

business continues to expand in size and sales and grew to account for 14.2% of our consolidated sales in the fiscal year ending January 2025.

Despite pursuing Media Contents as a new business, we recognize that the business environment requires continuous preemptive investment beyond previous levels to secure a competitive position in the field due to the expansion and intensification of competition in the content industry. While further preemptive investment and time are required for the monetization of the target company, we have considered various options and concluded that agile and flexible management by the target company is desirable for optimal allocation of management resources within the Group, enhancement of corporate value, further demonstration of the target company's uniqueness, differentiation, and increased added value. Based on this judgment, Mr. Mikami and others agreed to conduct a management buyout (MBO), leading to the aforementioned conclusion. Going forward, our group and the target company will continue to maintain a business partnership and collaborate for mutual growth.

The funds obtained from the transfer of shares and loan receivables will be allocated to domestic software testing and development, overseas business expansion, and efforts to incorporate AI into operations, thereby striving to enhance the corporate value of our group.

2. Overview of Subsidiaries to be Transferred

① Target Company (Specified Subsidiary)

(1)	Name of Company	HIKE Inc.		
(2)	Address	3-2-4 Nishi-Shinjuku, Shinjuku-ku, Tokyo		
(3)	Position and Name of Representative	President, Masataka Mikami		
(4)	Description of Business	IP Content Production Business		
(5)	Capital	155,020,000 yen		
(6)	Establishment Date	March 14, 2018		
(7)	Major Shareholders and Shareholding Ratio	Pole To Win Holdings, Inc. 90% Masataka Mikami 10%		
(8)	Relationship between Listed Company and Relevant Company	Capital Relationship	The relevant company is our consolidated subsidiary.	
		Personnel Relationship	We have dispatched three directors to the company.	
		Business Relationship	We have placed orders for some operations and provided loans to the relevant company.	
(9)	Business Performance and Financial Condition of the Company for the Last Three Years (Unit: Million Yen)			
	Accounting period	FY 1/2023	FY 1/2024	FY 1/2025
	Net assets	-987	-1,745	-2,374
	Total assets	2,156	3,108	3,788
	Net assets per share	-7,866.84 yen	-6,957.27 yen	-9,465.00 yen
	Net sales	859	4,291	4,992
	Operating profit	-572	-1,062	-577
	Ordinary profit	-562	-1,091	-612
	Net income	-580	-1,237	-629
	Net income per share	-4,627.27 yen	-4,931.24 yen	-2,507.73 yen
	Dividend per share	-	-	-

② PG TAIWAN

(1)	Name of Company	Panda Graphics TAIWAN INC.		
(2)	Address	4F, No. 612, Linsen North Road, Zhongshan District, Taipei City		
(3)	Position and Name of Representative	Chairman, Zhang Rui		
(4)	Description of Business	Illustration and 2D Animation Production Business		
(5)	Capital	500,000 New Taiwan Dollars		
(6)	Establishment Date	October 7, 2017		
(7)	Major Shareholders and Shareholding Ratio	HIKE Inc. 100%		
(8)	Relationship between Listed Company and	Capital Relationship	The relevant company is our consolidated subsidiary.	
		Personnel Relationship	There are no personnel relationships to be noted	

Relevant Company		between our company and relevant company.	
	Business Relationship	There are no business relationships to be noted between our company and relevant company.	
(9) Business Performance and Financial Condition of the Company for the Last Three Years (Unit: Million Yen)			
Accounting period	FY 12/2022	FY 12/2023	FY 12/2024
Net assets	-13	-11	-16
Total assets	6	9	12
Net assets per share	-13,442.78 yen	-11,499.88 yen	-16,188.35yen
Net sales	74	96	81
Operating profit	5	3	-3
Ordinary profit	5	3	-3
Net income	5	2	-4
Net income per share	5,792.61yen	2,929.94 yen	-4,143.11 yen
Dividend per share	-	-	-

③ PG Shanghai

(1) Name of Company	Panda Graphics (Shanghai)Technology Co., Ltd.		
(2) Address	Room 619, Building C, No. 3 Changtai Plaza, 2889 Jinke Road, Pudong New Area, Shanghai		
(3) Position and Name of Representative	Chairman, Zhang Rui		
(4) Description of Business	Sales activities for Chinese Companies		
(5) Capital	601,963 Chinese Yuan		
(6) Establishment Date	June 6, 2019		
(7) Major Shareholders and Shareholding Ratio	HIKE Inc. 100%		
(8) Relationship between Listed Company and Relevant Company	Capital Relationship	The relevant company is our consolidated subsidiary.	
	Personnel Relationship	There are no personnel relationships to be noted between our company and relevant company.	
	Business Relationship	There are no business relationships to be noted between our company and relevant company.	
(9) Business Performance and Financial Condition of the Company for the Last Three Years (Unit: Million Yen)			
Accounting period	FY 12/2022	FY 12/2023	FY 12/2024
Net assets	30	35	36
Total assets	33	38	37
Net assets per share	-	-	-
Net sales	25	26	15
Operating profit	8	4	-2
Ordinary profit	9	4	-2
Net income	9	3	-2
Net income per share	-	-	-
Dividend per share	-	-	-

(Note) The company doesn't issue shares, so net assets per share, net income per share, and dividend per share are not listed.

④ CREST JOB

(1) Name of Company	CREST JOB Inc.		
(2) Address	3-2-4 Nishi-Shinjuku, Shinjuku-ku, Tokyo		
(3) Position and Name of Representative	President, Yang Chungjen		
(4) Description of Business	Global Human Resources Matching Business		
(5) Capital	85,592,000 yen		
(6) Establishment Date	August 3, 2015		
(7) Major Shareholders and Shareholding Ratio	HIKE Inc. 100%		
(8) Relationship between Listed Company and Relevant Company	Capital Relationship	The relevant company is our consolidated subsidiary.	
	Personnel Relationship	There are no personnel relationships to be noted between our company and relevant company.	
	Business Relationship	There are no business relationships to be noted between our company and relevant company.	
(9) Business Performance and Financial Condition of the Company for the Last Three Years (Unit: Million Yen)			

Accounting period	FY 1/2023	FY 1/2024	FY 1/2025
Net assets	13	20	27
Total assets	18	31	35
Net assets per share	19,834.03 yen	29,931.71 yen	40,464.57 yen
Net sales	21	100	83
Operating profit	-9	3	5
Ordinary profit	-8	6	7
Net income	-10	6	7
Net income per share	-14,848.24yen	10,097.68 yen	10,532.86yen
Dividend per share	-	-	-

⑤ HIKE KOREA

(1)	Name of Company	HIKE KOREA Inc.		
(2)	Address	1-1401, 775, Gyeongin-ro, Yeongdeungpo-gu, Seoul, Republic of Korea		
(3)	Position and Name of Representative	President, Masataka Mikami		
(4)	Description of Business	Game Publishing Business		
(5)	Capital	100,000,000 Korean Won		
(6)	Establishment Date	November 21, 2018		
(7)	Major Shareholders and Shareholding Ratio	HIKE Inc. 100%		
(8)	Relationship between Listed Company and Relevant Company	Capital Relationship	The relevant company is our consolidated subsidiary.	
		Personnel Relationship	There are no personnel relationships to be noted between our company and relevant company.	
		Business Relationship	There are no business relationships to be noted between our company and relevant company.	
(9)	Business Performance and Financial Condition of the Company for the Last 3 Years (Unit: Million Yen)			
	Accounting period	FY 12/2022	FY 12/2023	FY 12/2024
	Net assets	-25	-5	-22
	Total assets	10	31	15
	Net assets per share	-251.67 yen	-57.05 yen	-225.46 yen
	Net sales	78	88	68
	Operating profit	2	20	-2
	Ordinary profit	1	20	-3
	Net income	-9	20	-17
	Net income per share	-95.10 yen	201.69 yen	-175.75 yen
	Dividend per share	-	-	-

⑥ Shiitake Digital

(1)	Name of Company	ShiiTAKE DiGiTAL Ltd.		
(2)	Address	12-7 Motoyoyogi-cho, Shibuya-ku, Tokyo		
(3)	Position and Name of Representative	President, Kotaro Horiguchi		
(4)	Description of Business	3DCG Animation Production Business		
(5)	Capital	10,000,000 yen		
(6)	Establishment Date	September 24, 1998		
(7)	Major Shareholders and Shareholding Ratio	HIKE Inc. 100%		
(8)	Relationship between Listed Company and Relevant Company	Capital Relationship	The relevant company is our consolidated subsidiary.	
		Personnel Relationship	There are no personnel relationships to be noted between our company and relevant company.	
		Business Relationship	There are no business relationships to be noted between our company and relevant company.	
(9)	Business Performance and Financial Condition of the Company for the Last 3 Years (Unit: Million Yen)			
	Accounting period	FY 3/2023	FY 3/2024	FY 3/2025
	Net assets	-26	-8	2
	Total assets	28	35	40
	Net assets per share	-129.99 thousand yen	-42.09 thousand yen	10.19 thousand yen
	Net sales	139	134	160
	Operating profit	6	1	12
	Ordinary profit	6	1	12

Net income	6	17	10
Net income per share	28.26 thousand yen	87.89 thousand yen	52.29 thousand yen
Dividend per share	-	-	-

⑦ Delfi Sound

(1)	Name of Company	Delfi Sound Inc.	
(2)	Address	14-23 Daikanyama, Shibuya-ku, Tokyo	
(3)	Position and Name of Representative	President, Kotaro Horiguchi	
(4)	Description of Business	Recording Studio Management and Music Mastering	
(5)	Capital	5,000,000 yen	
(6)	Establishment Date	May 1, 2025	
(7)	Major Shareholders and Shareholding Ratio	HIKE Inc. 100%	
(8)	Relationship between Listed Company and Relevant Company	Capital Relationship	The relevant company is our consolidated subsidiary.
		Personnel Relationship	There are no personnel relationships to be noted between our company and relevant company.
		Business Relationship	There are no business relationships to be noted between our company and relevant company.

(Note) This company was established as a new company through a corporate split from HIKE Inc. on May 1, 2025, and therefore, the business performance and financial condition for the past three years are not provided.

3. Overview of the Share Transfer Counterparty

(1)	Name of Company	HIKE Holdings Inc.	
(2)	Address	3-2-4 Nishi-Shinjuku, Shinjuku-ku, Tokyo	
(3)	Position and Name of Representative	President, Masataka Mikami	
(4)	Description of Business	Control and Management of Subsidiary's Business Activities	
(5)	Capital	1,000,000 yen	
(6)	Establishment Date	April 30, 2025	
(7)	Major Shareholders and Shareholding Ratio	Masataka Mikami 65% Kazuki Kogishi 35%	
(8)	Relationship between Listed Company and Relevant Company	Capital Relationship	There are no capital relationships to be noted between our company and the relevant company. Furthermore, there are no noteworthy capital relationships between the related parties and affiliated companies of the Company and the related parties and affiliated companies of the relevant company.
		Personnel Relationship	There are no personnel relationships to be noted between our company and relevant company. Furthermore, there are no noteworthy personnel relationships between the related parties and affiliated companies of the Company and the related parties and affiliated companies of the relevant company.
		Business Relationship	There are no business relationships to be noted between our company and relevant company. Furthermore, there are no noteworthy business relationships between the related parties and affiliated companies of the Company and the related parties and affiliated companies of the relevant company.
		Status of Related Parties	The relevant company is not a related party of our company. In addition, the related parties and affiliated companies of the relevant company are not related parties of our company.

(Note) As the company is a new entity established on April 30, 2025, the business performance and financial condition for the past three years are not provided.

4. Number of Shares to be Transferred and Status of Shares Held Before and After Transfer

(1)	Number of Shares Owned Before Transfer	225,800 shares (Owned by: Pole To Win Holdings, Inc.) (Number of voting rights: 225,800) (Voting Rights Ownership Ratio :90%)
(2)	Number of Shares to be Transferred	225,800 shares (Number of voting rights: 225,800)
(3)	Transfer price	225,800 yen
(4)	Number of Shares Owned After Transfer	0 shares (Number of Voting Rights: 0) (Voting Rights Ownership Ratio: 0%)

(Note) Regarding the transfer price, considering that the target company is insolvent and its future cash flow is expected to remain negative, the transfer price was determined after thoroughly examining its appropriateness and discussing with the share transfer recipient.

5. Status of Transfer Price of Loan Receivables

In connection with the transfer of shares, the Company will transfer the loan receivables we hold against the target company to HIKE Holdings Inc. (hereinafter referred to as HIKE Holdings), the counterparty to the share transfer. The value of the transferred receivables is as follows. The value of the transferred receivables was determined based on the financial condition of the target company as reflected in the consolidated financial statements as of our first quarter closing date (April 30, 2025), taking into account the repayment ability of the target company, and agreed upon by our company and HIKE Holdings.

Item	Transfer price	Carrying Amount
Loans to Affiliates	500 million yen	3,486 million yen

6. Schedule

(1)	Board of Directors Decision Date	June 24, 2025
(2)	Contract Date	June 24, 2025
(3)	Stock Transfer Execution Date	June 24, 2025 (Scheduled)

7. Occurrence of Extraordinary Profit and Loss

As of the consolidated financial statements for the first quarter of FY 1/2026 (April 30, 2025), the target company is in a state of insolvency, and therefore, our Company will record an extraordinary profit of 3,077 million yen from the sale of the target company's shares. On the other hand, an extraordinary loss of 2,986 million yen is expected to occur from the transfer of loan receivables, which will offset these, resulting in a minimal impact on our consolidated business performance from this share transfer and loan receivable transfer.

8. Future Outlook

As a result of the transfer of the shares and loan receivable in question, the target company and its six subsidiaries are scheduled to be excluded from our consolidated scope from July 2025 onwards. We have continuously invested funds in the target company, but going forward, we anticipate an improvement in our consolidated performance, including cash flow. Please note that the impact on the consolidated financial results for the current period is currently under review, and will be promptly announced as soon as it is determined.

(For reference) Consolidated earnings forecast for the current period (as announced on March 14, 2025) and consolidated results for the previous period

	Net Sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
	Million Yen	Million Yen	Million Yen	Million Yen
Current Consolidated Performance Forecast (FY 1/2026)	55,052	1,202	1,158	310
Previous Consolidated Results (FY 1/2025)	52,225	786	756	-692