



Pole To Win Holdings, Inc.

Supplementary Information to the Financial Results for the 2nd Quarter (Interim Period) of the Fiscal Year Ending January 31, 2025

- Stock Code: 3657
- Abbreviation: Pole HD

September 10, 2024



In addition to this Supplementary Information to the Financial Results, we disclosed “Key Points of Interest Expected in the 2nd Quarter (Interim Period) Financial Results for FY1/2025.”

Financial Result for the 2nd Quarter of the Fiscal Year Ending January 31, 2025

Favorable performance by Overseas Solutions helped the Company surpass its 1H earnings forecast, turning a projected loss into a profit.

- Sales were boosted by Overseas Solutions, rising 11.0% YoY and **surpassing the forecast**.
- Thanks to steady improvements in profitability driven by progress in restructuring Overseas Solutions and Media Contents businesses, profits surpassed expectations. **Instead of the forecasted operating loss of ¥100 million, the Company achieved a ¥360 million operating profit.**
- The Company achieved operating profit **exceeding ¥400 million** in 2Q alone, marking the first time in six quarters. The occurrence of various one-time expenses has decreased, hitting its lowest in 4Q of the previous year, and **improvements are being made toward establishing a stable profit structure.**

Full-Year Forecasts for the Year Ending January 31, 2025

After a conservative review of market conditions and the Company's own situation, the full-year forecasts have been revised to reflect a 2% decrease in sales but a 31% increase in profit attributable to owners of parent.

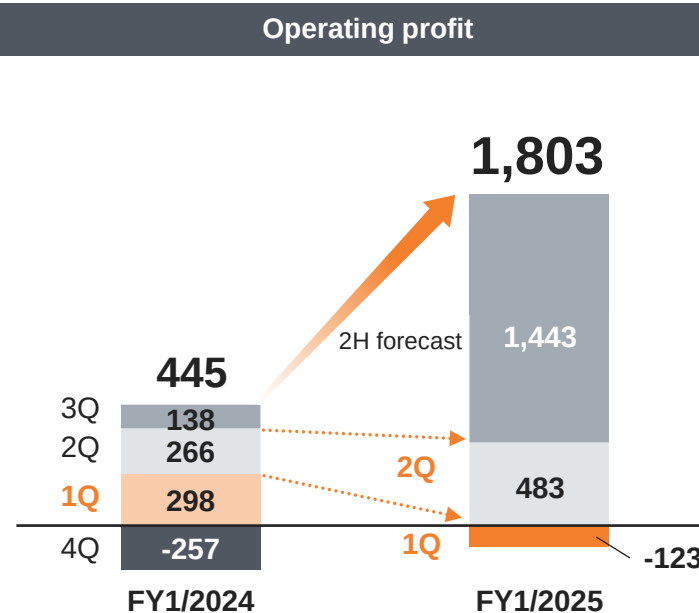
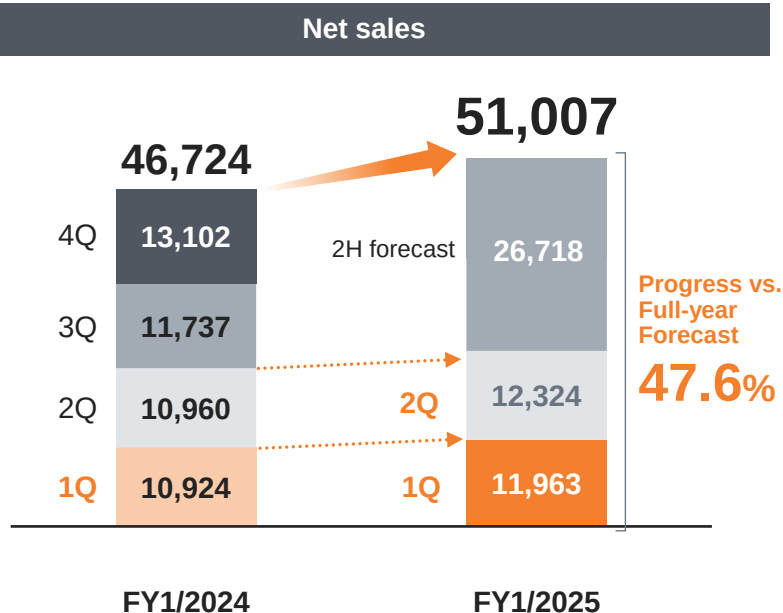
- In Domestic Solutions, some large e-commerce projects have concluded, and the Company is implementing recovery measures, such as cultivating new projects.
In addition, some game developers have decided to cancel or postpone the development of new titles for the current period, making a decline in sales and profits in 2H inevitable. In the medium term, we believe that this downturn is only temporary, as new hardware and major software releases are on the horizon.
- Although Overseas Solutions performed strongly in 1H, some of the business restructuring costs planned for the beginning of the year were not incurred in 1H and were deferred to 2H, which will contribute to a decline in profits in 2H.
- In Media Contents, the postponement of the release of a jointly developed game will result in no amortization costs in 2H, which will boost profits.
- Based on the above situation, we have taken a conservative approach and revised our full-year earnings forecasts as follows: **net sales of ¥51 billion (down ¥1 billion from the initial forecast), operating profit of ¥1.8 billion (down ¥400 million), and profit attributable to owners of parent of ¥320 million (up ¥70 million)** due to a decrease in tax expenses for Domestic Solutions.

Consolidated Earnings Forecasts for FY1/2025 and Progress of 2Q

While 1H exceeded expectations, the forecast for 2H has been revised based on domestic market conditions.

- In 1H, we achieved our forecasts for both sales and profits.
- Although market conditions are expected to weaken in 2H, initiatives to improve profitability are progressing smoothly, and we plan to achieve a significant YoY increase in profits.

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



Changes in the financial statements from the current fiscal year

- Previously, revenue and expenses of overseas subsidiaries were converted into yen at the spot exchange rate on the closing date. Starting from the current period, the method has been changed to the average exchange rate during the period. The figures for the previous year have been retroactively adjusted.
- Previously, the results of PTW Japan Co., Ltd. etc, were recorded under Domestic Solutions. Starting from the current period, the method has been changed to record the results of PTW Japan Co., Ltd. etc. under Overseas Solutions. The figures for the previous year have been retroactively adjusted.

In a timely disclosure dated August 27, the Company announced the acquisition of the business of Ghostpunch Games, LLC (Florida, USA; hereafter “Ghostpunch”), which operates a game development outsourcing business.

Overview of the deal

- Acquisition price: US\$13.15 million
- Closing date: September 1, 2024



Reason for the acquisition

- Ghostpunch has long been known in the industry for its contract development of major titles for PCs and consoles. It is a company that is growing in terms of both sales and profits.
- By adding Ghostpunch’s game development outsourcing service, the Group will be able to offer it’s existing clients not only conventional services associated with game development but also outsourcing services for the development process itself. By responding to client needs with enhanced competitiveness, this will enable further expansion of sales and profits.

Impact on earnings

- The amortization period for the goodwill will be discussed with the auditing firm, and the Purchase Price Allocation (PPA) will be conducted during the current fiscal year.
- Regarding the contribution to earnings for the current fiscal year, four months’ worth of sales will be included, amounting to around ¥500 million. While the amortization of goodwill and other expenses resulting from PPA are yet to be determined, the earnings forecast will include about ¥50 million in profit, taking a conservative approach and not factoring in business synergy for the current fiscal year.
- Starting in the next period, we aim to expand our earnings by leveraging the synergy of our one-stop services, in addition to Ghostpunch’s existing sales and profits.

1	Financial Summary for FY1/2025 2Q	...	5
2	Earnings Forecasts for FY1/2025	...	16
3	Future Operating Policy	...	23
4	Appendix	...	36

■ Notes on the content of this document

1. Amounts are rounded down to the nearest unit. 2. Percentages are rounded off to the nearest unit.
3. Net sales and operating profit by business segment are for reference only based on internal management figures (other company-wide expenses are incurred).

1	Financial Summary for FY1/2025 2Q	...	5
2	Earnings Forecasts for FY1/2025	...	16
3	Future Operating Policy	...	23
4	Appendix	...	36

Overview of Consolidated Financial Results for FY1/2025 2Q -Change YoY-

PTW

- Sales were boosted by Overseas Solutions, rising 11.0% YoY.
- While profitability in existing businesses, primarily Overseas Solutions and Media Contents, is improving, one-time expenses have been incurred, including ¥341 million for the restructuring of overseas businesses, ¥229 million in additional expenses for joint game development, and ¥58 million in allowance for doubtful accounts in Media Contents, resulting in a decrease in operating profit.

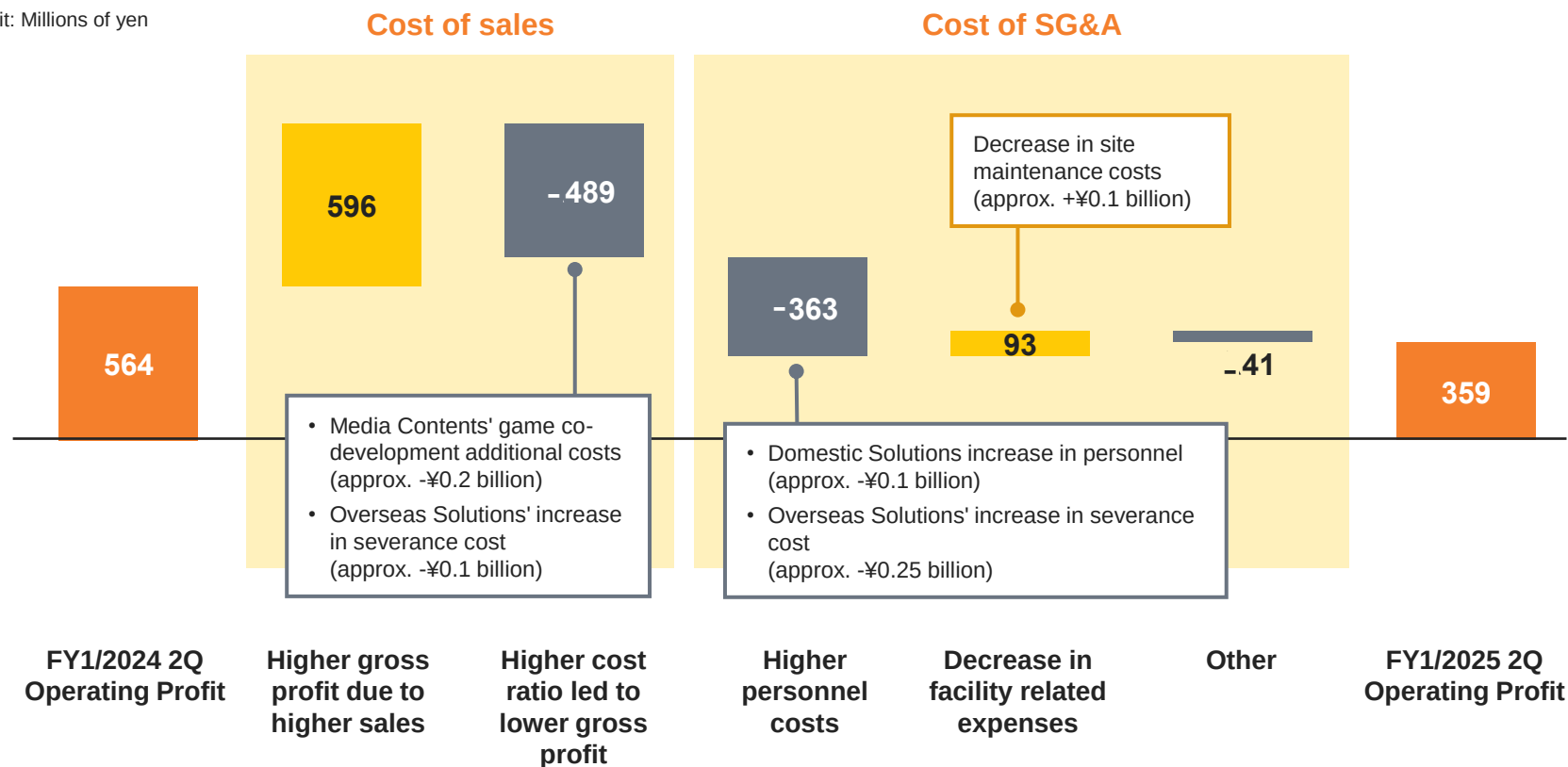
	Current Year FY1/2025 2Q (2024/2-2024/7)		Previous Year FY1/2024 2Q (2023/2-2023/7)		Change YoY	
	Amount	Margin	Amount	Margin	Change	%
Unit: Millions of yen						
Net sales	24,288	—	21,884	—	+2,403	+11.0%
Gross profit	5,539	22.8%	5,432	24.8%	+106	+2.0%
Operating profit	359	1.5%	564	2.5%	-204	-36.2%
Ordinary profit	410	1.7%	447	2.0%	-37	-8.3%
Interim profit before taxes and other adjustments	329	1.4%	155	0.7%	+173	+111.4%
Interim profit attributable to owners of parent	-184	-0.8%	-321	-1.4%	+136	—%
Reference: EBITDA	945	3.9%	1,095	5.0%	-149	-13.7%

Consolidated Operating Profit Analysis of Changes for 2Q

PTW

- Driven by higher sales, profit is growing as planned.
- The cost of sales includes one-time expenses related to the restructuring of the Overseas Solutions business, such as siteclosures and personnel adjustments, as well as additional costs incurred for the joint development of games in the Media Contents business.
- In terms of SG&A expenses, costs were also incurred for the restructuring of the Overseas Solutions business.

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 (24.8%) in FY1/2024 2Q.

Overview of Consolidated Financial Results for 2Q -Comparison with Forecasts-

PTW

- Sales were boosted by an increase in orders in Overseas Solutions and the depreciation of the yen, resulting in a **growth rate of +1.9%**.
- Operating profit **shifted from a loss forecast to a profit**, driven by Overseas Solutions exceeding sales plans, the deferment of business restructuring expenses, and Domestic Solutions incurring lower hiring costs than planned, thanks to more efficient hiring processes.

	Current Year FY1/2025 2Q (2024/2-2024/7)		Current Forecast FY1/2025 2Q (2024/2-2024/7)		Comparison	
	Amount	Margin	Amount	Margin	Difference	Achievement rate
Unit: Millions of yen						
Net sales	24,288	—	23,840	—	+447	+1.9%
Operating profit	359	1.5%	-118	2.5%	+478	—%
Ordinary profit	410	1.7%	-124	2.0%	+535	—%
Interim profit attributable to owners of parent	-184	-0.8%	-860	-1.4%	+675	—%

Business Overviews for 2Q

PTW

- Domestic Solutions:** Sales are being driven by the games and tech sectors, with operating profit increasing due to a ¥279 million reduction in site maintenance and integration costs.
- Overseas Solutions:** Sales increased due to the depreciation of the yen, and despite incurring ¥341 million in business restructuring expenses, profitability improved as a result of progress in the restructuring efforts, leading to an increase in operating profit.
- Media Contents:** Additional costs of ¥229 million for joint game development and ¥58 million in allowance for doubtful accounts were incurred, resulting in an operating loss.

Unit: Millions of yen

			Current Year FY1/2025 2Q (2024/2-2024/7)		Previous Year FY1/2024 2Q (2023/2-2023/7)		Change YoY	
			Amount	Margin	Amount	Margin	Change	%
Domestic Solutions	Net sales	Ext.	12,261		11,297		+963	+8.5%
		Int.	119		91		+27	+29.7%
		Total	12,381		11,389		+991	+8.7%
	Operating profit		1,013	8.3%	750	6.6%	+262	+35.0%
Overseas Solutions	Net sales	Ext.	9,029		7,337		+1,691	+23.1%
		Int.	62		50		+11	+22.6%
		Total	9,091		7,388		+1,702	+23.0%
	Operating profit		-51	-0.6%	-111	-1.5%	59	—%
Media Contents	Net sales	Ext.	2,997		3,249		-251	-7.8%
		Int.	18		10		7	+71.8%
		Total	3,015		3,260		-244	-7.5%
	Operating profit		-480	-16.0%	57	1.8%	-537	—%

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

- The Company achieved operating profit exceeding ¥400 million in 2Q (three months) alone, marking the first time in six quarters. Hitting the lowest in 4Q of the previous year, various one-time expenses have also decreased, and **improvements are being made toward establishing a stable profit structure.**

		FY1/2024				FY1/2025				QoQ change (B)-(A)
		1Q	2Q	3Q	4Q	1Q (A)	2Q (B)	3Q	4Q	
Unit: Millions of yen										
Net sales		10,924	10,960	11,737	13,102	11,963	12,324	—	—	+361
Operating profit		298	266	138	-257	-123	483	—	—	+606
Operating margin		2.7%	2.4%	1.2%	-2.0%	-1.0%	3.9%	—	—	+4.9Pt
Domestic Solutions	Net sales	5,663	5,634	6,015	6,209	6,189	6,072	—	—	-117
	Operating profit	327	422	253	507	527	485	—	—	-41
	Operating margin	5.8%	7.5%	4.2%	8.2%	8.5%	8.0%	—	—	-0.5 Pt
	(B)-(A)	Due to the completion of some large e-commerce projects, both sales and operating profit have slightly decreased.								
Overseas Solutions	Net sales	3,675	3,662	4,398	4,360	4,306	4,723	—	—	+417
	Operating profit	43	-154	362	-120	-243	192	—	—	+435
	Operating margin	1.2%	-4.2%	8.2%	-2.8%	-5.7%	4.1%	—	—	+9.7 Pt
	(B)-(A)	Sales and profits increased as a result of improvements in the profitability of existing businesses, while business restructuring expenses decreased to ¥270 million in 1Q and ¥71 million in 2Q.								
Media Contents	Net sales	1,586	1,662	1,323	2,531	1,467	1,529	—	—	+61
	Operating profit	12	44	-404	-612	-330	-150	—	—	+179
	Operating margin	0.8%	2.7%	-30.6%	-24.2%	-22.5%	-9.8%	—	—	+12.6Pt
	(B)-(A)	One-time expenses decreased from 1Q, which included additional costs of ¥229 million for joint game development, to 2Q, where ¥58 million was incurred for the allowance for doubtful accounts.								

Note: Net sales is calculated using sales from external clients as the denominator. Operating margin is calculated using "external" sales as the denominator.

- YoY sales growth was driven by the tech sector (third-party verification and system development) and the game sector.
- In terms of profits, there were no one-time expenses for site development, which amounted to ¥279 million in 1H of the previous fiscal year, leading to an increase in profits.
- Some large e-commerce projects have concluded, and the Group is implementing recovery measures, such as cultivating new projects.

Net sales

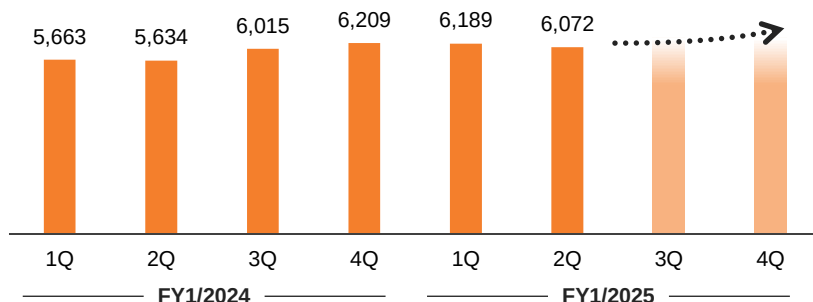
Change YoY

In the order of tech, game, and e-commerce sectors have the highest sales growth rates, with third-party verification and system development in the tech field trending toward larger projects.

Budget Variance

Below budget due to the completion of some large e-commerce projects.

Unit: Millions of yen



Operating profit

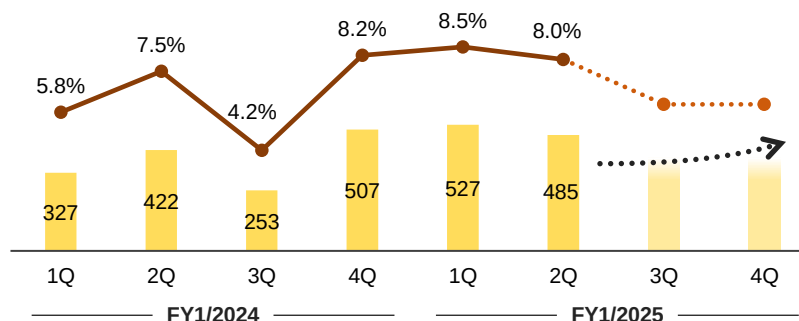
Change YoY

Profit increased in the current period due to the absence of one-time expenses for site development.

Budget Variance

Thanks to more efficient hiring processes, actual hiring costs were lower than budgeted, resulting in operating profit exceeding the budgeted amount.

Unit: Millions of yen



(Persons)	FY1/2024				FY1/2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Regular employee	1,222	1,247	1,270	1,300	1,396	1,407	—	—
Part-time employee	2,948	2,973	3,538	3,785	3,793	3,658	—	—
Total	4,170	4,220	4,808	5,085	5,189	5,065	—	—

Note: Net sales is calculated using sales from external clients as the denominator. Operating margin is calculated using "external" sales as the denominator.

- Sales have increased significantly compared to the same period last year, driven by the recovery of the game industry market and the impact of a weaker yen.
- In terms of profits, despite incurring ¥341 million in business restructuring expenses (including the closure of the Glasgow, UK site and personnel reductions), operating profit increased due to market recovery in existing businesses and the reduction of personnel expenses through the progress of business restructuring.

Net sales

Change YoY

23% 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

Operating profit

Change YoY

Despite incurring ¥341 million in business restructuring expenses, profits increased due to progress in that regard.

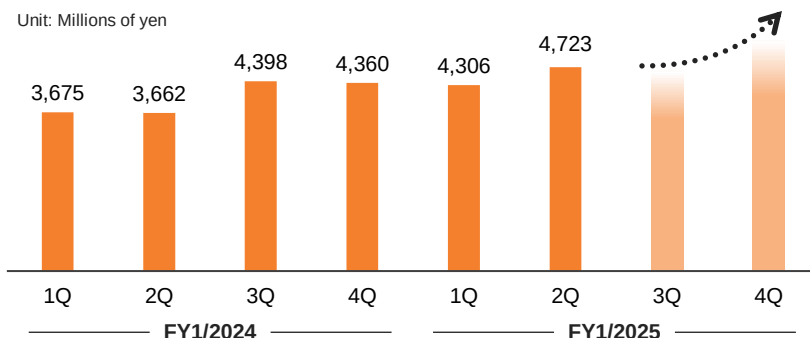
Budget Variance

Voice recording and customer support performed better than planned

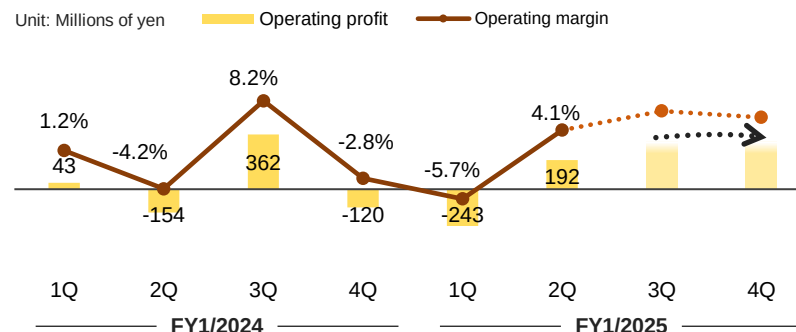
Budget Variance

Some business restructuring expenses were deferred to 2H. As sales exceeded the plan, operating profit also surpassed projections.

Unit: Millions of yen



Unit: Millions of yen



	FY1/2024				FY1/2025			
(Persons)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Regular employee	1,843	1,818	1,855	1,689	1,558	1,553	—	—
Part-time employee	990	1,192	1,086	1,463	1,042	1,078	—	—
Total	2,833	3,010	2,941	3,152	2,600	2,611	—	—

Note: Net sales is calculated using sales from external clients as the denominator. Operating margin is calculated using "external" sales as the denominator.

- Although sales increased due to higher animation production unit prices, they ultimately decreased as a result of the restructuring of unprofitable businesses.
- On the profit side, there was a loss of ¥229 million due to additional costs for joint game development and ¥58 million in allowance for doubtful accounts. We are promoting the replacement of unprofitable businesses, such as the merchandising business, with new ones like the VTuber business, including both outsourced and in-house operations.

Net sales

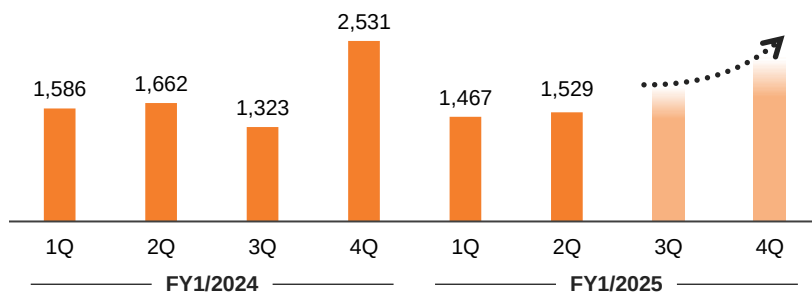
Change YoY

Despite an increase in anime production sales, a decrease in the merchandising business due to the selection and concentration of business led to a slight decline in sales.

Budget Variance

Although ¥192 million in revenue sharing from joint game development occurred unexpectedly, the merchandising business fell short of the plan, resulting in overall performance mostly aligning with expectations.

Unit: Millions of yen



Operating profit

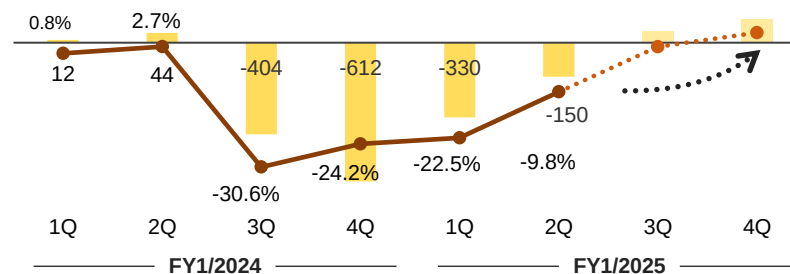
Change YoY

Although profitability is improving through the selection and concentration of business and personnel optimization, profits have decreased due to additional costs of ¥229 million for joint game development and a ¥58 million allowance for doubtful accounts.

Budget Variance

Additional game co-development costs incurred as planned at the beginning of the period. An unexpected allowance for doubtful accounts of ¥58 million was incurred, resulting in the forecast not being met.

Unit: Millions of yen



(Persons)	FY1/2024				FY1/2025			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Regular employee	256	274	275	296	293	298	—	—
Part-time employee	117	105	107	108	102	102	—	—
Total	373	379	382	404	395	400	—	—

Note: Net sales is calculated using sales from external clients as the denominator. Operating margin is calculated using "external" sales as the denominator.

2Q Consolidated Financial Position

PTW

- Cash and cash equivalents decreased due to factors such as dividend payments totaling ¥565 million and the repayment of ¥275 million in interest-bearing debt.
- Equity ratio 52.8%

Unit: Millions of yen	End of 2Q FY1/2025	End of FY1/2024	Change
Current assets	17,682	17,223	+459
(of which, cash and deposits)	(7,500)	(7,843)	(-343)
Property, plant and equipment	2,151	2,365	-214
Intangible assets	2,428	2,324	+104
Investments and other assets	2,537	2,522	+14
Non-current assets	7,117	7,212	-95
Total assets	24,800	24,436	+363
Current liabilities	10,987	10,072	+915
Non-current liabilities	720	922	-202
Total liabilities	11,708	10,995	+712
Total net assets	13,092	13,441	-349
(of which treasury shares)	(-2,552)	(-2,552)	(+0)
Total liabilities and net assets	24,800	24,436	+363

2Q Consolidated Cash Flows

PTW

- Profitability improved, the number of centers opened decreased, and operating and investing cash flows increased by ¥1,457 million.
- There was no acquisition of treasury shares during the current period, which amounted to ¥1,863 million in the previous period, resulting in an increase of ¥826 million in financing cash flow.
- Cash and cash equivalents on hand will decrease by ¥343 million from the beginning of the period to ¥7,500 million but will be sufficient to cover about two months of monthly sales, in line with the capital allocation policy.

	FY1/2025 2Q (2024/2-2024/7)	FY1/2024 2Q (2023/2-2023/7)	Change YoY
Unit: Millions of yen			
Net cash provided by (used in) operating activities	718	145	+572
Net cash provided by (used in) investing activities	-449	-1,335	+885
Net cash provided by (used in) financing activities	-820	-1,647	+826
Effect of exchange rate change on cash and cash equivalents	208	192	+16
Net increase (decrease) in cash and cash equivalents	-343	-2,644	+2,301
Cash and cash equivalents at beginning of period	7,843	11,192	-3,349
Cash and cash equivalents at end of period	7,500	8,547	-1,047

1	Financial Summary for FY1/2025 2Q	...	5
2	Earnings Forecasts for FY1/2025	...	16
3	Future Operating Policy	...	23
4	Appendix	...	36

- After a conservative review of market conditions and the Company's own situation, the full-year forecasts have been **revised to reflect a 2% decrease in sales but a 31% increase in profit.**
- Although sales and profits have decreased due to the completion of some large-scale e-commerce projects in Domestic Solutions and the current state of the game market, tax expenses have also decreased, leading to an **increase in profit.**

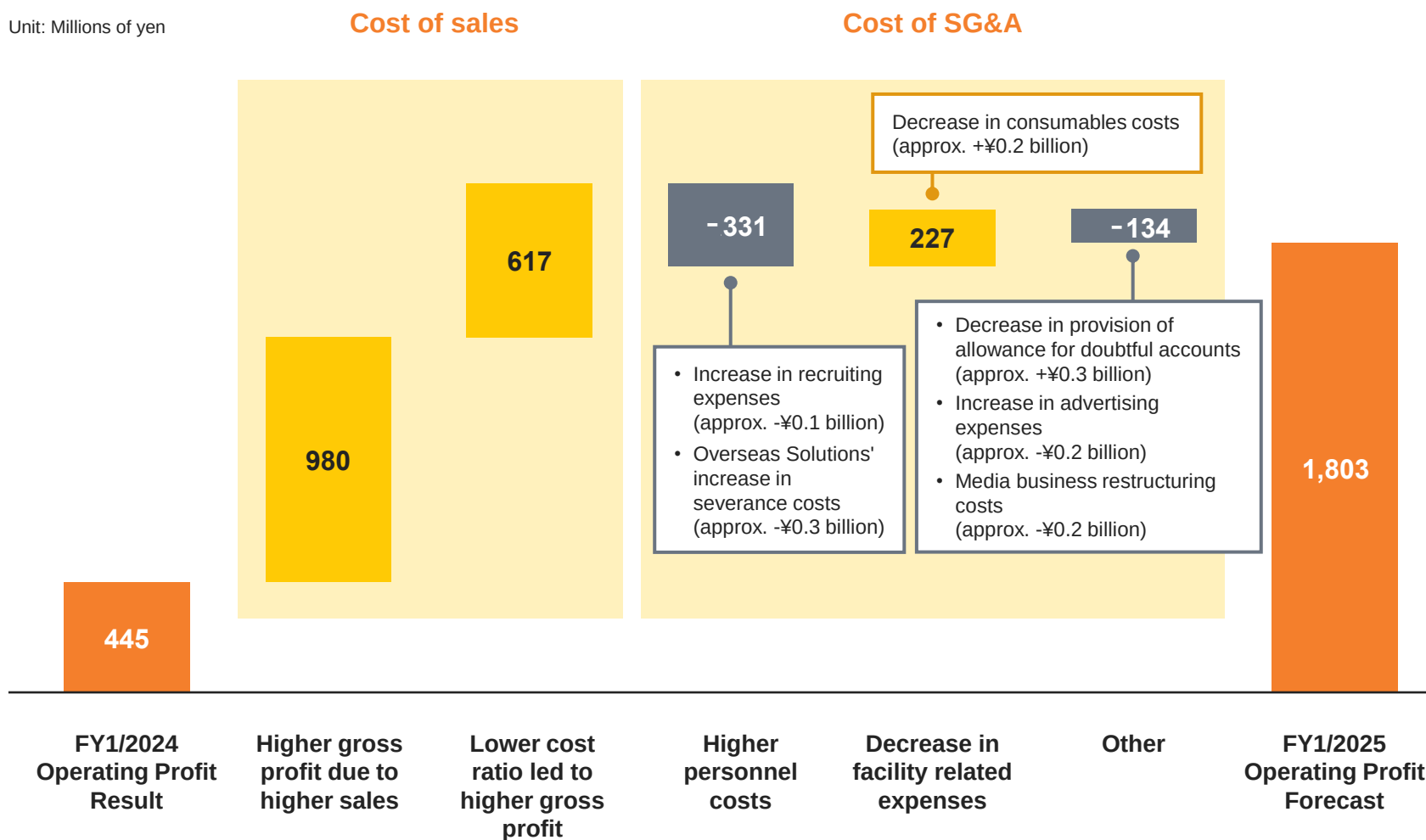
Unit: Millions of yen	FY1/2025 Full-Year Forecast		Revised Comparison		FY1/2024 Full-Year Results	YoY Change	
	After revision	Before revision	Change	%		Change	%
Net sales	51,007	52,028	-1,021	-2.0%	46,724	+4,282	+9.2%
Operating profit	1,803	2,212	-408	-18.5%	445	+1,357	+304.5%
Ordinary profit	1,849	2,201	-352	-16.0%	525	+1,323	+251.9%
Profit attributable to owners of parent	322	246	+75	+30.9%	-1,920	+2,241	—
Net profit per share	¥9.11	¥6.96	+¥2.15	—	-¥53.27	+¥62.38	—
Dividend per share	¥16	¥16	¥—	—	¥16	¥—	—

Consolidated Operating Profit Forecast: Analysis of Changes

PTW

- As anticipated at the beginning of the period, we worked on rebuilding our business foundation in 1Q, and profitability has been improving since 2Q, with the goal of achieving a full-year operating profit margin of 3.5%.

Unit: Millions of yen



Note: "Increase in gross profit due to sales growth" is the amount of increase in gross profit based on the assumption that sales increased at the gross profit margin (22.9%) in FY1/2024

Consolidated Forecasts Progress by Business Segment

PTW

- Sales have already reached 47.6% of the target. Profits are steadily improving due to a reduction in one-time expenses, and we believe the revised full-year earnings forecast is achievable.

		FY1/2025					
		1H	2H Forecast After Revision	Full-Year Forecast After Revision	Progress vs. Full-year Forecast	Full-Year Forecast Before Revision	Difference
Unit: Millions of yen							
Net sales		24,288	26,719	51,007	47.6%	52,028	-1,021
Operating profit		359	1,443	1,803	20.0%	2,212	-408
Operating margin		1.5%	5.4%	3.5%	—	4.3%	-0.7 Pt
Domestic Solutions	Net sales	12,261	12,889	25,151	48.8%	27,859	-2,708
	Operating profit	1,013	787	1,801	56.3%	2,426	-625
	Operating margin	8.3%	6.1%	7.2%	—	8.7%	-1.5 Pt
	Factors behind revision	Sales and profits have decreased due to the current state of the domestic game market and the completion of large-scale e-commerce projects.					
Overseas Solutions	Net sales	9,029	9,568	18,597	48.6%	16,923	+1,673
	Operating profit	-51	630	579	—	555	+24
	Operating margin	-0.6%	6.6%	3.1%	—	3.3%	-0.2 Pt
	Factors behind revision	The amount of one-time expenses incurred in 1H and 2H have been adjusted, and sales and profits have increased to reflect the favorable market conditions.					
Media Contents	Net sales	2,997	4,261	7,258	41.3%	7,245	+13
	Operating profit	-480	210	-269	—	-421	+151
	Operating margin	-16.0%	4.9%	-3.7%	—	-5.8%	+2.1 Pt
	Factors behind revision	The postponement of the release of a jointly developed game has shifted the associated costs to the next period, resulting in an increase in profits.					

Note: Net sales is calculated using sales 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 rises in prices, growth in the Tech sector (third-party verification and 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	FY1/2024 Result			FY1/2025 Forecast		
	1H	2H	Full-year	1H (Results)	2H	Full-year
Net sales	11,297	12,225	23,523	12,261	12,889	25,151
Operating profit	750	760	1,511	1,013	787	1,801
Operating margin	6.6%	6.2%	6.4%	8.3%	6.1%	7.2%



Issues (FY1/2024)

- Sales in the growth area Tech sector was at +5% YoY, below the initial budget of +30%
- Fixed costs, such as rent and labor costs (including regular employee transitions and new hires), was on the rise.



Actions (FY1/2025)

- 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 and system development)
- Improved labor productivity through DX and AI in operations (>Announcement of development of the project management tool FACT)
- 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 of growth in the games market and the sharp rise in labor costs and prices, particularly in Europe and the US

	FY1/2024 Result			FY1/2025 Forecast		
	1H	2H	Full-year	1H (Results)	2H	Full-year
Unit: Millions of yen						
Net sales	7,337	8,758	16,096	9,029	9,568	18,597
Operating profit	-111	241	130	-51	630	579
Operating margin	-1.5%	2.8%	0.8%	-0.6%	6.6%	3.1%



Issues (FY1/2024)

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



Actions (FY1/2025)

- 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 business selection and concentration based on the potential to generate revenue

Strategy

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

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

Unit: Millions of yen

	FY1/2024 Result			FY1/2025 Forecast		
	1H	2H	Full-year	1H (Results)	2H	Full-year
Net sales	3,249	3,855	7,104	2,997	4,261	7,258
Operating profit	57	-1,017	-959	-480	210	-269
Operating margin	1.8%	-26.4%	-13.5%	-16.0%	4.9%	-3.7%



Issues (FY1/2024)

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



Actions (FY1/2025)

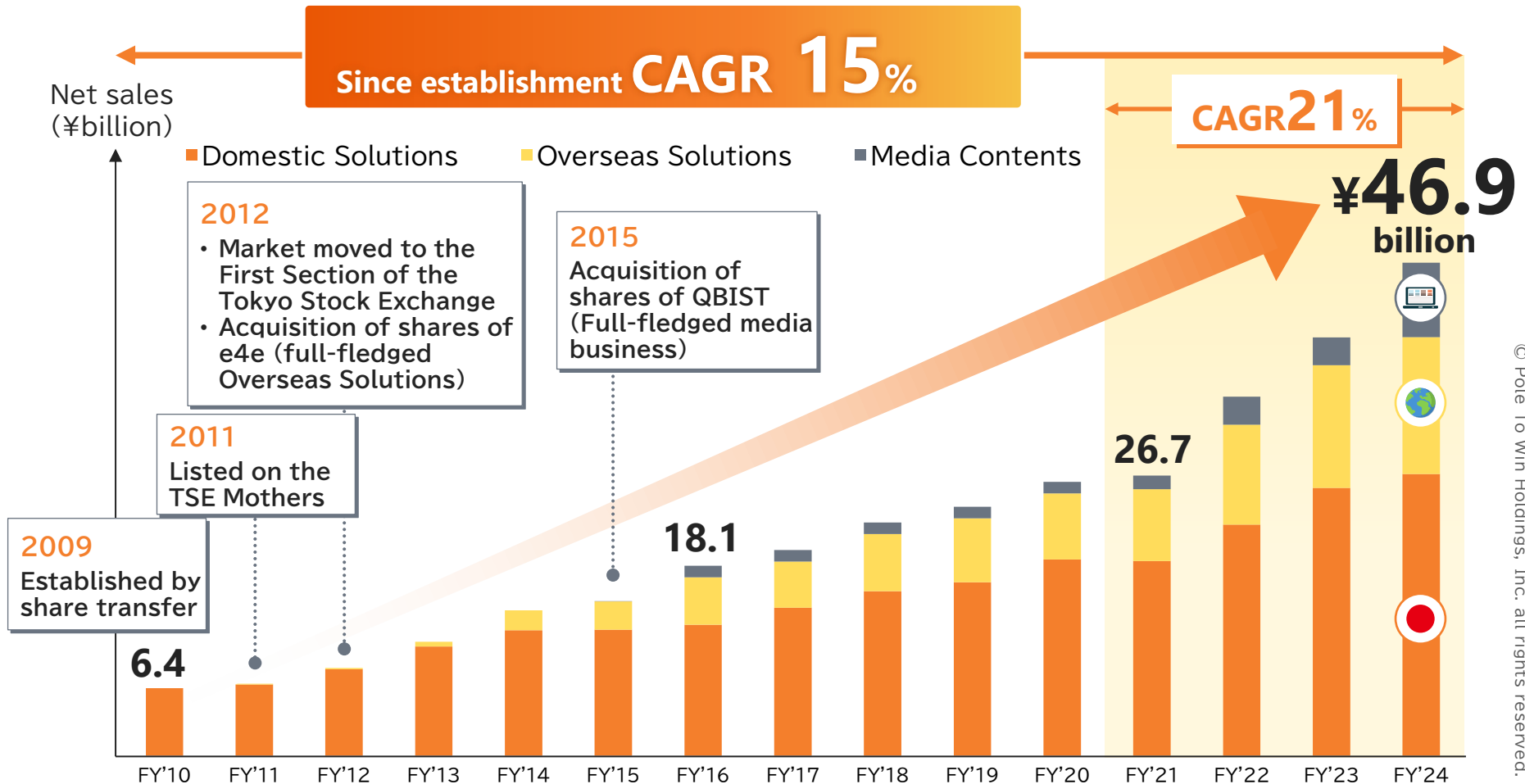
- Aiming to increase sales in the PR marketing area
- Restructuring and withdrawing from unprofitable businesses and reviewing the number and deployment of personnel and business management systems
- Business selection and concentration based on profitability potential

Strategy

- Create and acquire IPs, maximizing revenues through 360° media mix (animation, games, and merchandising)
- Recruit producer personnel, strengthen M&A of production companies, introduce and use AI technology in work-flows
- Expand highly profitable license income by investing in production in addition to production contracts (>Funded and prime contracted production titles: Delivered theatrical animation “A Few Moments of Cheers” and TV animation “Quality Assurance in Another World”)

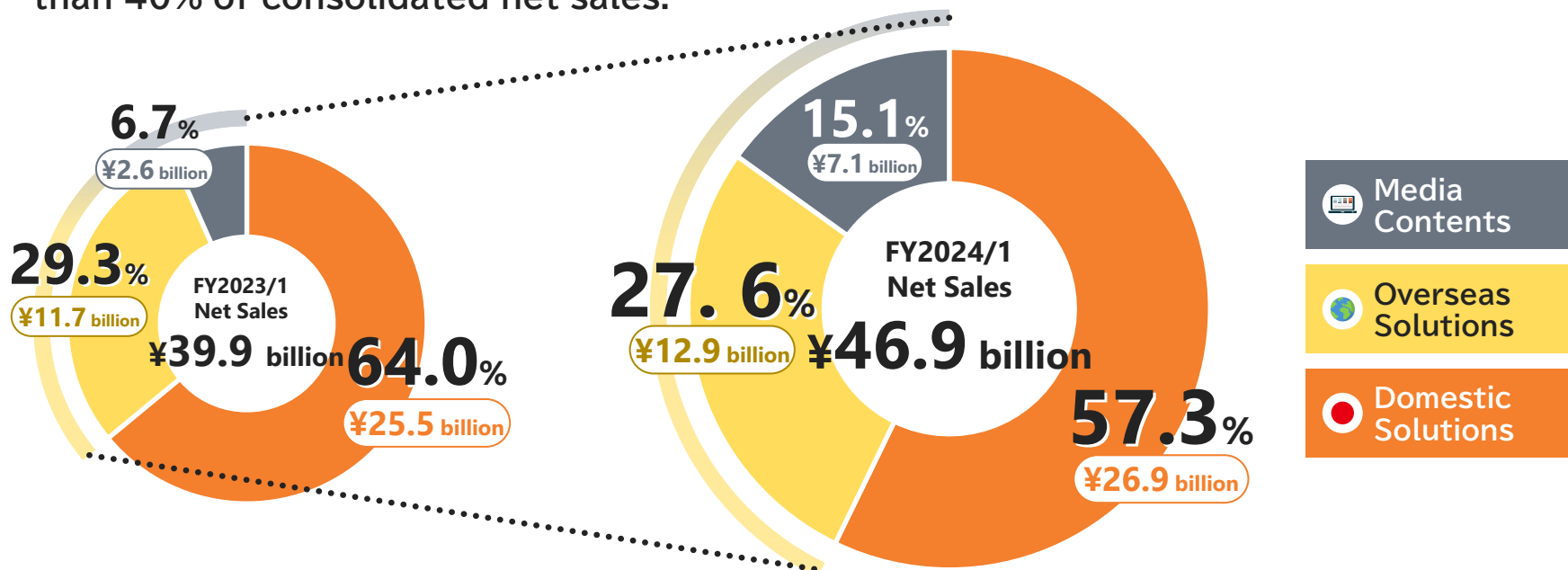
1	Financial Summary for FY1/2025 2Q	...	5
2	Earnings Forecasts for FY1/2025	...	16
3	Future Operating Policy	...	23
4	Appendix	...	36

- 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	Main Clients
	Gaming	E-commerce sector	Tech sector			
	- Testing - Customer support - Localization - Support for overseas expansion	- Monitoring - Customer support	- Third-party verification - Environment set up - System development	- Testing - Localization - Voice recording - Customer support - Product development support - Art production	- Graphic development - Animation production, production financing - Game publishing - PR marketing support - Barrier-free Subtitle - Audio guide production	- 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.

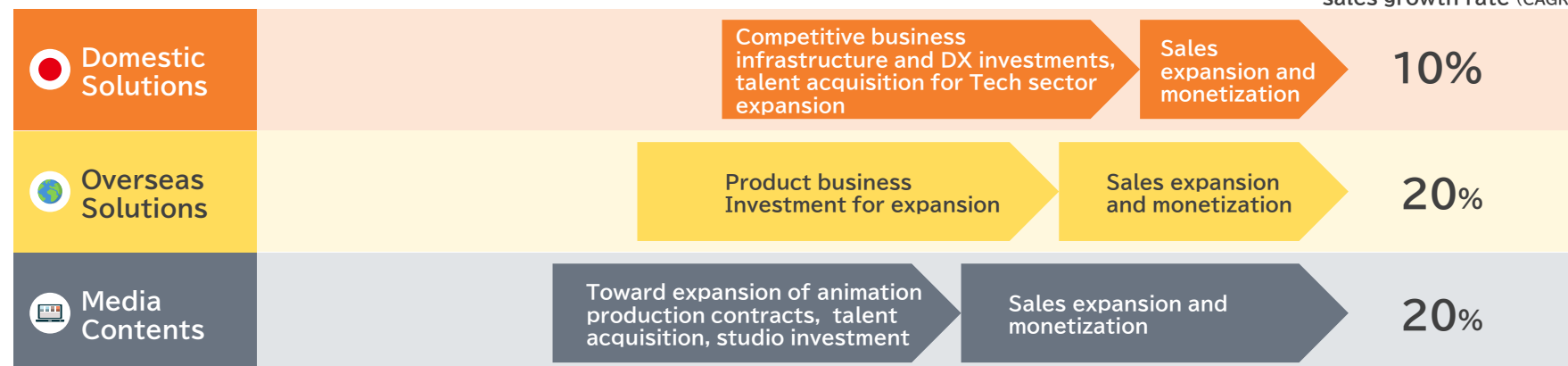
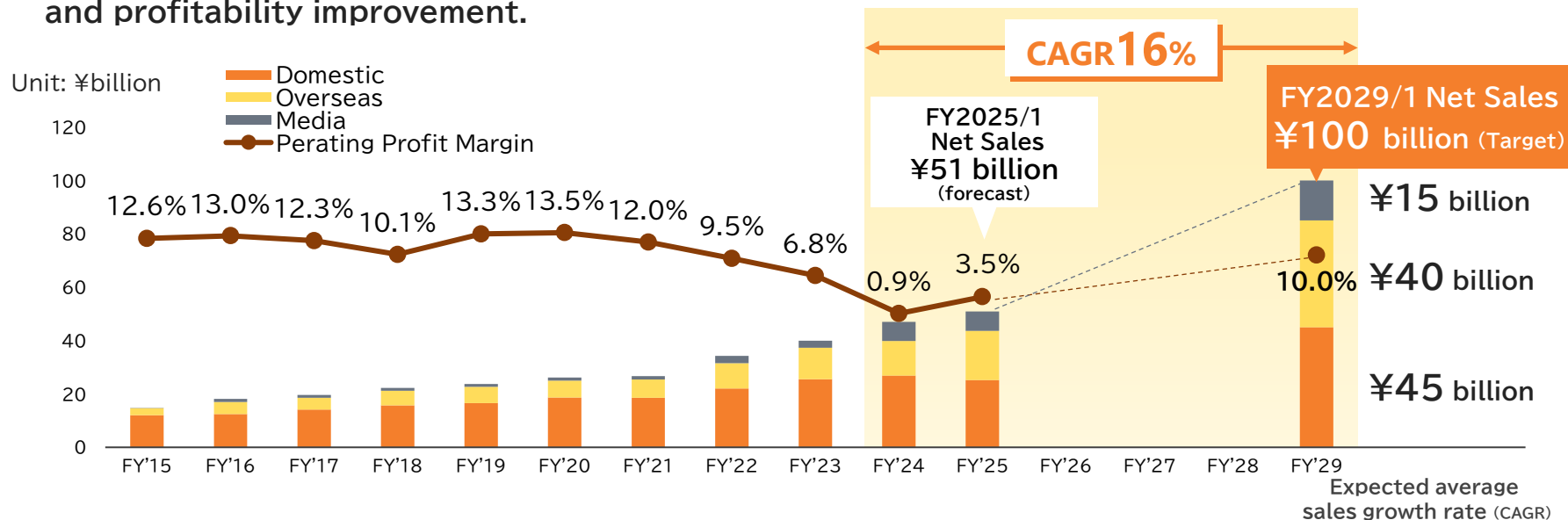
- Achieve business growth, strengthen human resources and financial soundness based on the environment and strategies surrounding each operation.
Linking to sustainable growth.

Business Growth	Top Line (net sales) Growth	• Process, Region, Field = Thoroughness and penetration of 'Service Life Cycle Solutions'.
	Improve/Increase Profit Margins	• 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	• 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	• 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	• 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

- 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.

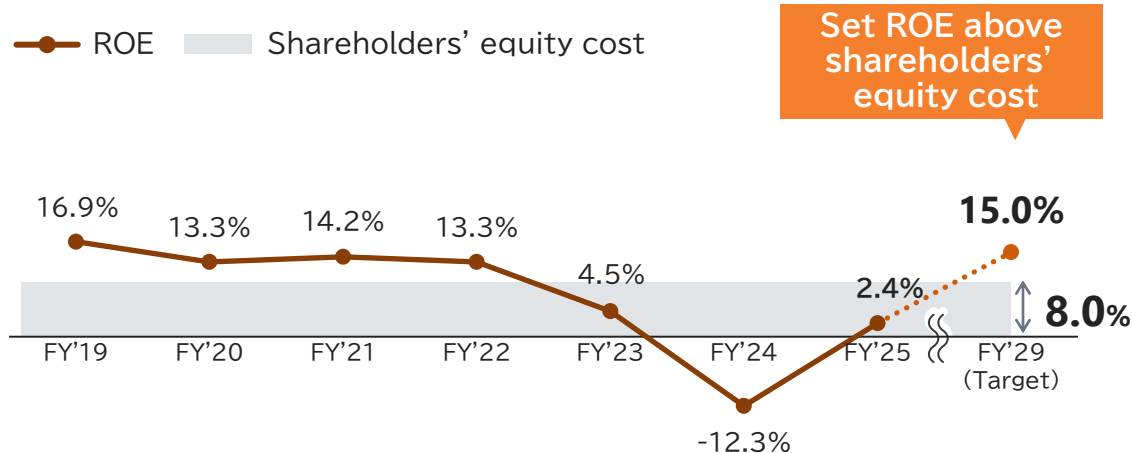
Assuming a cost of capital (WACC) of 8%*, and improve corporate value sustainably.

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

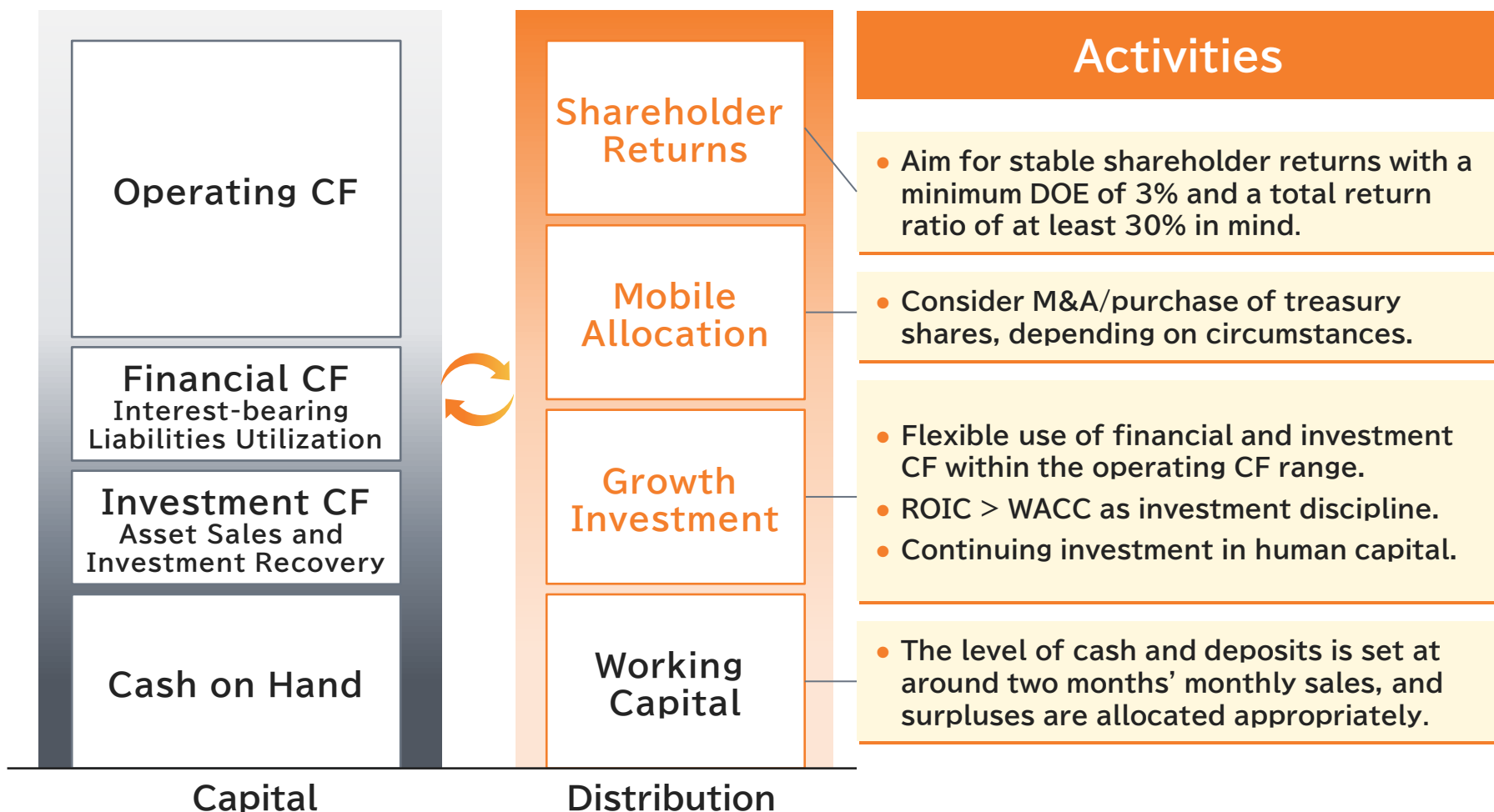
Equity Ratio

▶ 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%.

- 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'.

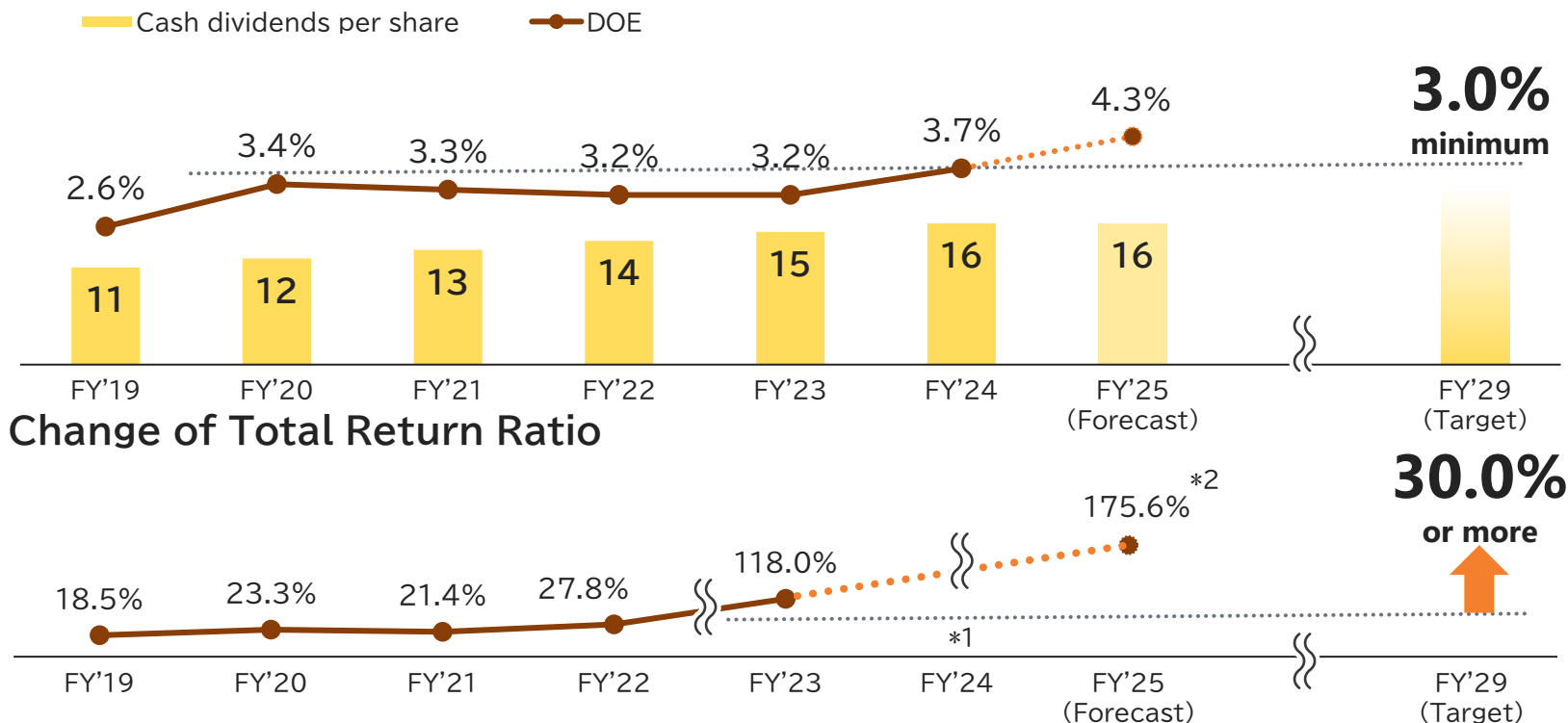
Business Classification	Major M&A to Date				
Domestic Solutions	 July 2012	 September 2012	 March 2018	 July 2021	 January 2022
Overseas Solutions	 October 2012	 August 2015	 March 2016	 December 2019	 January 2021
Media Contents	 March 2010	 January 2015	 March 2019	 November 2019	 October 2020
		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



(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. Identified materiality that the Company should focus on in August. 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.



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

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)



「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 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

- 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 for FY1/2025 2Q	...	5
2	Earnings Forecasts for FY1/2025	...	16
3	Future Operating Policy	...	23
4	Appendix	...	36

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	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. ■ Major Group Businesses Service Life Cycle Solutions Business Domestic Solutions – 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 – Testing, Localization, Voice recording, Customer support, Product development support, and Art production Media Contents – Art production, Animation production and production funding, Game publishing and PR marketing support – Barrier-free subtitles and Audio guides production

(As of July 31, 2024)

Group Organization (48 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.
- PTW Georgia LLC
- 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.

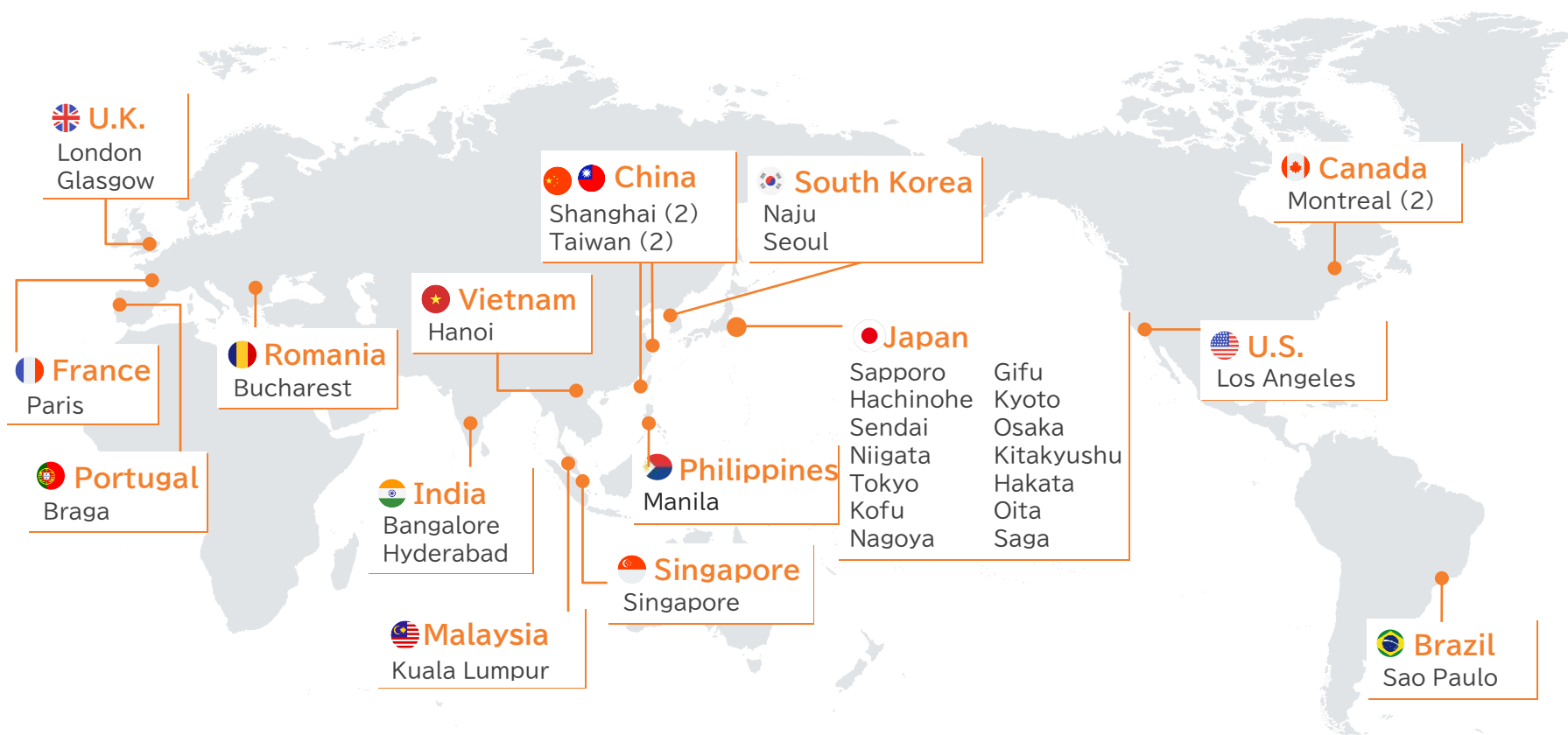
• Palabra Inc.

- HIKE KOREA Inc.
- AQUAPLUS CO., Ltd
- FIXRECORDS Co., Ltd
- Shiitake Digital Inc.

(As of July 31, 2024)

Operating in

14 cities in Japan
21 sites in 14 overseas countries

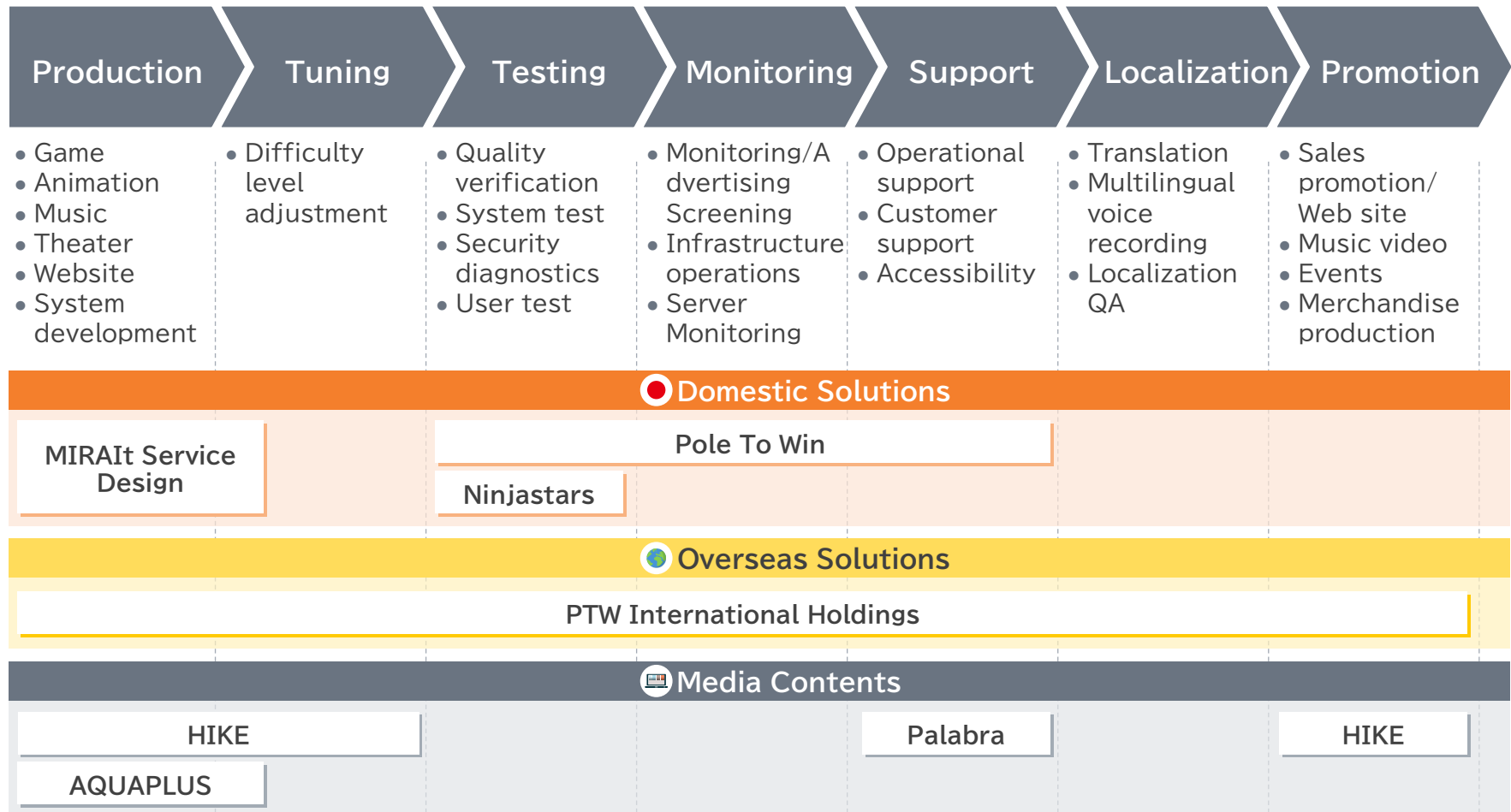


(Excluding countries and sites not yet in operation as of July 31, 2024)

Characteristics of Our Business

PTW

- 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

PTW

- 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

Service lines which support all along the value chain

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

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.

Deep knowledge of the gaming industry

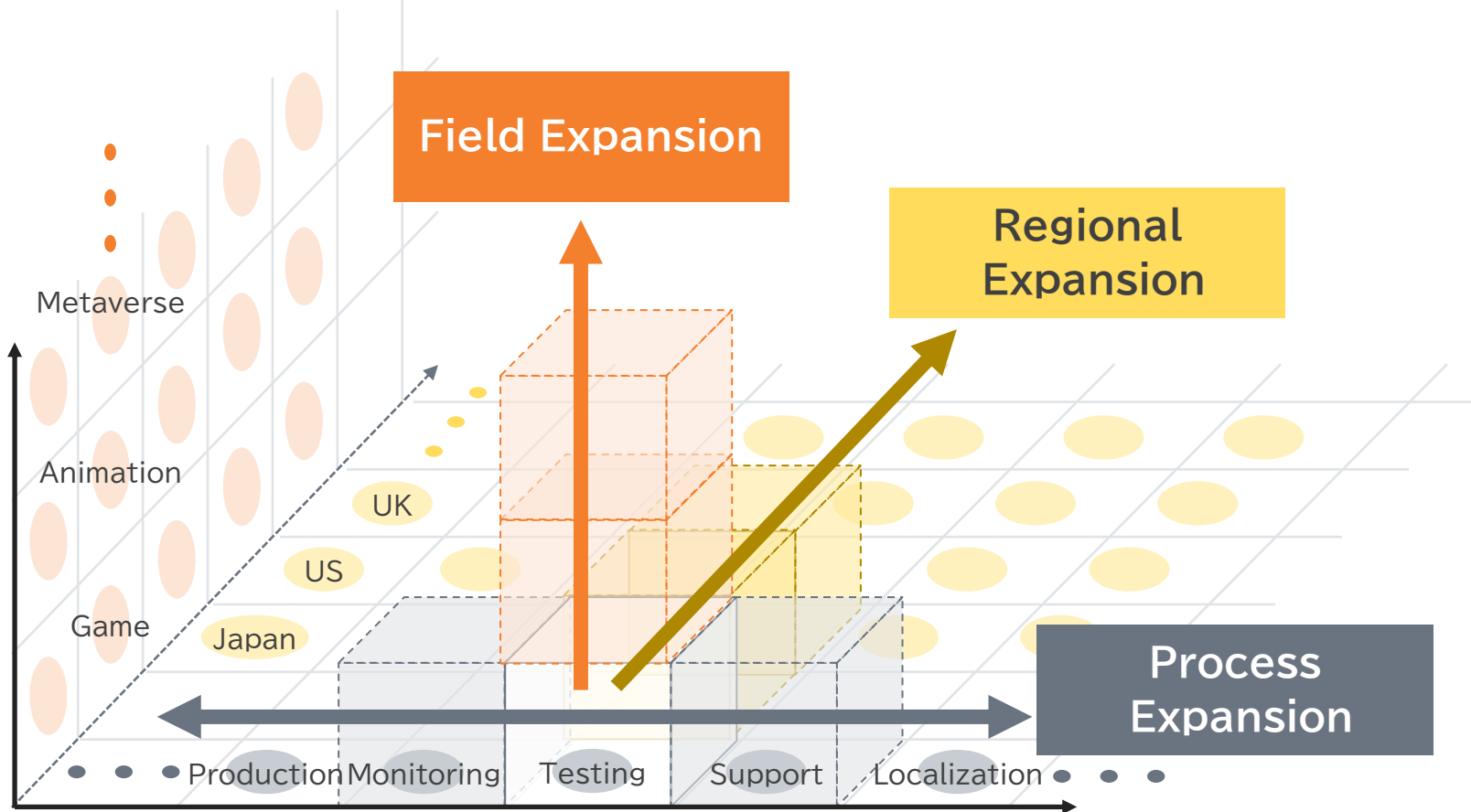
Utilizing strong business relationships with the game industry, we offer services such as game co-development and tuning.

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.

■ 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’.



Three-Dimensional Growth Strategy (2)

PTW

Process

Expand 'Process' where solutions can be provided

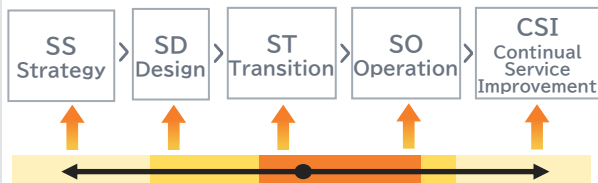
Challenges from the outsourcing side to the creative side

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

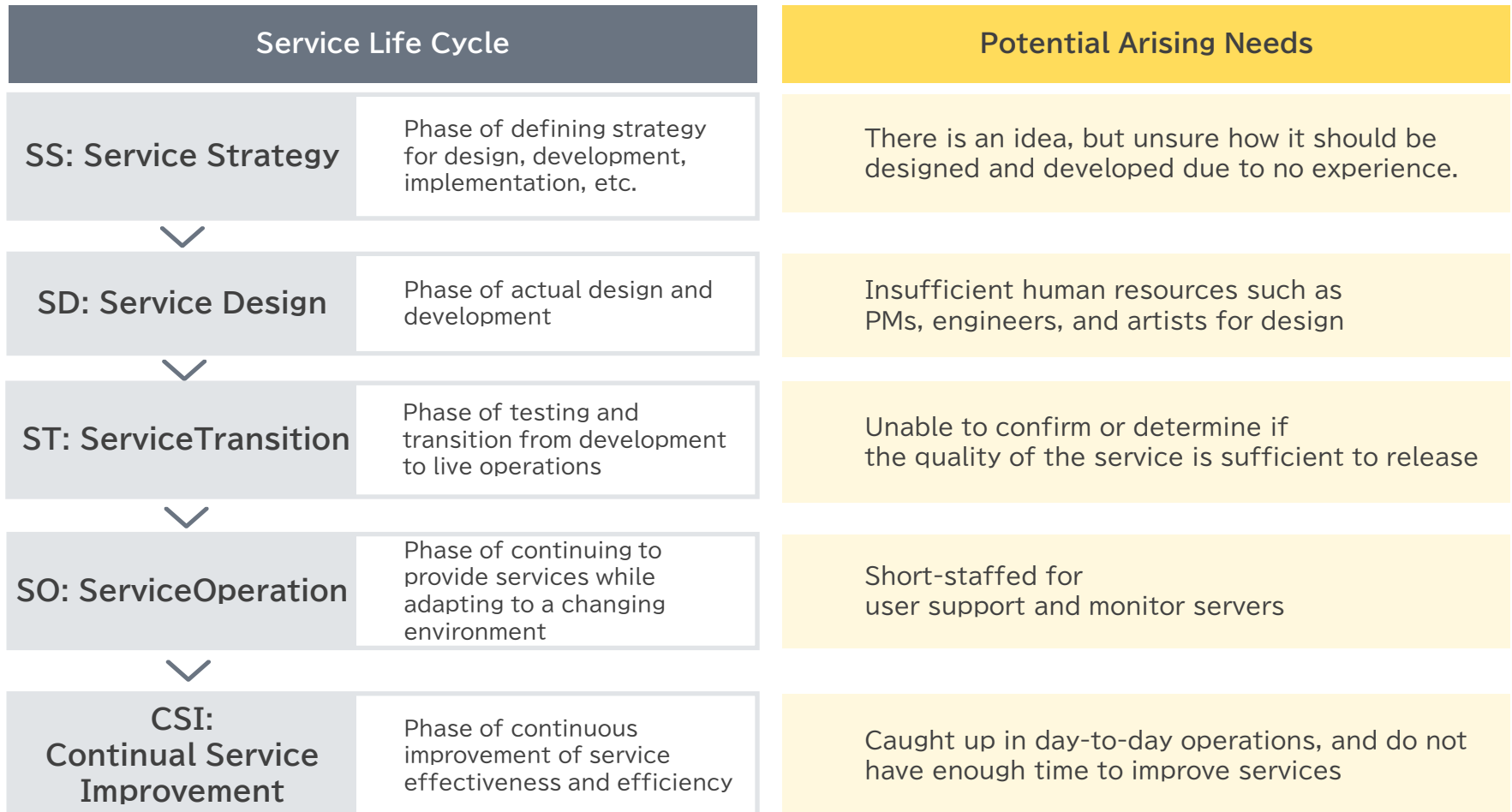
Expand 'Field' by leveraging knowledge

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.



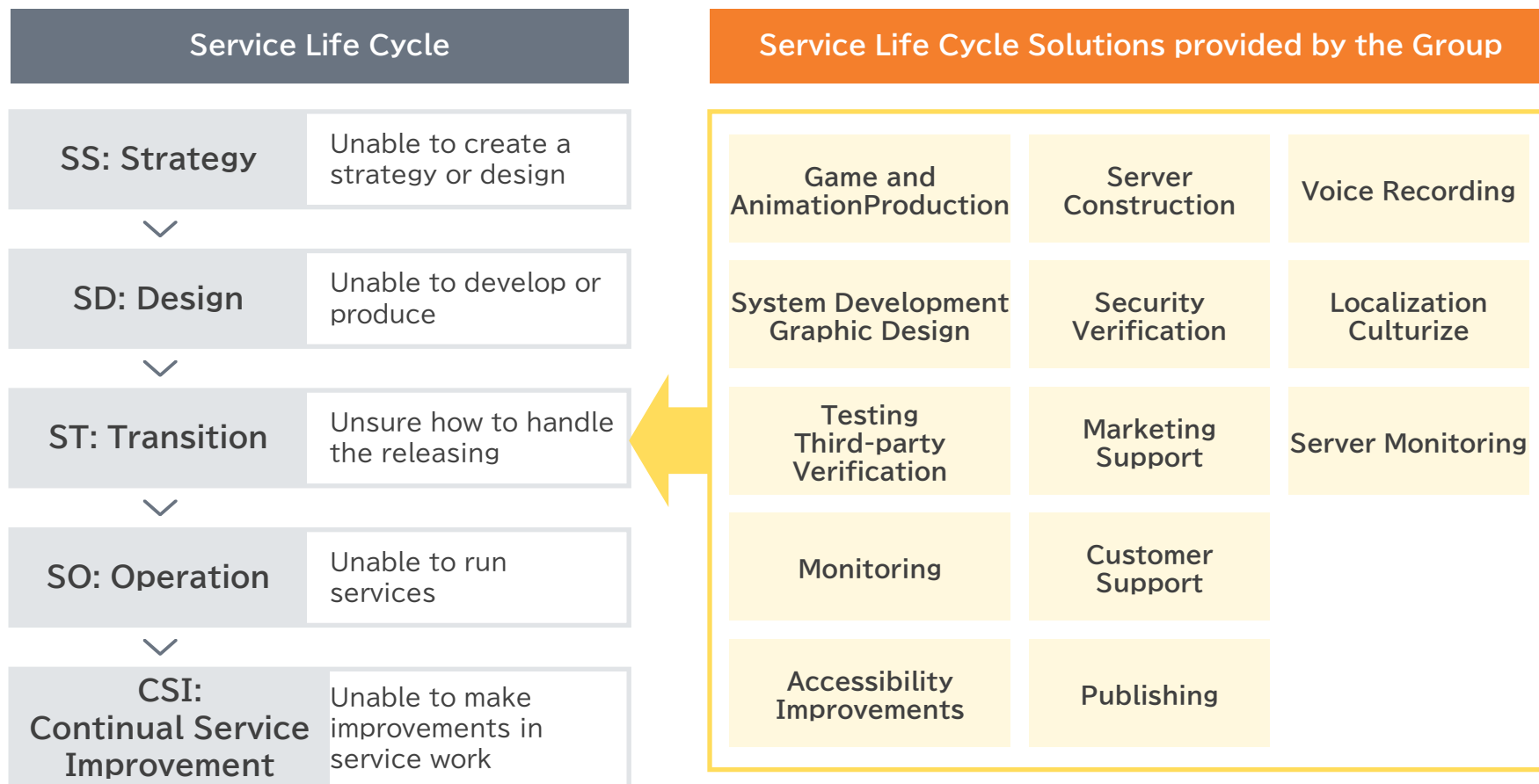
■ Service Life Cycle and Needs

- 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.



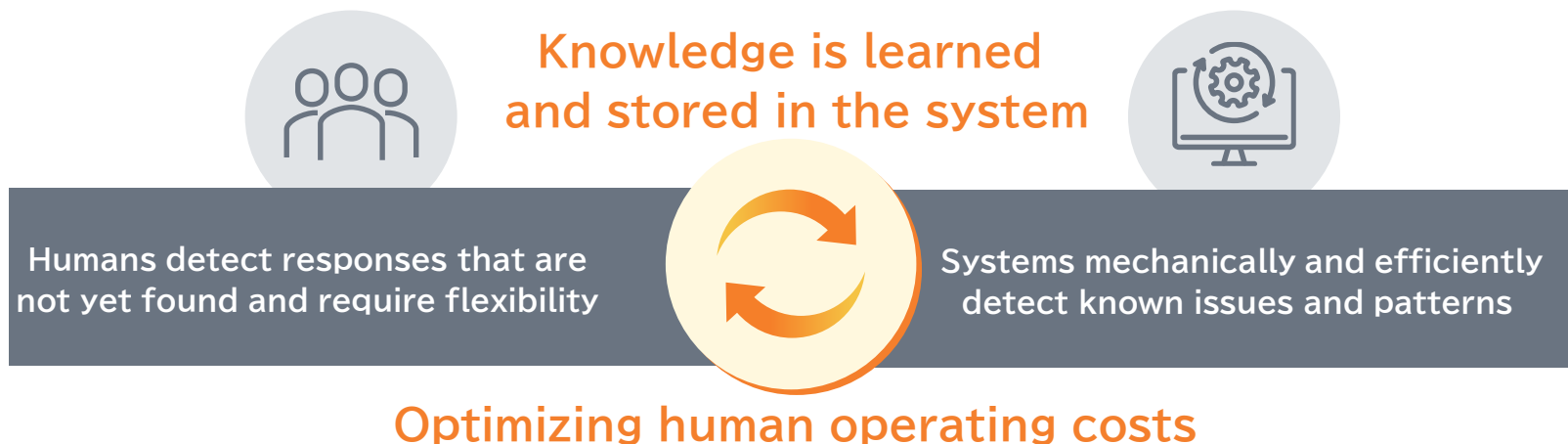
Business quality realized by both ‘Systems and People’

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.



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.