



Pole To Win Holdings, Inc.

Supplementary Information to the Financial Results for the Fiscal Year Ended January 31, 2025

■ Stock Code: 3657

■ Abbreviation: Pole HD

March 14, 2025



This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

In addition to this Supplementary Information to the Financial Results, we disclosed “Key Points of Interest Expected in the Full Year Financial Results for FY1/2025.”

Financial Summary

PTW

FY1/2025 Actual

Net Sales ¥52,225 M 11.8% increase YoY vs Forecast 2.2%	Operating Profit ¥786 M 76.4% increase YoY vs Forecast -56.4%	Profit Attributable to Owners of Parent ¥-692 M Loss of ¥1,920M in the same period of previous year Forecast was ¥322M	EBITDA ¥2,133 M 32.8 increase YoY%
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- Sales were boosted by Overseas Solutions, rising 11.8% YoY. Achieved record-high sales.
- Operating income in Domestic Solutions was generally in line with the plan. Despite business liquidation costs of ¥542M in Overseas Solutions and additional payment of ¥229M for game joint development in Media Contents, operating income increased significantly from the previous year. EBITDA also increased to ¥2,133M. Forecasts were not achieved due to higher-than-expected cost of sales in Overseas Solutions and Media Contents.
- After carefully examining the status of business-related assets and investments, Impairment loss of ¥249M (goodwill of ¥129M and other fixed assets of ¥120M) and a loss on valuation of investment securities of ¥195M were recorded as extraordinary losses in the Media Contents business in 4Q.

FY1/2026 Forecast

Net Sales ¥55,052 M 5.4% increase YoY	Operating Profit ¥1,202 M 52.9% increase YoY	Profit Attributable to Owners of Parent ¥310 M Loss of ¥692M in the same period of previous year	EBITDA ¥2,650 M 24.2% increase YoY
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- Domestic Solutions forecasts higher revenues and lower profits due to site integration costs that did not occur in FY1/2025 and large-scale advertising activities aimed at increasing orders for estesting services. Overseas Solutions is expected to post higher revenues and profits due to the elimination of business liquidation expenses. In view of the serious deficit situation in the Media Contents business, we aim to reduce the deficit by drastically scaling back new investments and implementing fundamental structural reforms, but forecasts lower sales and a loss in final profit.
- Conservative budget plan was prepared in light of three consecutive fiscal years of downward revisions. Aiming for steady achievement and upward revision.
- The dividend payout ratio will exceed 100%, but in line with our policy of steady earnings recovery and progressive dividend payments, we maintain our dividend forecast at 16 yen per share.

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■ 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).

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Overview of Consolidated Financial Results -Comparison with Forecasts-

PTW

- As a result of the yen remaining weak, sales were boosted by Overseas Solutions, rising 2.2% vs the forecast.
- Operating profit fell short of the plan due to sluggish profit margins for large-scale spot projects in Overseas Solutions, higher-than-expected one-time expenses related to business restructuring, and delays in improving gross profit margins and restructuring unprofitable businesses in Media Contents.
- Net profit after tax fell short of the plan due to a detailed assessment of investment conditions, resulting in the recognition of an impairment loss of ¥276 million on goodwill and fixed assets, as well as a valuation loss of ¥246 million on investment securities.

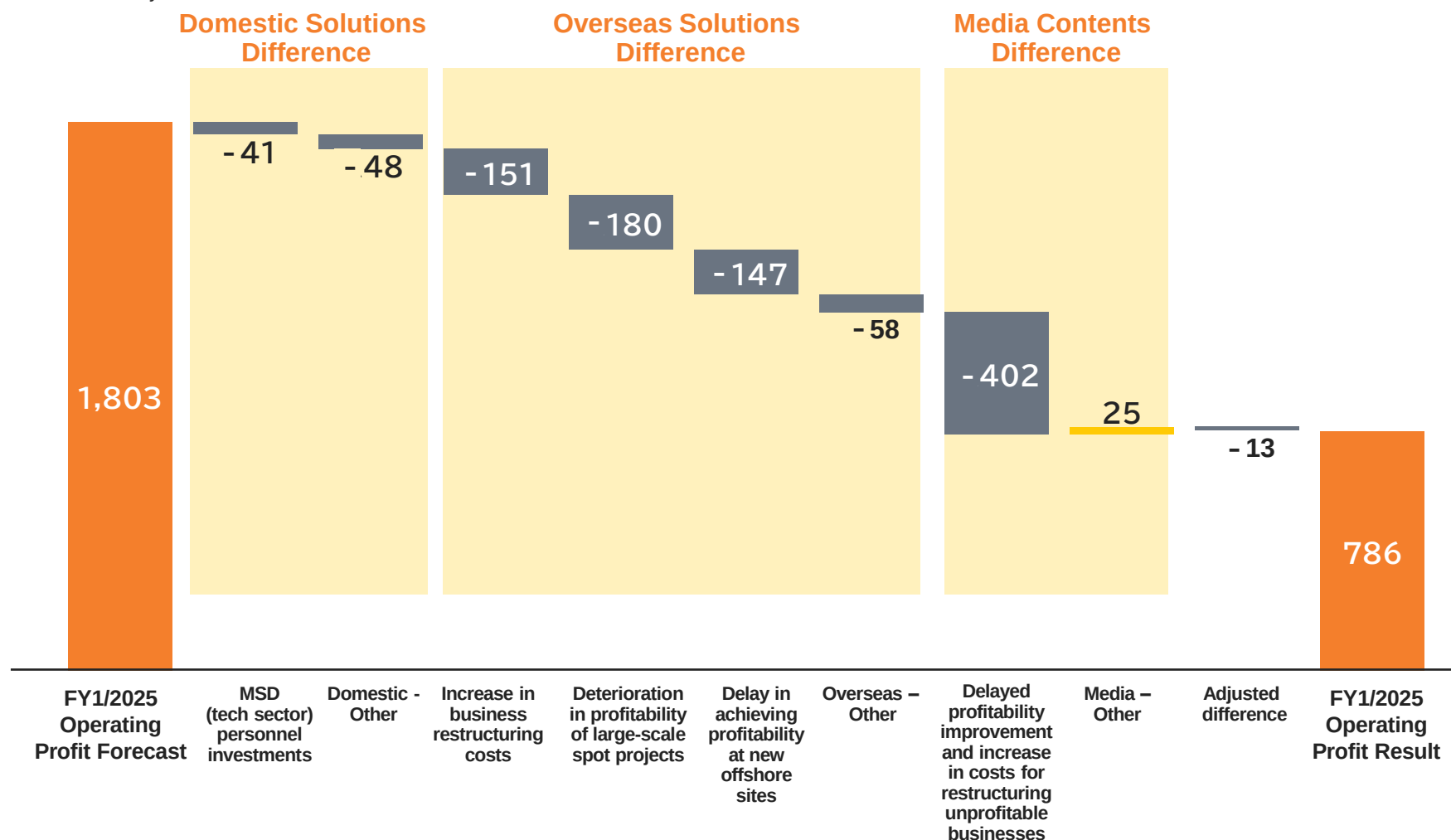
	Current Year Full Year FY1/2025 (2024/2-2025/1)		Earnings Forecasts Full Year FY1/2025 (Disclosed on Sep 10, 2024) (2024/2-2025/1)		Comparison	
	Amount	Margin	Amount	Margin	Change	%
Unit: Millions of yen						
Net sales	52,225	—	51,007	—	+1,218	+2.2%
Operating profit	786	1.5%	1,803	3.5%	-1,017	-56.4%
Ordinary profit	756	1.4%	1,849	3.6%	-1,093	-59.1%
Profit attributable to owners of parent	-692	-1.3%	322	0.6%	-1,014	—%

Consolidated Operating Profit- Variance Analysis Against Forecasts

PTW

- In 2H, although Overseas Solutions and Media Contents achieved their sales targets, a decline in gross profit margin and the occurrence of unexpected one-time expenses resulted in full-year operating profit decreasing from the forecasted ¥1,803 million to ¥786 million.

Unit: Millions of yen



Overview of Consolidated Financial Results -Change YoY-

PTW

- Sales were boosted by Overseas Solutions, rising 11.8% YoY.
- Despite a YoY decline in profit due to the occurrence of temporary business restructuring expenses (¥542 million) in Overseas Solutions, a reduction in one-time expenses in Domestic Solutions and Media Contents led to a significant increase in operating profit. Additionally, a substantial decrease in extraordinary losses resulted in a significant reduction in the net loss after tax.
- In addition to profit growth, an increase in depreciation, including goodwill amortization, led to EBITDA reaching ¥2,133 million, a significant YoY increase of +32.8%, indicating a steady recovery in earning capacity.

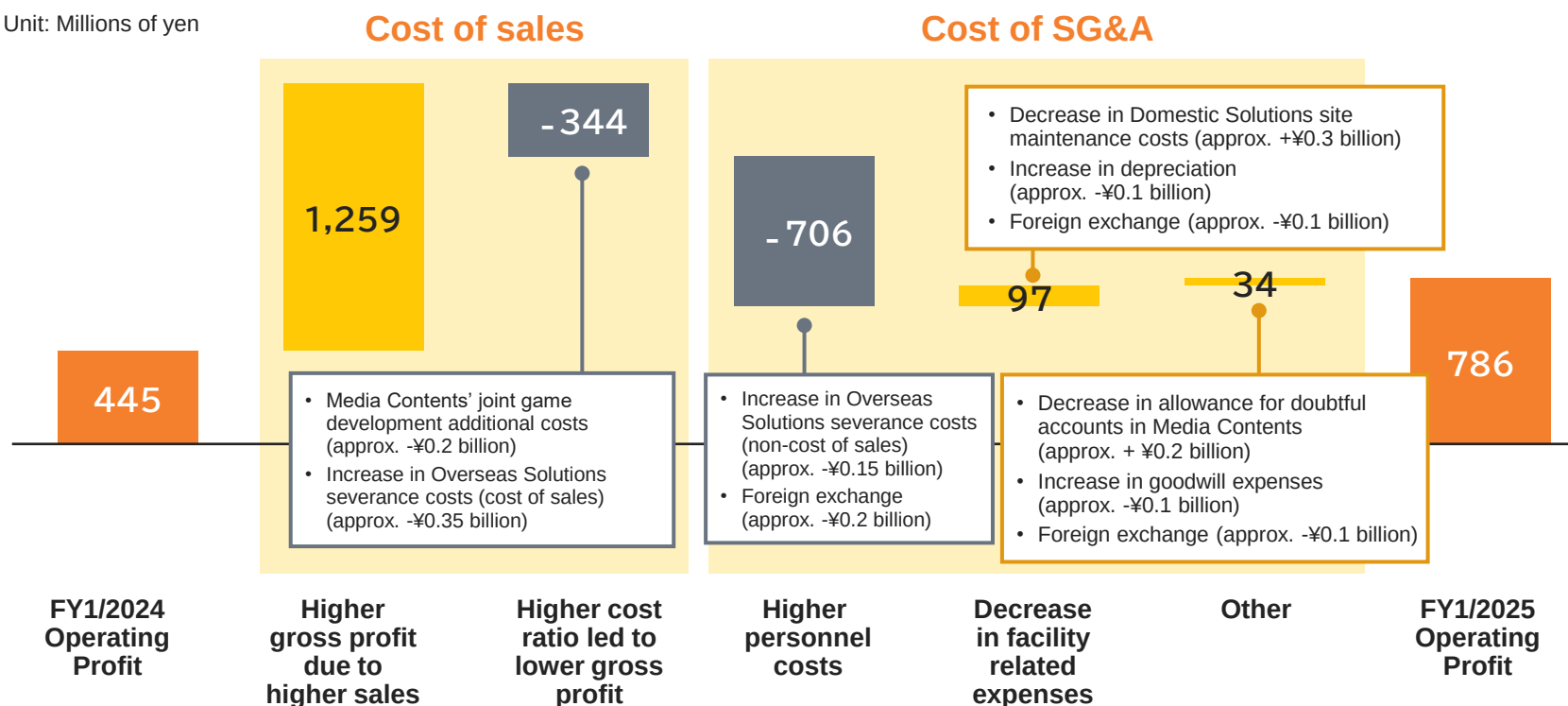
Unit: Millions of yen	Current Year Full Year FY1/2025 (2024/2-2025/1)		Previous Year Full Year FY1/2024 (2023/2-2024/1)		Change YoY	
	Amount	Margin	Amount	Margin	Change	%
Net sales	52,225	–	46,724	–	+5,501	+11.8%
Gross profit	11,612	22.2%	10,697	22.9%	+914	+8.5%
Operating profit	786	1.5%	445	1.0%	+340	+76.4%
Ordinary profit	756	1.4%	525	1.1%	+230	+43.8%
Net profit before taxes and other adjustments	228	0.4%	-1,111	-2.4%	+1,340	–%
Profit attributable to owners of parent	-692	-1.3%	-1,920	-4.1%	+1,228	–%
Reference: EBITDA	2,133	4.1%	1,606	3.4%	+527	+32.8%

Consolidated Operating Profit Forecast: Analysis of Changes -Change YoY-

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 site closures and personnel adjustments, as well as additional costs incurred for the joint game development in the Media Contents business.
- In SG&A expenses, site maintenance costs in Domestic Solutions were not incurred this fiscal year, while expenses increased due to business restructuring in Overseas Solutions and foreign exchange.

Unit: Millions of yen



Note: "Higher gross profit due to higher sales" 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

- Domestic Solutions:** Sales were driven by growth in the tech sector, with a ¥427 million reduction in one-time expenses for site development, resulting in increased operating profit.
- Overseas Solutions:** While substantial revenue growth was achieved, supported by market recovery and the depreciation of the yen, the incurrence of ¥542 million in restructuring costs and the absence of a ¥200 million bonus reserve reversal recorded in 3Q of the previous fiscal year led to a decline in operating profit.
- Media Contents:** The business remains unprofitable despite increased sales.

Unit: Millions of yen

			Current Year Full Year FY1/2025 (2024/2-2025/1)		Previous Year Full Year FY1/2024 (2023/2-2024/1)		Change YoY	
			Amount	Margin	Amount	Margin	Change	%
Domestic Solutions	Net sales	Ext.	24,590		23,523		+1,067	+4.5%
		Int.	277		215		+62	+29.1%
		Total	24,868		23,738		+1,129	+4.8%
	Operating profit		1,711	7.0%	1,511	6.4%	+199	+13.2%
Overseas Solutions	Net sales	Ext.	20,241		16,096		+4,145	+25.8%
		Int.	164		118		+46	+39.1%
		Total	20,406		16,215		+4,191	+25.8%
	Operating profit		43	0.2%	130	0.8%	-87	-66.8%
Media Contents	Net sales	Ext.	7,393		7,104		+288	+4.1%
		Int.	42		32		+10	+33.2%
		Total	7,435		7,136		+299	+4.2%
	Operating profit		-647	-8.8%	-959	-13.5%	+312	—%

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

- Domestic Solutions saw a decline in sales and profit due to the completion of e-commerce spot projects. In Overseas Solutions, despite a significant increase in sales driven by spot projects, a decline in gross profit margin and the occurrence of unexpected one-time expenses led to a decrease in profit.

		FY1/2024				FY1/2025				QoQ change (B)-(A)
		1Q	2Q	3Q	4Q	1Q	2Q	3Q (A)	4Q (B)	
Unit: Millions of yen										
Net sales		10,924	10,960	11,737	13,102	11,963	12,324	12,971	14,966	+1,994
Operating profit		298	266	138	-257	-123	483	274	152	-122
Operating margin		2.7%	2.4%	1.2%	-2.0%	-1.0%	3.9%	2.1%	1.0%	-1.0Pt
Domestic Solutions	Net sales	5,663	5,634	6,015	6,209	6,189	6,072	6,187	6,141	-45
	Operating profit	327	422	253	507	527	485	372	325	-47
	Operating margin	5.8%	7.5%	4.2%	8.2%	8.5%	8.0%	6.0%	5.3%	-0.7Pt
	(B)-(A)	While the game market is on a recovery trend, leading to increased sales, e-commerce sales are down. Operating profit declined due to personnel investments in the tech sector.								
Overseas Solutions	Net sales	3,675	3,662	4,398	4,360	4,306	4,723	4,969	6,243	+1,273
	Operating profit	43	-154	362	-120	-243	192	142	-47	-189
	Operating margin	1.2%	-4.2%	8.2%	-2.8%	-5.7%	4.1%	2.9%	-0.8%	-3.6Pt
	(B)-(A)	Business restructuring expenses were ¥90 million in 3Q and ¥111 million in 4Q, and operating profit declined due to offshore startup costs.								
Media Contents	Net sales	1,586	1,662	1,323	2,531	1,467	1,529	1,814	2,581	+765
	Operating profit	12	44	-404	-612	-330	-150	-148	-18	+129
	Operating margin	0.8%	2.7%	-30.6%	-24.2%	-22.5%	-9.8%	-8.2%	-0.7%	+7.4Pt
	(B)-(A)	Although the concentration of deliveries in 4Q was managed, the occurrence of additional costs and an expanded operating losses in new businesses resulted in the failure to achieve profitability.								

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

- Although the tech sector (software testing and system development) grew by 10%, further expansion efforts are underway with personnel investments at MIRAI Service Design (MSD), whose core business is system development.
- The completion of certain large e-commerce projects led to a decline in the profit margin.

Net sales

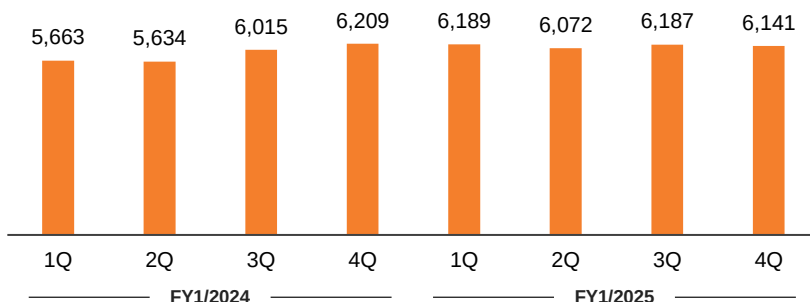
Change YoY

E-commerce saw a slight YoY decline in sales due to the completion of large projects, while software testing and system development in the tech sector are trending toward larger projects.

Budget Variance

E-commerce did not recover to the previous year's level, falling slightly below expectations.

Unit: Millions of yen



Operating profit

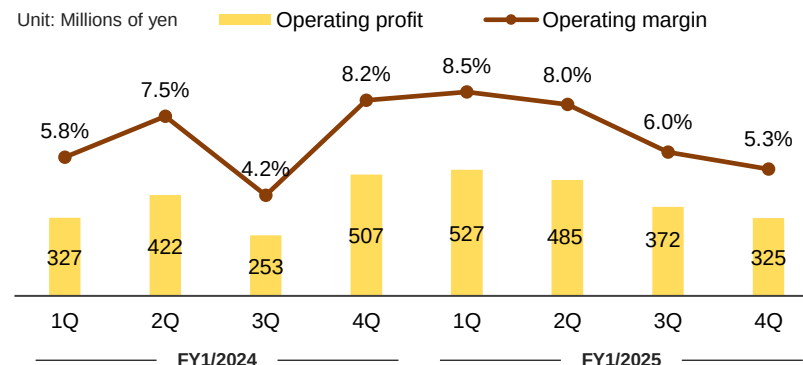
Change YoY

Profit increased in the current period due to the absence of one-time expenses (¥427 million) for site maintenance.

Budget Variance

Due to personnel investments at MSD and lower-than-expected sales, results fell slightly below expectations.

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	1,451	1,452
Part-time employee	2,948	2,973	3,538	3,785	3,793	3,658	3,728	3,700
Total	4,170	4,220	4,808	5,085	5,189	5,065	5,179	5,152

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

- Sales saw significant YoY growth, driven by the recovery of the game market, large spot orders, and the impact of yen depreciation.
- On the profit side, business restructuring costs of ¥542 million and training costs for new offshore locations in Portugal and Brazil, which are expected to expand due to lower labor costs, resulted in a decline in operating profit.

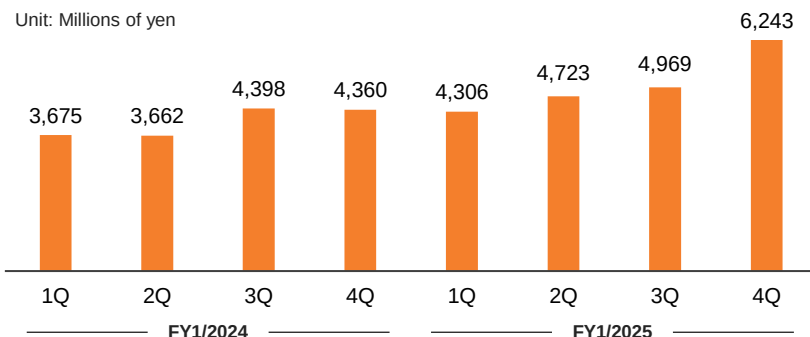
Net sales

Change YoY

Market recovery driven by the stabilization of game industry layoffs and delays in new game releases, along with large spot project orders and the impact of yen depreciation, resulted in a 26% increase in sales.

Budget Variance

Driven primarily by large spot projects, particularly voice recording, performance exceeded expectations.



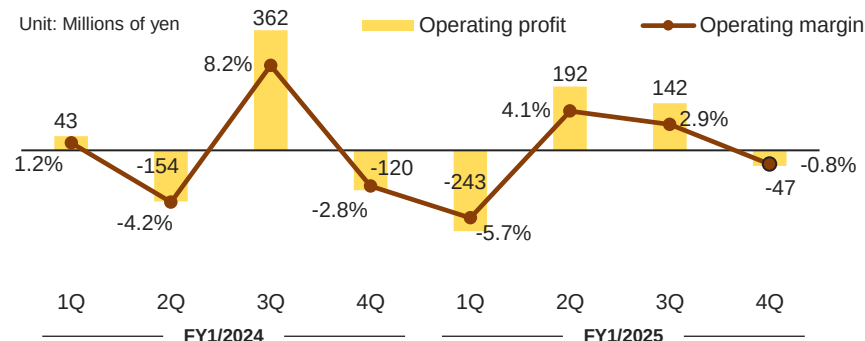
Operating profit

Change YoY

Restructuring costs of ¥542 million and M&A-related expenses of ¥50 million were incurred, and the absence of a ¥200 million bonus reserve reversal recorded in 3Q of the previous fiscal year contributed to a decline in profit.

Budget Variance

Unexpected business restructuring costs, lower-than-expected gross profit margins on spot projects, and delays in achieving profitability at offshore sites led to results falling below expectations.



	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	1,570	1,582
Part-time employee	990	1,192	1,086	1,463	1,042	1,078	1,005	991
Total	2,833	3,010	2,941	3,152	2,600	2,611	2,575	2,573

- The acquisition of the business of Ghostpunch Games, LLC (Florida, USA; hereafter “Ghostpunch”), which operates a game development outsourcing business, occurred on September 1.

Overview of the deal

- Acquisition price: US\$13.15 million
- Closing date: September 1, 2024
⇒ The current period includes four months of consolidated results from September to December.



PMI status

- The former management team of Ghostpunch has been integrated into the existing organization of PTW America, Inc. and assigned to roles aimed at expanding the development outsourcing business globally, not limited to the United States. A strategy will be implemented to cross-sell development outsourcing services to existing clients while leveraging these services as a gateway to attract new orders, creating a cycle that also expands existing offerings like game testing.
- For Ghostpunch’s existing business, the Company has already begun hiring development staff in cost-effective locations such as India and Brazil, aiming to expand its scale and establish a framework for cost reduction.

Impact on earnings

- The Ghostpunch business recorded sales of ¥477 million over four months, with operating profit of ¥121 million before goodwill amortization and ¥13 million after amortization, progressing largely as planned.
- Due to a slightly shorter-than-initially-expected weighted average amortization period for goodwill and intangible assets recognized through Purchase Price Allocation (PPA), amortization expenses for the same period increased slightly.
- For the next fiscal year, as full-year contributions are expected, sales are planned at ¥1,814 million, with operating profit at ¥506 million before goodwill amortization and ¥122 million after amortization.

- At the end of the fiscal year, a concentration of animation production deliveries and higher production unit prices led to a significant increase in sales. However, labor hours and costs exceeded expectations, resulting in a net loss for 4Q.
- While the restructuring of the merchandising business progressed, losses expanded due to new businesses such as VTuber and 2.5D stage productions.

Net sales

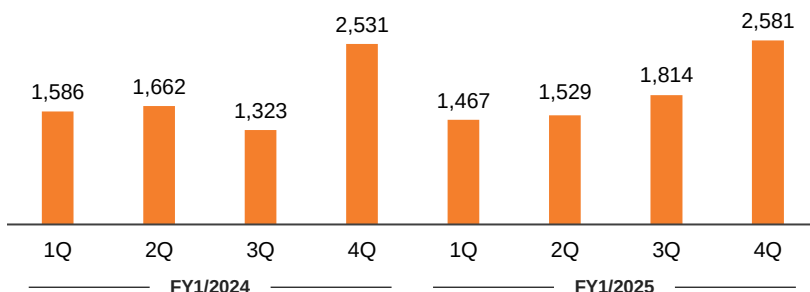
Change YoY

Although the merchandising business declined due to strategic selection and concentration, an increase in animation production sales led to overall revenue growth.

Budget Variance

Art production orders have been steady, exceeding expectations.

Unit: Millions of yen



Operating profit

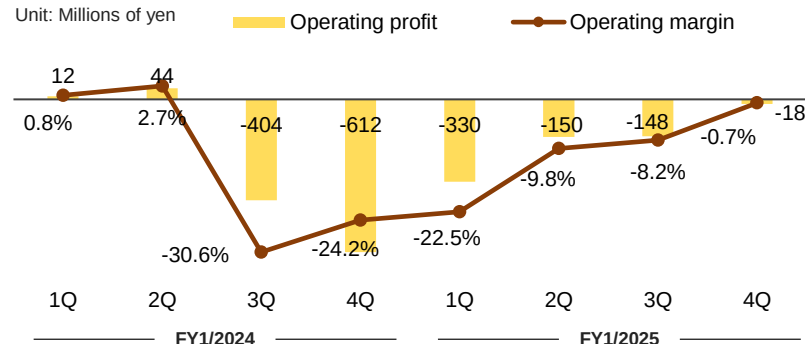
Change YoY

Although the operating loss has decreased compared to the previous fiscal year, which saw the recognition of a ¥298 million allowance for doubtful accounts on overdue receivables, a significant loss still remains.

Budget Variance

The occurrence of additional costs for animation deliveries and expanded losses in new businesses such as VTuber and 2.5D stage productions led to results falling below expectations.

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	299	305
Part-time employee	117	105	107	108	102	102	104	96
Total	373	379	382	404	395	400	403	401

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

Consolidated Financial Position

PTW

- The acquisition of the Ghostpunch business led to an increase in borrowings and goodwill (intangible assets).
- Cash and deposits decreased due to the payment of ¥848 million in dividends (year-end dividends for FY1/2024 and interim dividends for FY1/2025).
- Equity ratio 43.7%

Unit: Millions of yen

	End of FY1/2025	End of FY1/2024	Change
Current assets	19,707	17,223	+2,484
(of which, cash and deposits)	(7,012)	(7,843)	(-830)
Property, plant and equipment	2,131	2,365	-233
Intangible assets	4,184	2,324	+1,860
Investments and other assets	2,417	2,522	-105
Non-current assets	8,733	7,212	+1,520
Total assets	28,441	24,436	+4,004
Current liabilities	15,390	10,072	+5,318
Non-current liabilities	604	922	-317
Total liabilities	15,995	10,995	+5,000
Total net assets	12,445	13,441	-995
(of which, treasury shares)	(-2,552)	(-2,552)	(-0)
Total liabilities and net assets	28,441	24,436	+4,004

Consolidated Cash Flows

PTW

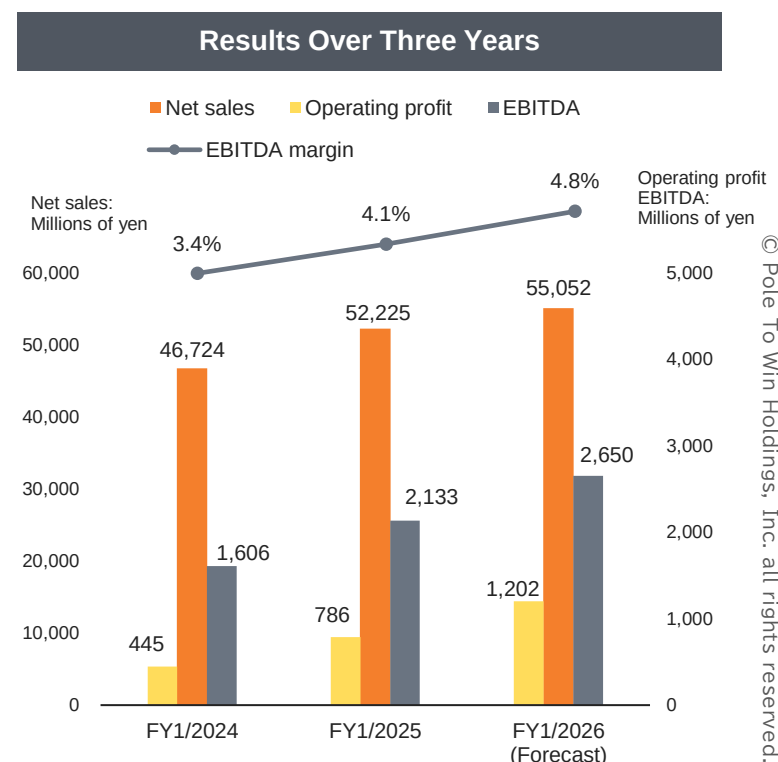
- Cash flows from investing activities were -¥3,178 million due to the acquisition of the Ghostpunch business.
- Cash flows from financing activities were ¥1,252 million, despite a dividend payment of -¥848 million, due to borrowings for the acquisition of the Ghostpunch business.

Unit: Millions of yen	Full Year - FY1/2025 (2024/2-2025/1)	Full Year - FY1/2024 (2023/2-2024/1)	Change YoY
Cash flows from operating activities	919	847	71
Cash flows from investing activities	-3,178	-2,880	-298
Cash flows from financing activities	1,252	-1,511	2,764
Effect of exchange rate change on cash and cash equivalents	176	195	-19
Net increase (decrease) in cash and cash equivalents	-830	-3,349	2,518
Cash and cash equivalents at beginning of period	7,843	11,192	-3,349
Cash and cash equivalents at end of period	7,012	7,843	-831

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- Media Contents to see a decline in sales due to business contraction, while Domestic and Overseas Solutions drive consolidated sales growth.
- In Domestic Solutions, while site integration and increased promotional expenses in the tech sector are expected, consolidated profit is forecast to increase due to improved profitability in Overseas Solutions and Media Contents.
- Having made the third consecutive downward revision, the estimates are conservative, and disclosed as figures to be achieved with certainty.
- Regarding dividends, although the payout ratio exceeds 100%, in line with the policy of steady performance recovery and progressive dividends, the forecast remains unchanged at ¥16.

	FY1/2026 Full-Year Forecast	FY1/2025 Full Year Results	YoY Change	
Unit: Millions of yen	Full-year	Full-year	Change	%
Net sales	55,052	52,225	+2,826	+5.4%
Operating profit	1,202	786	+416	+52.9%
Ordinary profit	1,158	756	+402	+53.2%
Profit attributable to owners of parent	310	-692	+1,002	-
EBITDA	2,650	2,133	+516	+24.2%
Dividend per share	¥16	¥16	±¥0	-

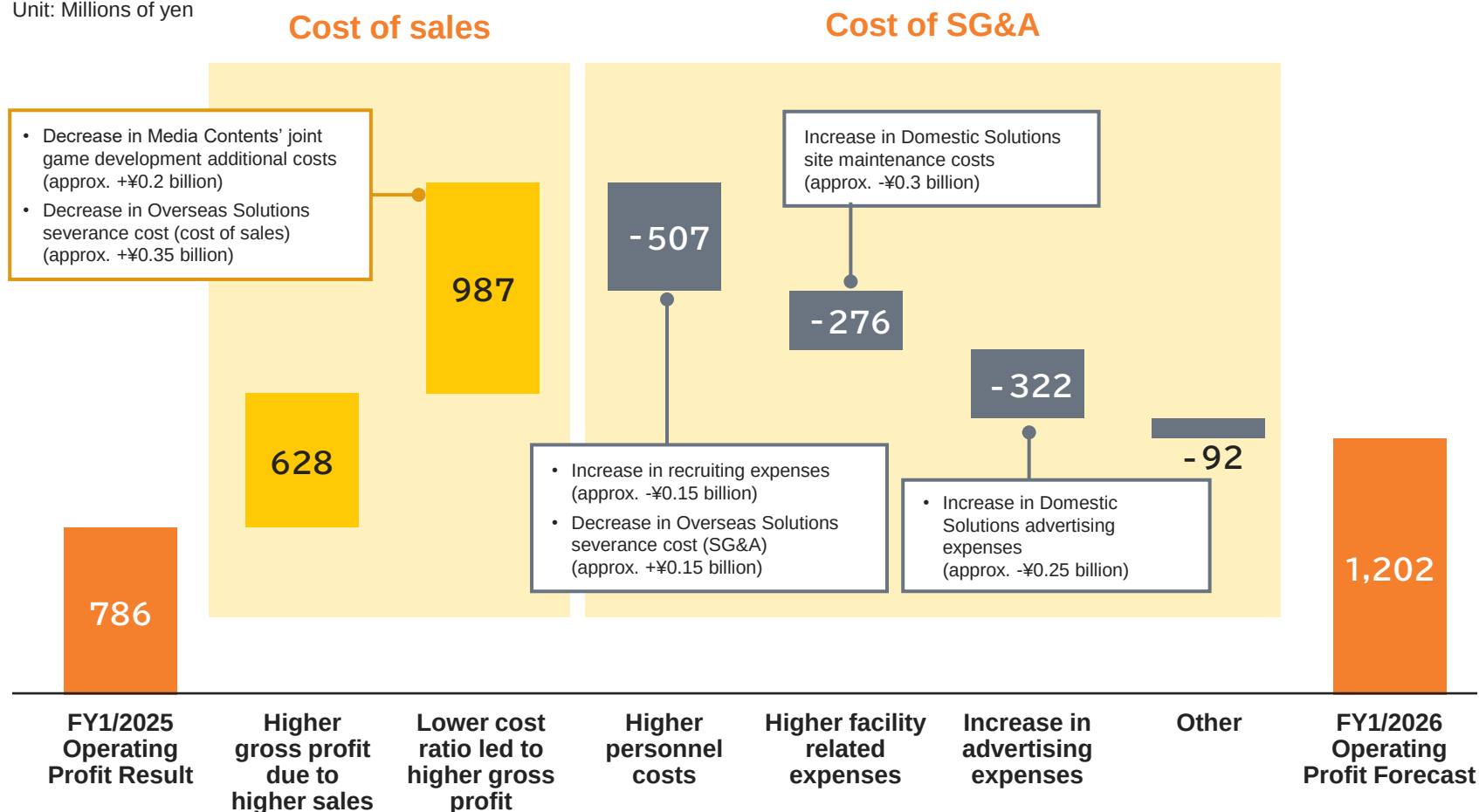


Consolidated Operating Profit Forecast: Analysis of Changes

PTW

- Although site development and large-scale promotional activities will be implemented in Domestic Solutions, an increase in profit is expected as Overseas Solutions business restructuring costs (¥542 million) will not be incurred. We aim to achieve a full-year operating profit margin of 2.2% and for further upside.

Unit: Millions of yen



Note: "Higher gross profit due to higher sales" is the amount of increase in gross profit based on the assumption that sales increased at the gross profit margin (22.2%) in FY1/2025

Consolidated Forecasts by Business Segment

PTW

Unit: Millions of yen

		FY1/2025 Result			FY1/2026 Forecast		
		1H	2H	Full-year	1H	2H	Full-year
Net sales		24,288	27,937	52,225	27,030	28,022	55,052
Operating profit		360	426	786	-236	1,439	1,202
Operating margin		1.5%	1.5%	1.5%	-0.9%	5.1%	2.2%
Domestic Solutions	Net sales	12,261	12,328	24,590	13,039	13,820	26,860
	Operating profit	1,013	697	1,711	310	869	1,179
	Operating margin	8.3%	5.7%	7.0%	2.4%	6.3%	4.4%
	Forecast for FY1/2026	A decrease in profit is expected due to the implementation of site integration and development and promotional activities in the tech sector, which were not carried out in FY1/2025.					
Overseas Solutions	Net sales	9,029	11,212	20,241	10,820	10,530	21,350
	Operating profit	-51	94	43	265	579	844
	Operating margin	-0.6%	0.8%	0.2%	2.4%	5.5%	4.0%
	Forecast for FY1/2026	An increase in profit is expected due to the absence of business restructuring costs (¥542 million).					
Media Contents	Net sales	2,997	4,395	7,393	3,170	3,671	6,841
	Operating profit	-480	-166	-647	-616	185	-430
	Operating margin	-16.0%	-3.8%	-8.8%	-19.4%	5.1%	-6.3%
	Forecast for FY1/2026	A decrease in sales and an increase in profit are expected due to a significant reduction in new investments and improvements in profitability through fundamental structural reforms.					

- Although one-time expenses will be incurred due to site integration and development, improvements in recruitment efficiency and turnover rates have been achieved through past site development efforts. The focus will now be on establishing a cost-reduction structure for the future.
- Large-scale promotional activities are planned in the tech sector, which has significant growth potential.

Unit: Millions of yen	FY1/2025 Result			FY1/2026 Forecast		
	1H	2H	Full-year	1H	2H	Full-year
Net sales	12,261	12,328	24,590	13,039	13,820	26,860
Operating profit	1,013	697	1,711	310	869	1,179
Operating margin	8.3%	5.7%	7.0%	2.4%	6.3%	4.4%



Issues (FY1/2025)

- Sales in the growth area tech sector were at +10% YoY, below the initial budget of +30%.
- Fixed costs, such as rent and labor costs (including regular employee transitions and new hires), were on the rise.



Actions (FY1/2026)

- Increase sales staff in the tech sector and strengthen recruitment of engineers.
- Improve recruitment efficiency and turnover rate through site integration and development.
- Continue active investment in DX and AI initiatives

Strategy

- Increase existing value in the games and entertainment industry with full process support through Group collaboration
- Grow in the tech sector (software testing and system development), which has significant market potential
- Improved labor productivity through DX and AI in operations

- Business restructuring costs ended in FY1/2025. Amid rising personnel costs in urban areas and the advancement of AI, we aim to enhance profitability through improving labor productivity by incorporating AI into operations, transferring tasks that require human labor to offshore locations with lower personnel costs, and strengthening one-stop services through the acquisition of the Ghostpunch business.

Unit: Millions of yen	FY1/2025 Result			FY1/2026 Forecast		
	1H	2H	Full-year	1H	2H	Full-year
Net sales	9,029	11,212	20,241	10,820	10,530	21,350
Operating profit	-51	94	43	265	579	844
Operating margin	-0.6%	0.8%	0.2%	2.4%	5.5%	4.0%



Issues (FY1/2025)

- Business restructuring has taken longer than initially planned, leading to increased costs.
- Training costs were higher than expected at the new offshore locations, resulting in delays in achieving profitability.



Actions (FY1/2026)

- Continue to invest in AI to improve labor productivity through AI in operations.
- Promote transfer of operations from high-labor-cost sites to offshore sites.

Strategy

- Improve labor productivity through AI in operations and transfer tasks requiring human labor to offshore locations with lower personnel costs.
- Through M&A, multiple brands have proliferated, leading to inefficiencies in sales and marketing. To improve efficiency and further enhance brand recognition, all brand names will be unified under one of the currently deployed brands, "side."
- Secure new orders by leveraging the development outsourcing business from the acquisition of the Ghostpunch business as a hook service while also establishing a cycle to expand existing services such as game testing.

IN OVERSEAS SOLUTIONS, THE BUSINESS HAS EXPANDED TO 20 SITES ACROSS 14 COUNTRIES THROUGH M&A ETC., BUT MULTIPLE BRANDS HAVE PROLIFERATED, LEADING TO INEFFICIENCIES.

ALL BRAND NAMES WILL BE UNIFIED UNDER “**side**” TO IMPROVE SALES AND MARKETING EFFICIENCY AND FURTHER ENHANCE BRAND RECOGNITION.

sideTM

sideTM

- New investments will be significantly reduced, and in businesses other than stable revenue-generating production contracts, fundamental structural reforms will be implemented. Various methods, including business downsizing and withdrawal, will be considered.
- We will withdraw from unprofitable new businesses and aim for profitability in 2H by rigorously managing processes and controlling additional costs.

Unit: Millions of yen	FY1/2025 Result			FY1/2026 Forecast		
	1H	2H	Full-year	1H	2H	Full-year
Net sales	2,997	4,395	7,293	3,170	3,671	6,841
Operating profit	-480	-166	-647	-616	185	-430
Operating margin	-16.0%	-3.8%	-8.8%	-19.4%	5.1%	-6.3%



Issues (FY1/2025)

- While the restructuring of the merchandising business progressed, losses expanded due to new businesses such as VTuber and 2.5D stage productions.
- In existing businesses, profit plans have fallen short due to the occurrence of additional costs.



Actions (FY1/2026)

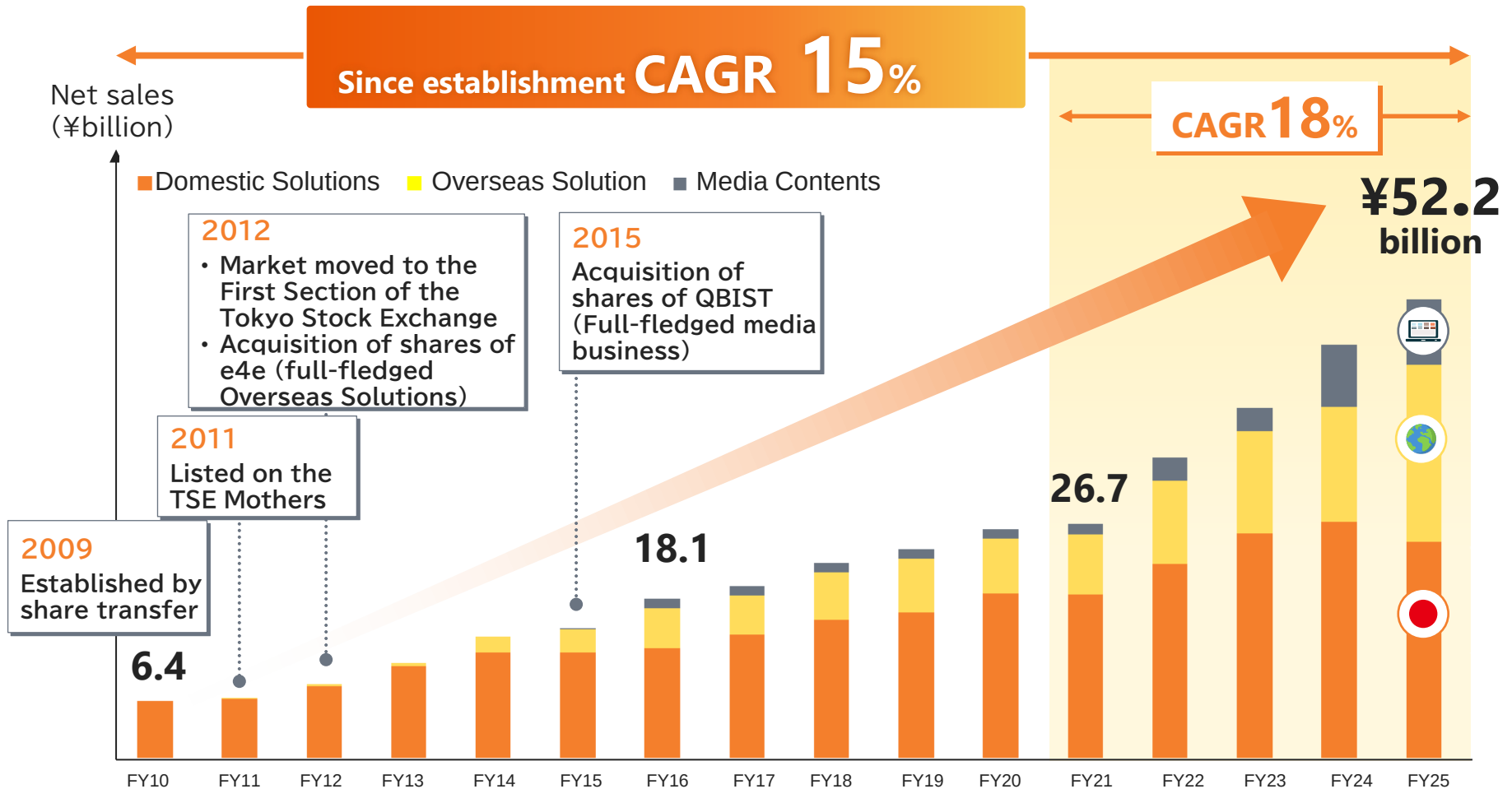
- Significant reduction in investments in new businesses
- Shift toward a business structure centered on production outsourcing
- Thorough process management led by the newly appointed CFO

Strategy

- While aiming for the creation and acquisition of IPs and a 360° media mix (animation, games, merchandising, etc.) in the future, the business structure will be restructured in the short term to focus on low-risk production outsourcing projects.
- We will review the profitability of each business, and for businesses that require time to improve profitability, we will look into downsizing or withdrawal.

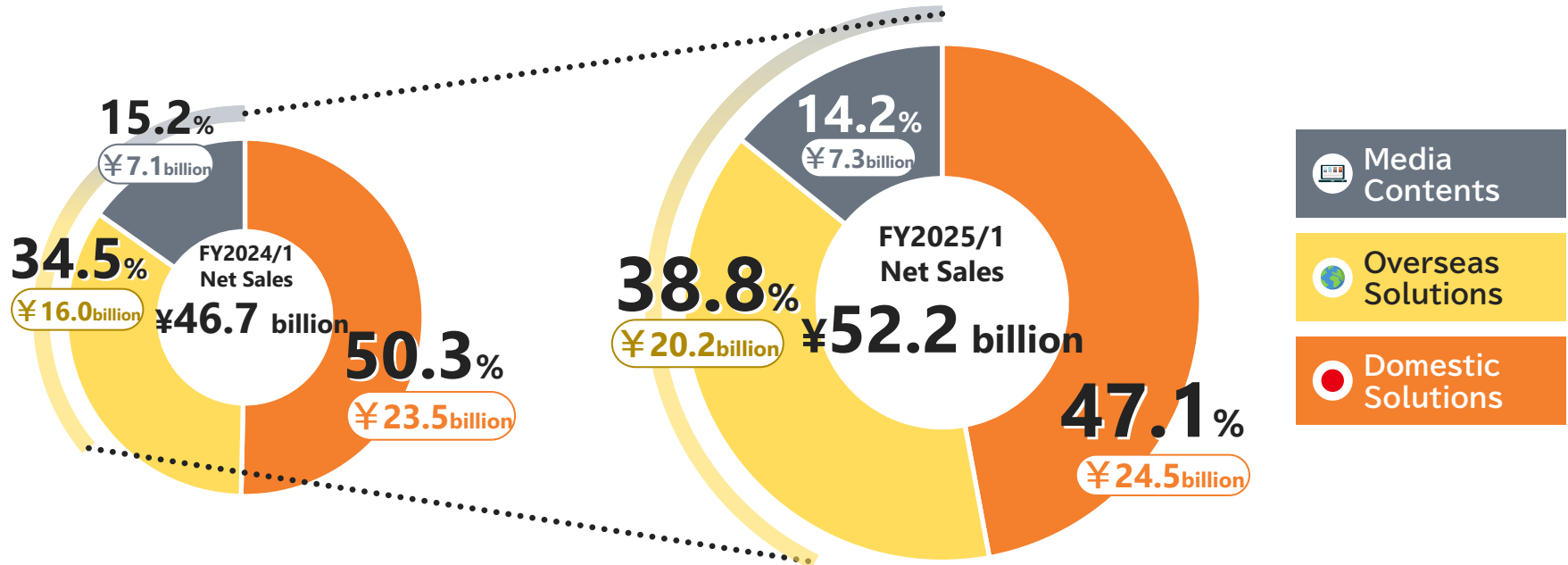
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- In 2009, established through a share transfer between Pole to Win and Pitcrew.
- Strengthen the business base and carry out mergers and acquisitions, starting from testing and net monitoring, to meet the various challenges that arise in the life 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 50% 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

- 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.

- 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.
- Improve employee satisfaction, turnover rate, and recruiting efficiency by site integration.

‘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).



Saga Center

(Newly established in 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

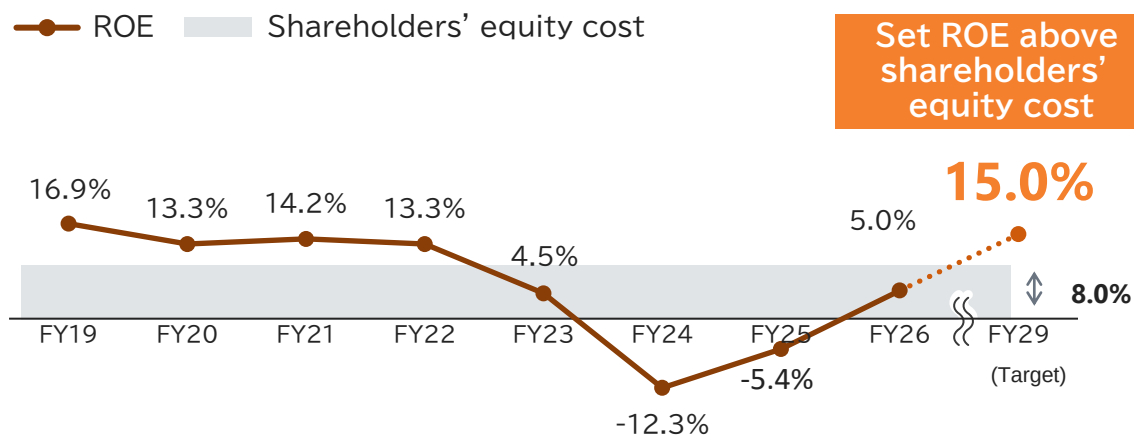
- Optimise the balance between growth investment and shareholder returns with a view to improving profitability, while maintaining financial soundness.
Assuming a cost of capital (WACC) of 8%*, and improve corporate value sustainably.

FY2029/1 Target

ROE

15% or more

In FY2024/1 and FY2025/1, 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

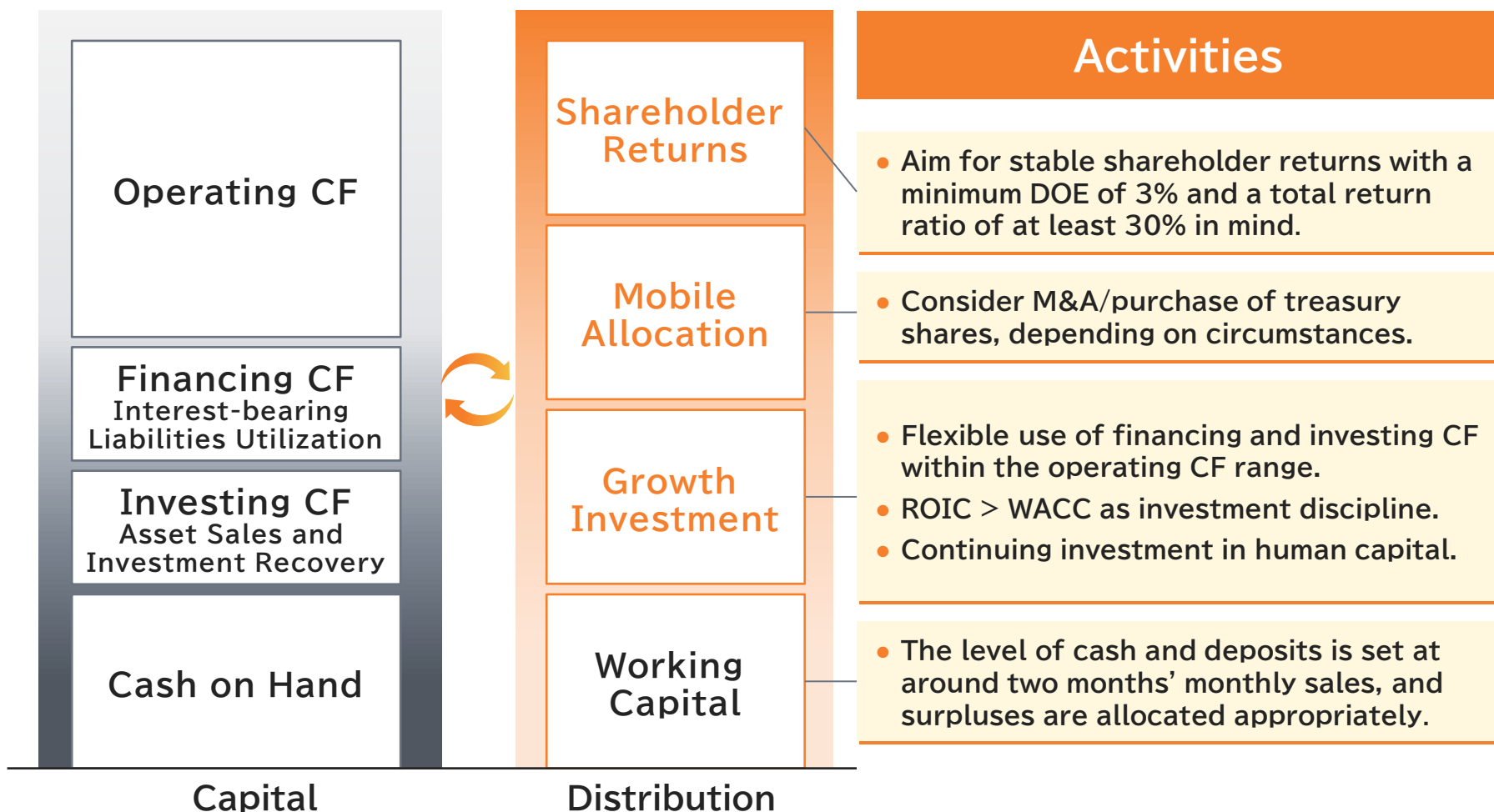
Equity Ratio

▶ 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

PTW

- 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'.

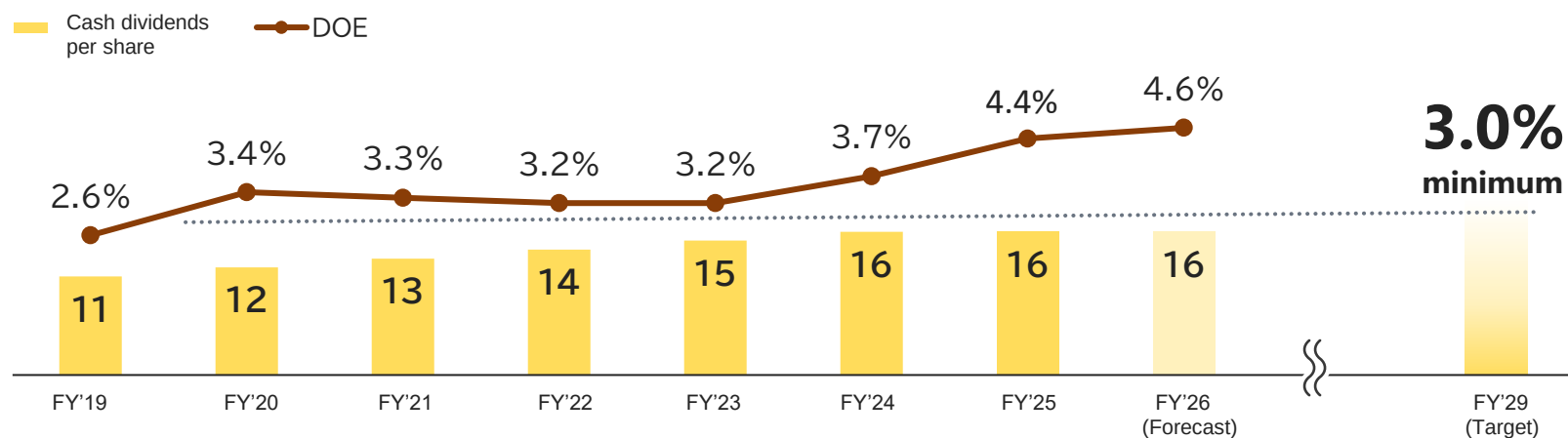
Business Classification	Major M&A to Date				
Domestic Solutions	 July 2012	 September 2012	 March 2018	 July 2021	 January 2022
Overseas Solutions	 October 2012	 August 2015	 March 2016	 December 2019	 January 2021
Media Contents	 March 2010	 January 2015	 March 2019	 November 2019	 October 2020
		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

(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

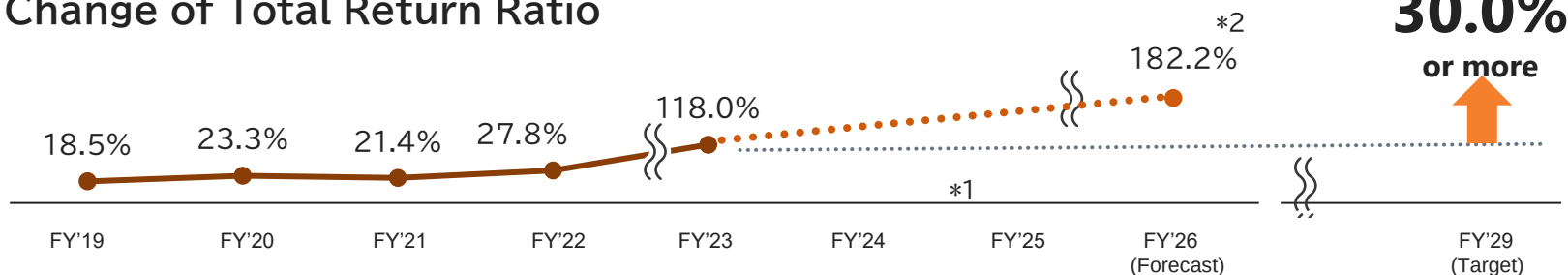
- Basic policy of stable and continuous shareholder returns, with a target of 'DOE of 3% minimum' and 'total return ratio of 30% or more', and efforts to increase shareholder returns in the future.

Changes in DOE and Dividends

(Yen)



Change of Total Return Ratio



(Note) 1. Not stated due to negative net profit for FY2024/1 & FY2025/1.

2: Although net profit for FY2026/1 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. Established “Group Code of Conduct” and “Group Human Rights Policy” in November. 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 (FY2025/1)

Shareholders, investors and others engaged in dialogue

27 foreign investors, 25 domestic investors, 11 others (total companies)

Main themes and concerns of the dialogue

M&A strategy, capital efficiency and dividend policy, 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.
- Corporate company reports by Fisco.
- Began disclosing all timely disclosures in English.
- Interim dividends are paid to enhance opportunities for profit distribution.
- Renewal of corporate website to enhance IR information

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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	8,138 (Number of regular employees: 3,347) *As of January 31, 2025
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 47 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: Software testing, 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 January 31, 2025)

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 America, Inc. | • Side Brazil Ltda | • Side Singapore Pte. Ltd. |
| • PTW Canada Solutions, Inc. | • Side France SAS | • Side Studios Ireland Limited |
| • PTW Georgia LLC | • Side Group Australia Pty Ltd | • Side UK Limited |
| • PTW Greece L.L.C. | • Side International Mexico S. de R. L. de C. V. | • 1518 Studios, Inc. |
| • PTW International Holdings Inc. | • Side LA, LLC | • OneXP LLC |
| • PTW International UK Limited | • Side Malaysia Sdn. Bhd. | • OneXP UK Limited |
| • PTW Korea Co., Ltd. | • Side New Zealand Limited | • Remag Entertainment Inc |
| • PTW Solutions Inc | • Side Poland Sp. Z O. O | • Remag Productions Inc |
| • PTW Japan Co., Ltd. | • Side Portugal, Unipessoal Lda | • POLE TO WIN VIET NAM JOINT STOCK COMPANY |
| • PTWI India Private Limited | • Side Romania S. R. L | |
| • PTWI Philippines, Inc. | • Side Shanghai Co., Ltd. | |
| • PTWI Spain SLU | | |

Media Contents

• HIKE Inc.

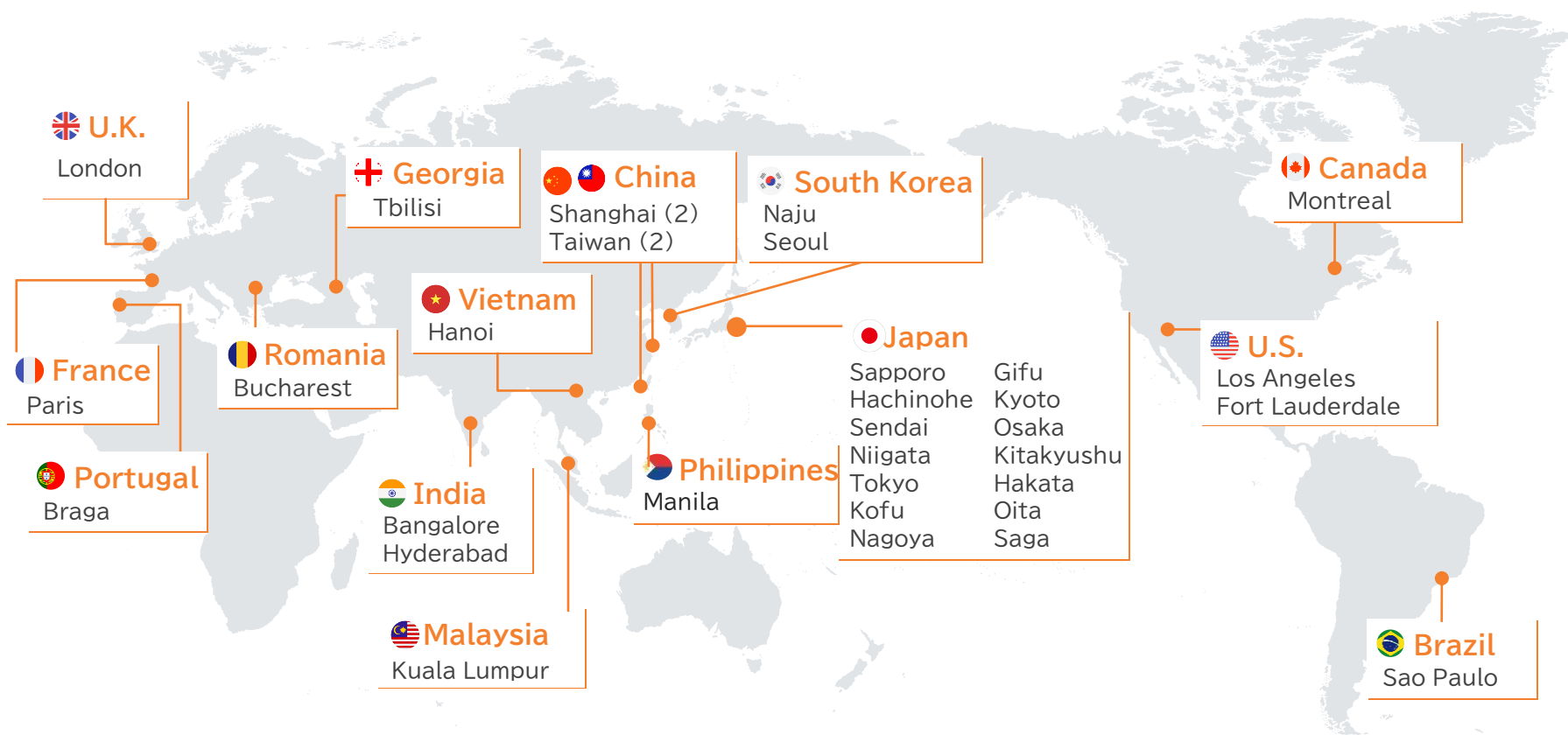
- Panda Graphics TAIWAN INC.
- Panda Graphics(Shanghai) Technology Co., Ltd.
- CREST JOB Inc.

• Palabra Inc.

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

Operating in

14 cities in Japan
20 sites in 14 overseas countries

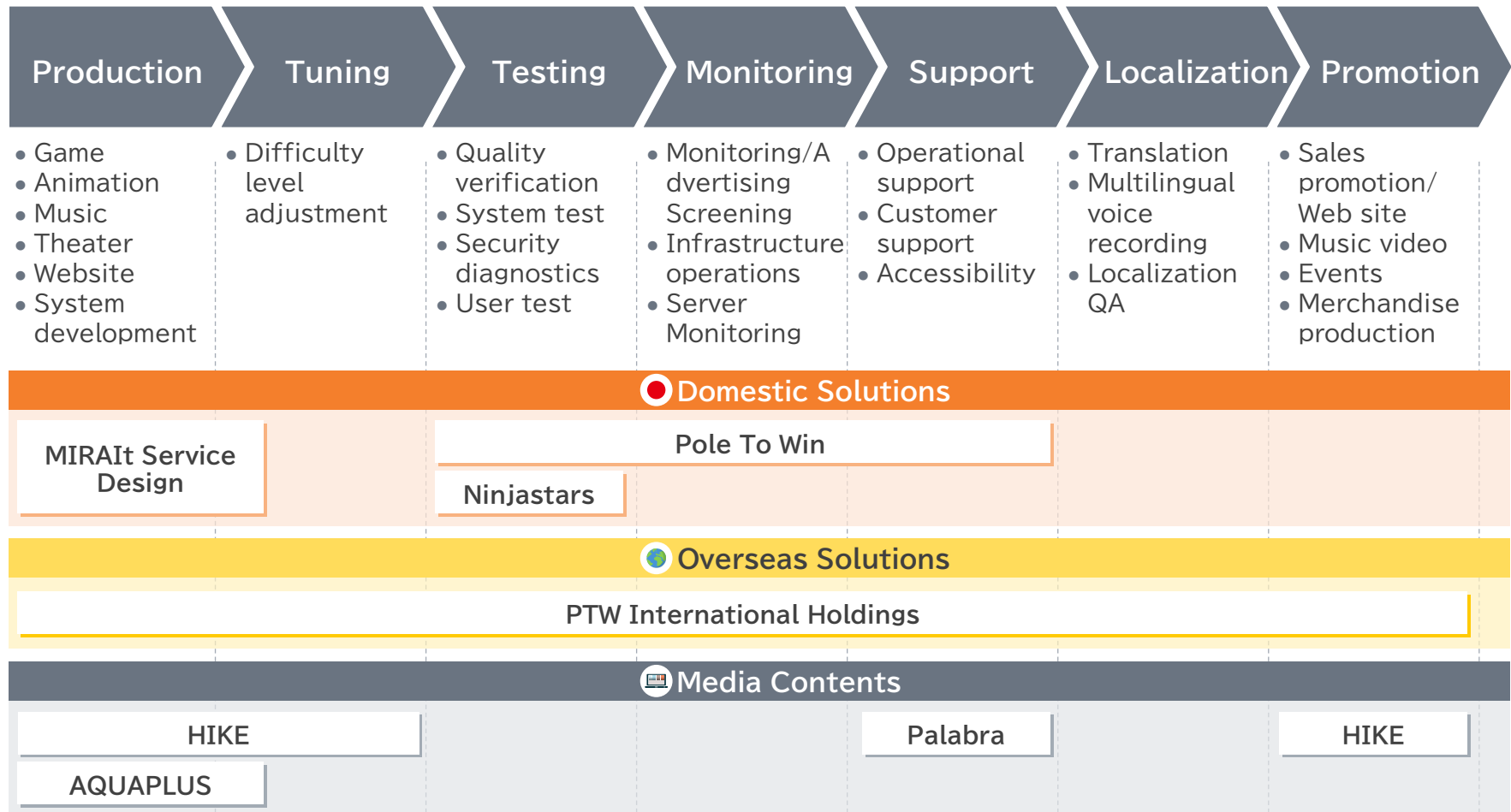


(Excluding countries and sites not yet in operation as of January 31, 2025)

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

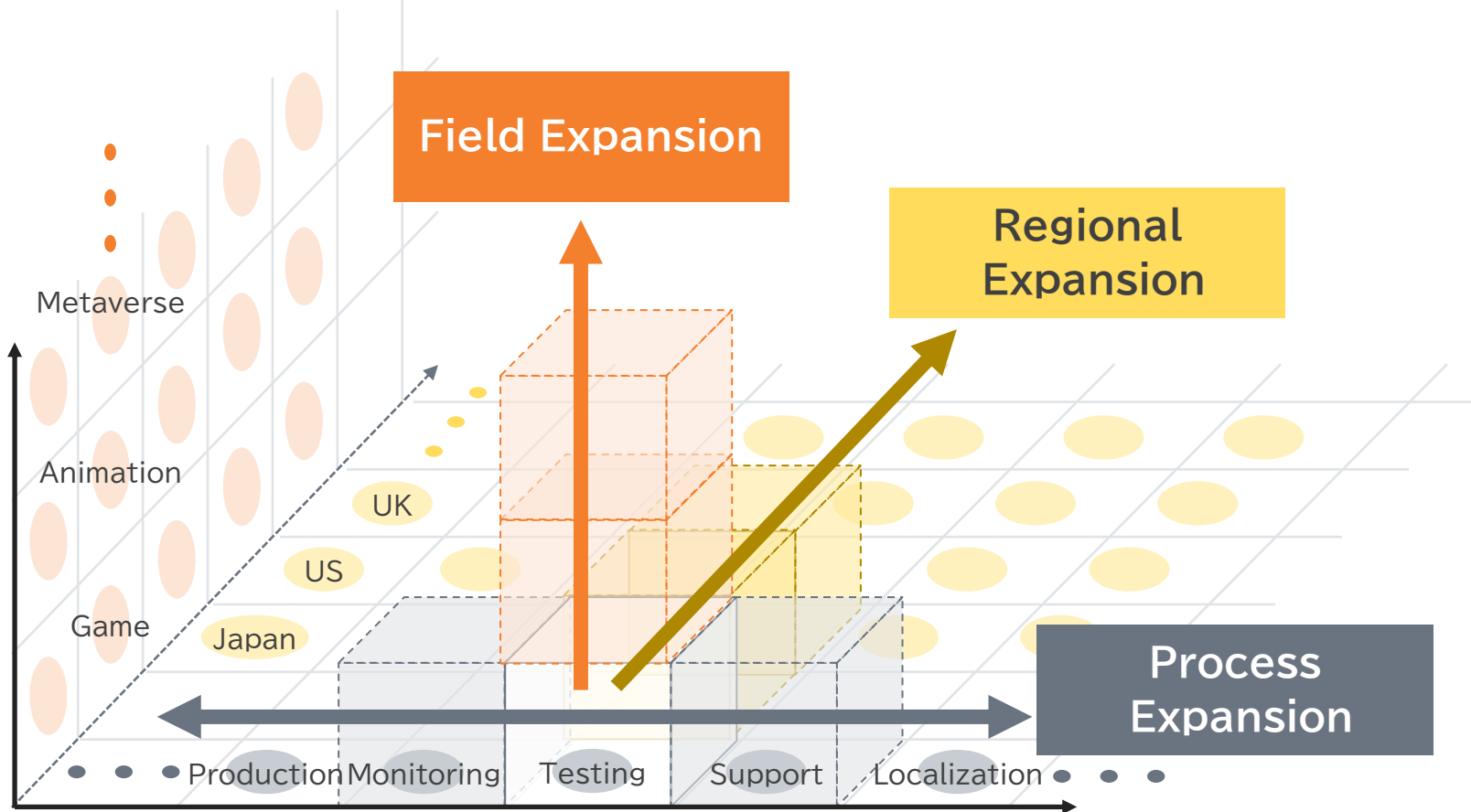
Utilizing strong business relationships with the game industry, we offer services such as game co-development and tuning.

Overseas Expansion

Steadily expanding business regions organically and through M&A, reaching to 2,500 employees at 20 sites in 14 overseas countries, with overseas sales accounting for approximately 40% 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’.



Process

Expand 'Process' where solutions can be provided

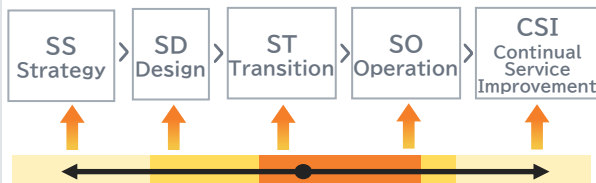
Challenges from the outsourcing side to the creative side

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.

20 sites in 14 countries,
2,500 employees

Expand overseas sales ratio to
approx. 40%



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.



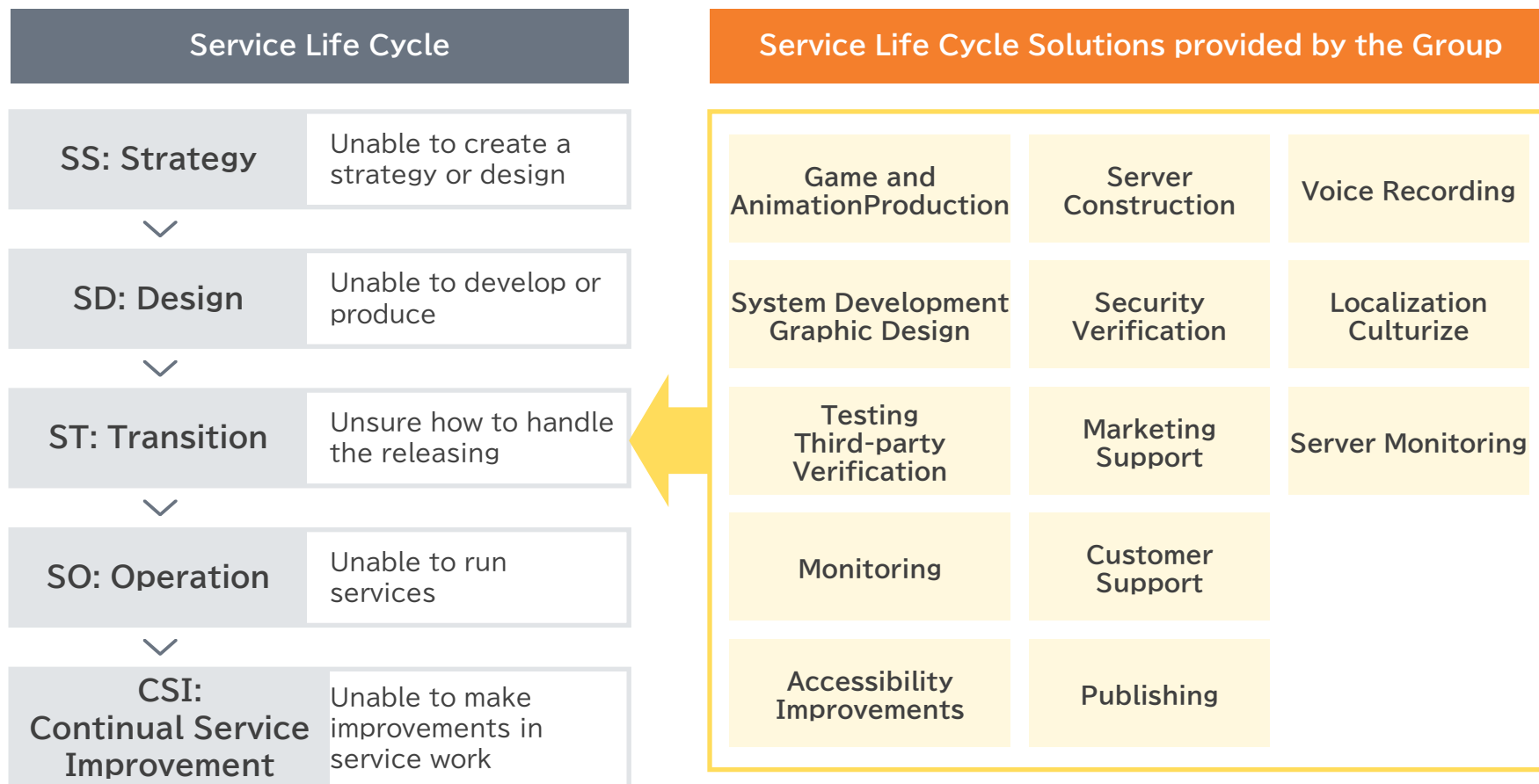
■ Service Life Cycle and Needs

- 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		Potential Arising Needs
SS: Service Strategy	Phase of defining strategy for design, development, implementation, etc.	There is an idea, but unsure how it should be designed and developed due to no experience.
▼		
SD: Service Design	Phase of actual design and development	Insufficient human resources such as PMs, engineers, and artists for design
▼		
ST: Service Transition	Phase of testing and transition from development to live operations	Unable to confirm or determine if the quality of the service is sufficient to release
▼		
SO: Service Operation	Phase of continuing to provide services while adapting to a changing environment	Short-staffed for user support and monitor servers
▼		
CSI: Continual Service Improvement	Phase of continuous improvement of service effectiveness and efficiency	Caught up in day-to-day operations, and do not have enough time to improve services

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.



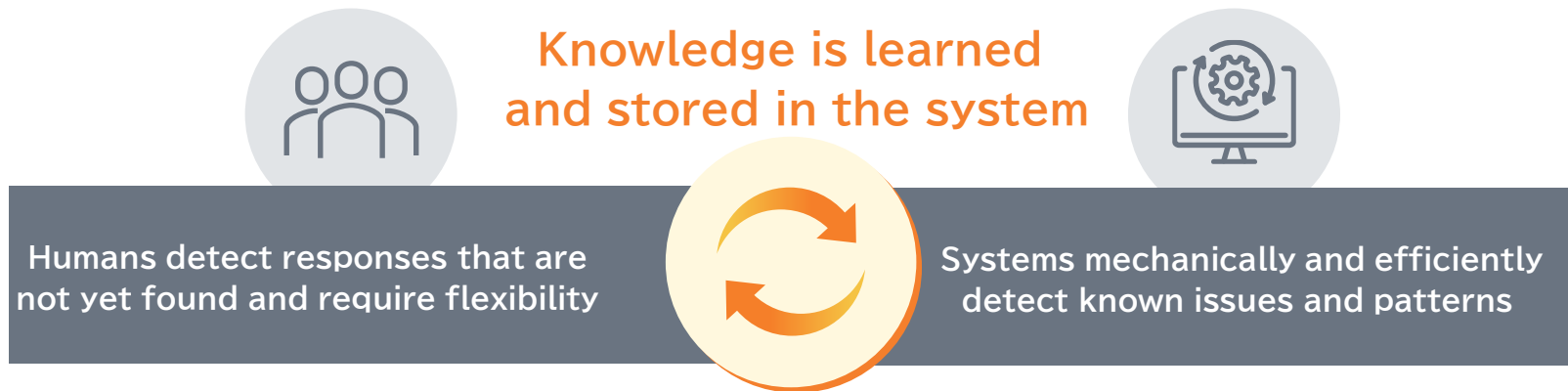
Business quality realized by both ‘Systems and People’

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.