may differ from the estimated figures above.

6. Situation after the Demerger

The names, locations, representative titles and names, business descriptions, share capital amounts, and fiscal year-ends of the companies involved in the Demerger will remain unchanged.

7. Outlook

We have determined that the impact of the Demerger on our consolidated financial results will be minimal; however, if we determine that the impact will be significant in the future, we will disclose this information promptly.

Reference: Consolidated Earnings Forecast (Announced on March 12, 2024) and Previous Year’s Consolidated Results

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	million yen	million yen	million yen	million yen
Consolidated earnings forecasts (FY1/2025)	52,028	2,212	2,201	246
Previous year’s consolidated results (FY1/2024)	46,980	404	509	(1,967)