



# **Poletowin Pitcrew Holdings, Inc.**

## **Supplementary Information to the Financial Results for the Year Ended January 31, 2017**

---

**Securities code: 3657**  
**Abbreviation: Pole HD**  
**March 13, 2017**

<b>1. Overview of Financial Results for Year Ended January 31, 2017</b>	<b>••• 2</b>
<b>2. Forecasts for Year Ending January 31, 2018</b>	<b>••• 10</b>
<b>3. Future Business Strategies</b>	<b>••• 12</b>
<b>4. Reference: Corporate Profile/Our Business</b>	<b>••• 16</b>

# 1. Overview of Financial Results for Year Ended January 31, 2017

## 1-1. Overview of Consolidated Financial Results for Year Ended January 31, 2017(Change YoY) (1)



Units: ¥ million (Amounts less than ¥1 million omitted)

	FY2017.1		FY2016.1		Change YoY	
	Results	Margin	Results	Margin	Change	Margin
Net sales	<b>19,633</b>	- %	<b>18,120</b>	- %	<b>+1,512</b>	<b>+8.3%</b>
Operating income	<b>2,409</b>	12.3%	<b>2,360</b>	13.0%	<b>+49</b>	<b>+2.1%</b>
Ordinary income	<b>2,312</b>	11.8%	<b>2,228</b>	12.3%	<b>+83</b>	<b>+3.8%</b>
Net income attributable to owners of parent	<b>1,168</b>	6.0%	<b>1,286</b>	7.1%	<b>△118</b>	<b>△9.2%</b>

\*Percentages rounded down to one decimal place

# 1. Overview of Financial Results for Year Ended January 31, 2017

## 1-2. Overview of Consolidated Financial Results for Year Ended January 31, 2017(vs. Forecast) (2)



Units: ¥ million (Amounts less than ¥1 million omitted)

	FY2017.1		Forecast		Comparison with Forecast	
	Results	Margin	Initial forecast	Margin	Change	Attainment rate
Net sales	<b>19,633</b>	- %	<b>20,531</b>	- %	△898	△4.4%
Operating income	<b>2,409</b>	12.3%	<b>2,466</b>	12.0%	△57	△2.3%
Ordinary income	<b>2,312</b>	11.8%	<b>2,386</b>	11.6%	△73	△3.1%
Net income attributable to owners of parent	<b>1,168</b>	6.0%	<b>1,378</b>	6.7%	△210	△15.2

\*Percentages rounded down to one decimal place

# 1. Overview of Financial Results for Year Ended January 31, 2017



## 1-3. Segment Performances

### Testing/Verification & Evaluation Business

Net sales **¥16,039 million** (81.7% of net sales)

	FY2017.1	FY2016.1	Change YoY	
			Change	Margin
Net sales	<b>16,039</b>	<b>14,637</b>	+1,40	+9.6%
Operating income	<b>2,499</b>	<b>2,403</b>	+96	+4.0%
Operating margin	15.6%	16.4%	Δ0.8%	—

Units: ¥ million  
(Amounts less than ¥1 million omitted)

Percentages rounded down to one decimal place

### Internet Monitoring Business

Net sales **¥ 3,261 million** (16.6% of net sales)

	FY2017.1	FY2016.1	Change YoY	
			Change	Margin
Net sales	<b>3,261</b>	<b>3,294</b>	Δ33	Δ1.0%
Operating income	<b>Δ27</b>	<b>27</b>	Δ55	-%
Operating margin	-%	0.8%	-%	—

Units: ¥ million  
(Amounts less than ¥1 million omitted)

Percentages rounded down to one decimal place

# 1. Overview of Financial Results for Year Ended January 31, 2017

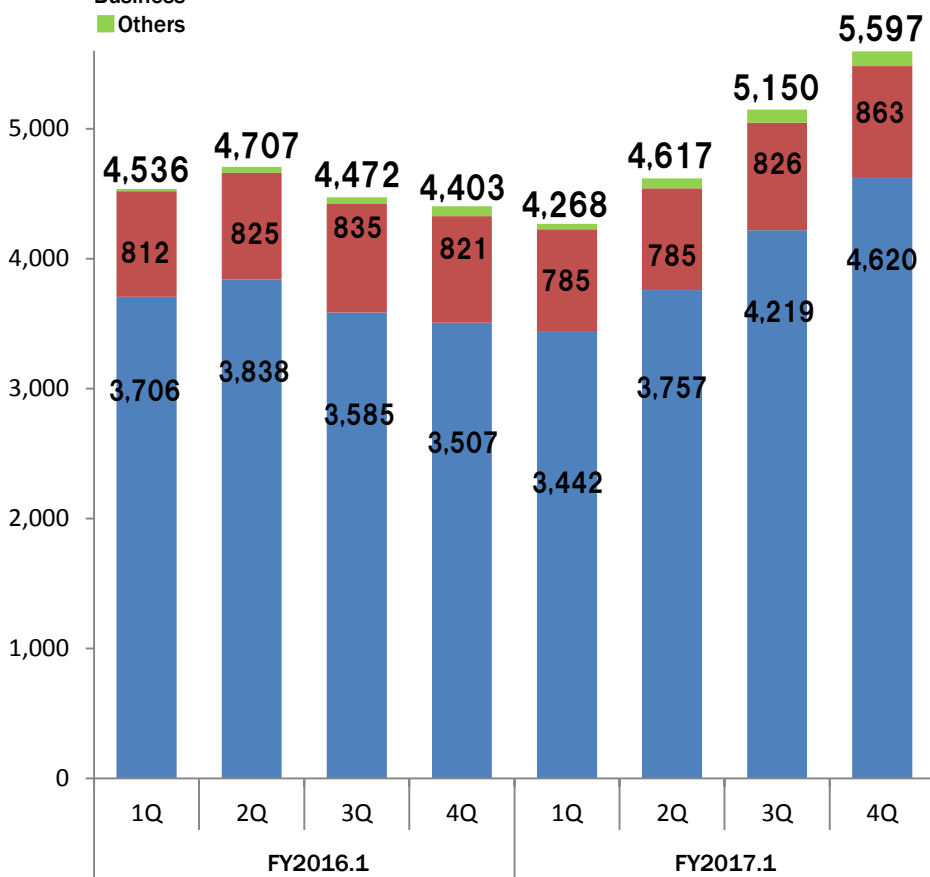
## 1-4. Quarterly Net Sales and Operating Income

Units: ¥ million (Amounts less than ¥1 million omitted)

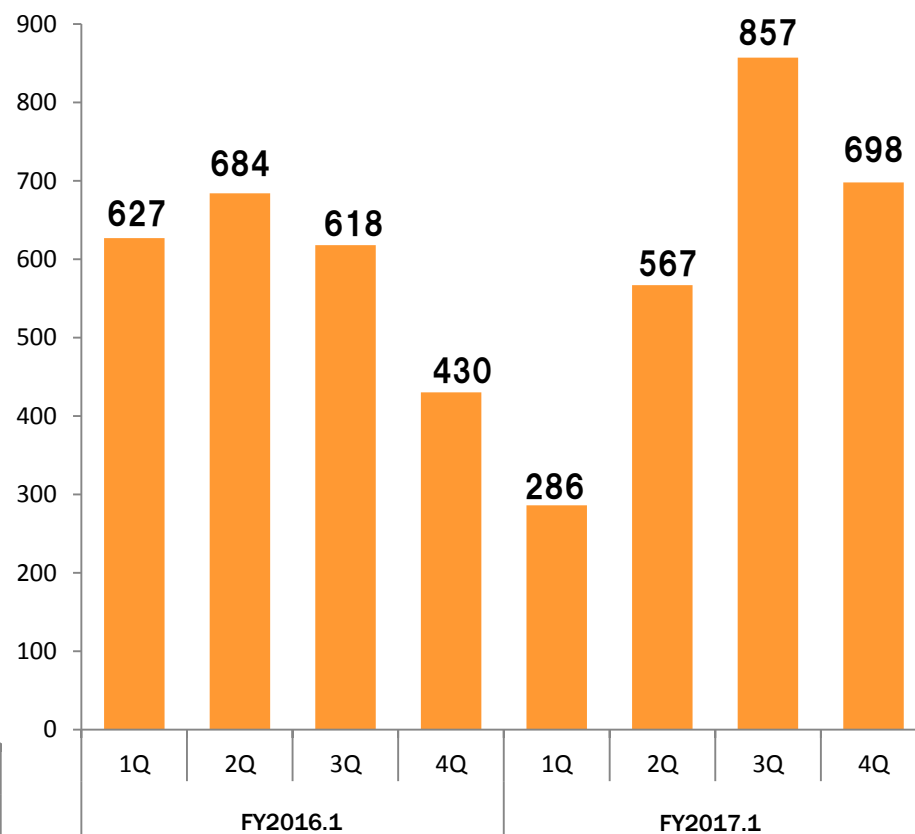
Units: ¥ million (Amounts less than ¥1 million omitted)

- Testing/Verification & Evaluation Business
- Internet Monitoring Business
- Others

### Quarterly sales



### Quarterly operating income



Note: Quarterly sales and operating income are internal management figures provided as reference information

# 1. Overview of Financial Results for Year Ended January 31, 2017

## 1-5. Financial Position: Consolidated Balance Sheets



Units: ¥ million (Amounts less than ¥1 million omitted)

	Jan. 31, 2017	Jan. 31, 2016	Change
<b>Total current assets</b>	<b>8,703</b>	<b>8,936</b>	<b>△232</b>
<b>Cash and deposits</b>	<b>5,075</b>	<b>5,636</b>	<b>△560</b>
<b>Total property, plant and equipment</b>	<b>680</b>	<b>491</b>	<b>+189</b>
<b>Total intangible assets</b>	<b>1,592</b>	<b>2,144</b>	<b>△551</b>
<b>Investments and other assets</b>	<b>864</b>	<b>744</b>	<b>+119</b>
<b>Total noncurrent assets</b>	<b>3,138</b>	<b>3,381</b>	<b>△242</b>
<b>Total assets</b>	<b>11,842</b>	<b>12,317</b>	<b>△475</b>
<b>Total current liabilities</b>	<b>2,604</b>	<b>2,538</b>	<b>+65</b>
<b>Total noncurrent liabilities</b>	<b>191</b>	<b>261</b>	<b>△69</b>
<b>Total liabilities</b>	<b>2,795</b>	<b>2,800</b>	<b>△4</b>
<b>Total net assets</b>	<b>9,046</b>	<b>9,517</b>	<b>△471</b>
<b>Capital stock</b>	<b>1,237</b>	<b>1,236</b>	<b>+0</b>
<b>Capital surplus</b>	<b>1,283</b>	<b>1,282</b>	<b>+0</b>
<b>Retained earnings</b>	<b>7,084</b>	<b>6,258</b>	<b>+825</b>
<b>Total liabilities and net assets</b>	<b>11,842</b>	<b>12,317</b>	<b>△475</b>

# 1. Overview of Financial Results for Year Ended January 31, 2017

## 1-6. Financial Position: Consolidated Statements of Cash Flows



Units: ¥ million (Amounts less than ¥1 million omitted)

	FY2017.1 (2016.2-2017.1)	FY2016.1 (2015.2-2016.1)	Change YoY
Operating cash flows	1,517	1,623	△105
Investing cash flows	△542	△995	+452
Financing cash flows	△1,349	△304	△1,045
Effect of exchange rate changes on cash and cash equivalents	△185	△31	△154
Net increase in cash and cash equivalents	△560	292	△853
Cash and cash equivalents at beginning of year	5,636	5,343	+292
Cash and cash equivalents at end of year	5,075	5,636	△561



## 1-7. Shareholder Returns (Forecast of Cash Dividends per Share)

### Dividend policy

**Target payout ratio of 25%** to consolidated net income

### Yearly dividends per share

Fiscal 2014	Fiscal 2015	Fiscal 2016	Fiscal 2017 Forecast
<b>¥16.00/share</b> (¥16.00 ordinary dividend)	<b>¥16.00/share</b> (¥16.00 ordinary dividend)	<b>¥18.00/share</b> (¥18.00 ordinary dividend)	<b>¥19.00/share</b> (¥19.00 ordinary dividend representing 30% payout ratio)

# 1. Overview of Financial Results for Year Ended January 31, 2017

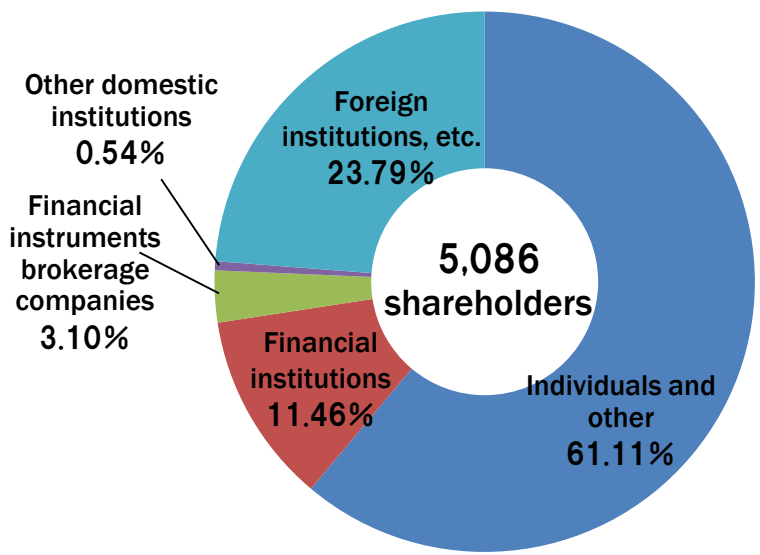
## 1-8. Stock Information

### Number of Shares Issued

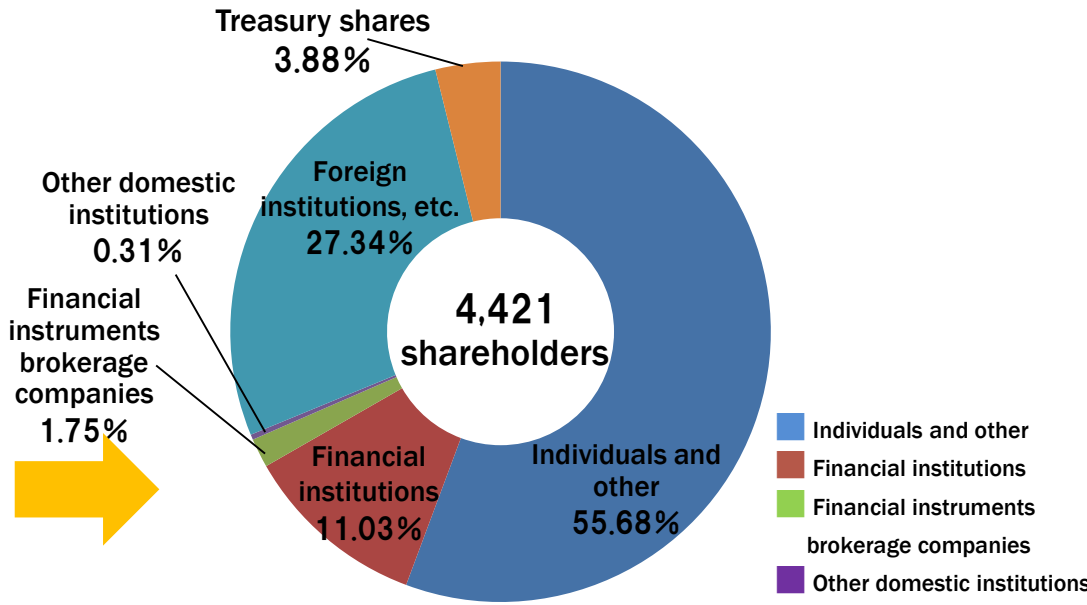
<b>As of January 31, 2016</b>	<b>19,043,200</b>
<b>As of January 31, 2017</b>	<b>19,053,600</b>

### Stock Distribution by Shareholder

**As of January 31, 2016**



**As of January 31, 2017**



Note: Both charts have been compiled based on the number of outstanding shares, with fractions rounded off

## 2. Forecasts for Year Ending January 31, 2018



### 2-1. Consolidated Forecasts for Year Ending January 31, 2018

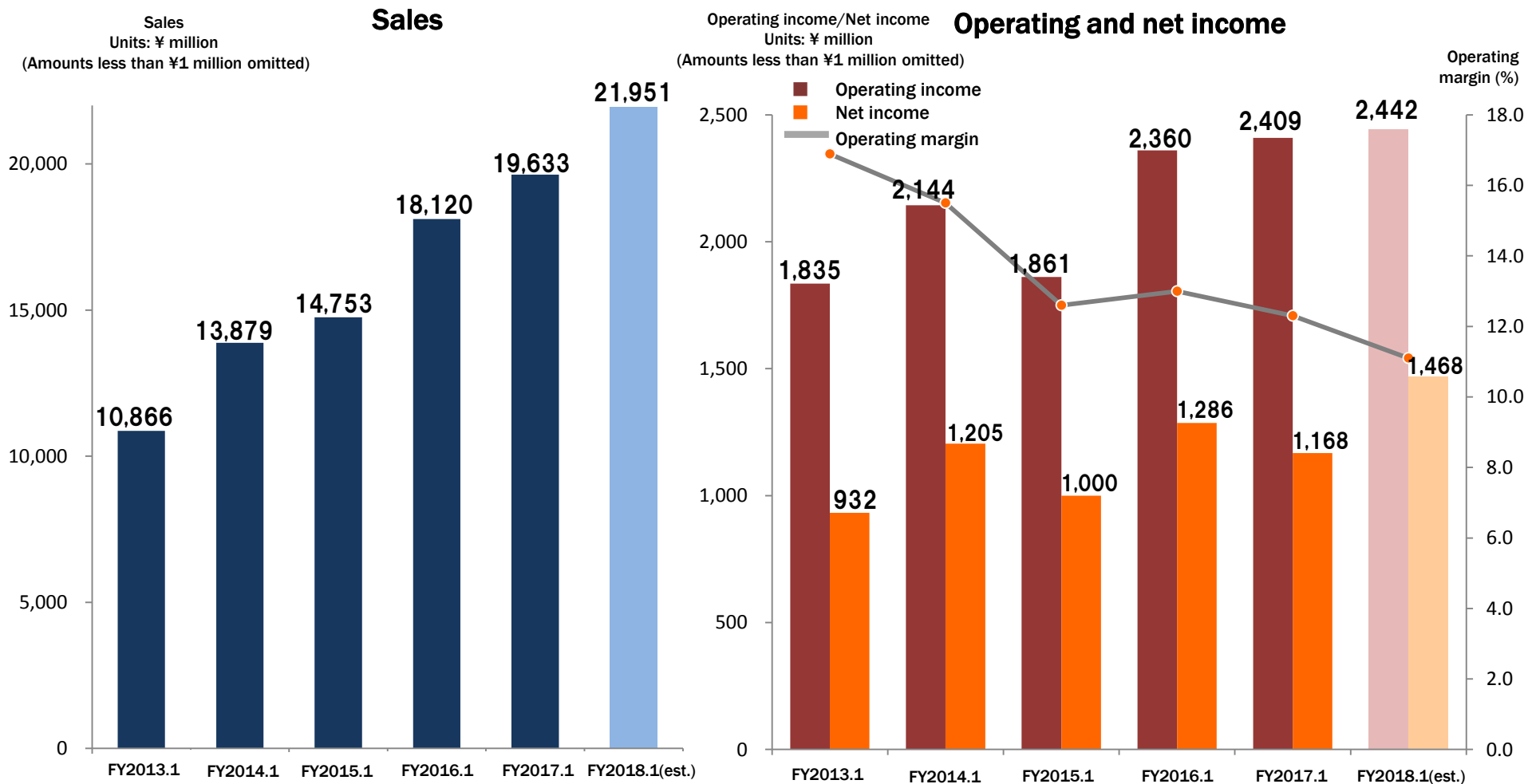
Units (except for per-share figures): ¥ million (Amounts less than ¥1 million omitted)

	Fiscal 2018 Forecasts	Fiscal 2017 Results	YoY change	
			Amount	%
Net sales	<b>21,951</b>	<b>19,633</b>	+2,318	+11.8%
Operating income	<b>2,442</b>	<b>2,409</b>	+33	+1.4%
Ordinary income	<b>2,385</b>	<b>2,312</b>	+73	+3.1%
Net income attributable to owners of parent	<b>1,468</b>	<b>1,168</b>	+300	+25.7%
Net income per share	<b>¥77.07</b>	¥63.42	+¥13.65	—
Cash dividends per share	<b>¥19</b>	¥19	±¥0	—

Percentages rounded down to one decimal place

## 2. Forecasts for Year Ending January 31, 2018

### 2-2. Consolidated Fiscal Performance and Plan



Note: FY2018.1 estimates are forecasts disclosed on March 13, 2017.

#### 3-1. Summary of Future Business Strategies

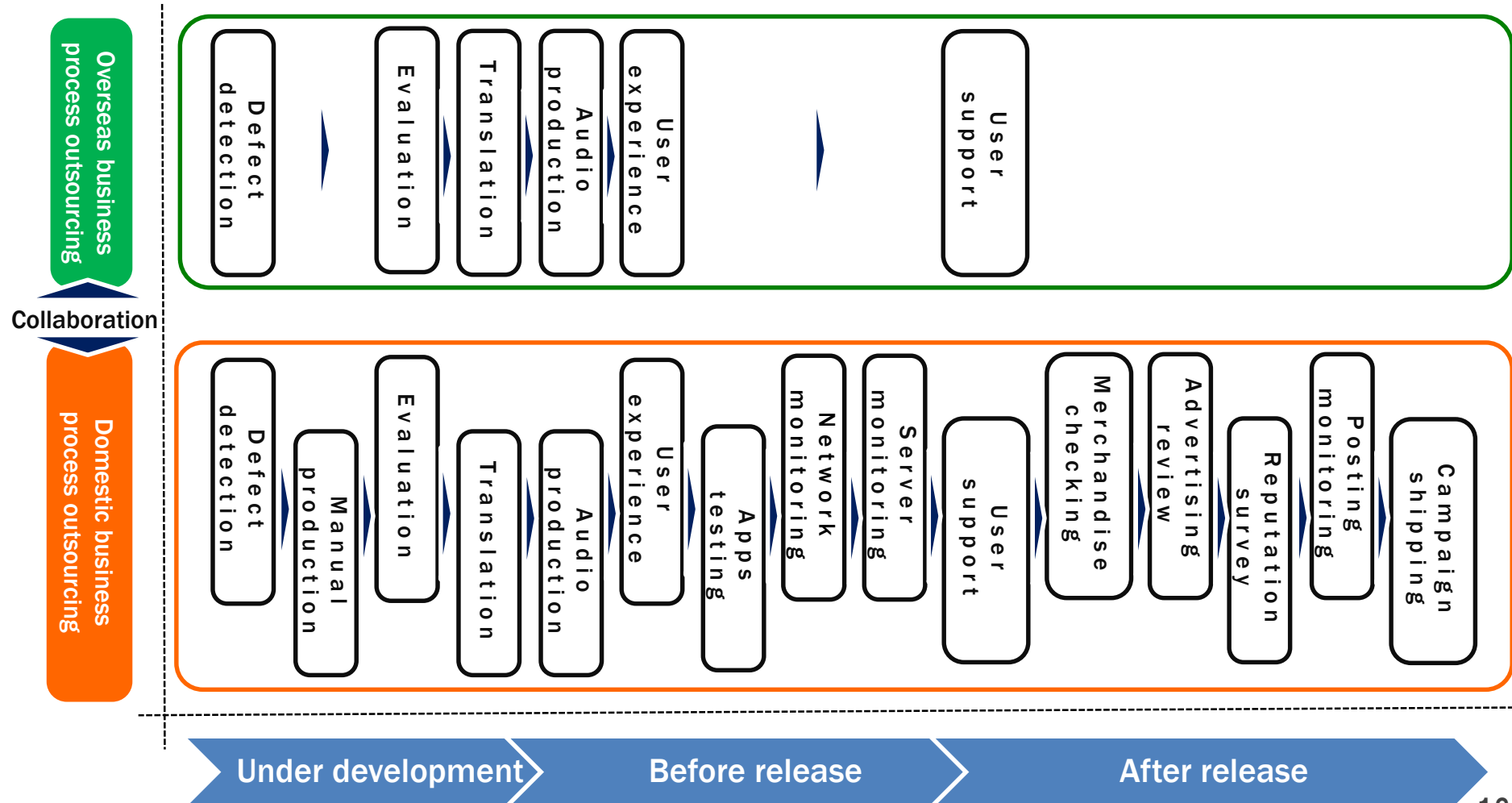
---

- 1** Increase transactions with each client by expanding business process outsourcing services, focusing on customer value chain
- 2** Explore the introduction of new business process outsourcing services to new markets, introducing new operating systems and operating flow to reform our services
- 3** Bolster business development in overseas market, which offers great growth potential

### 3. Future Business Strategies

## 3-2. Current Business Fields and Segments

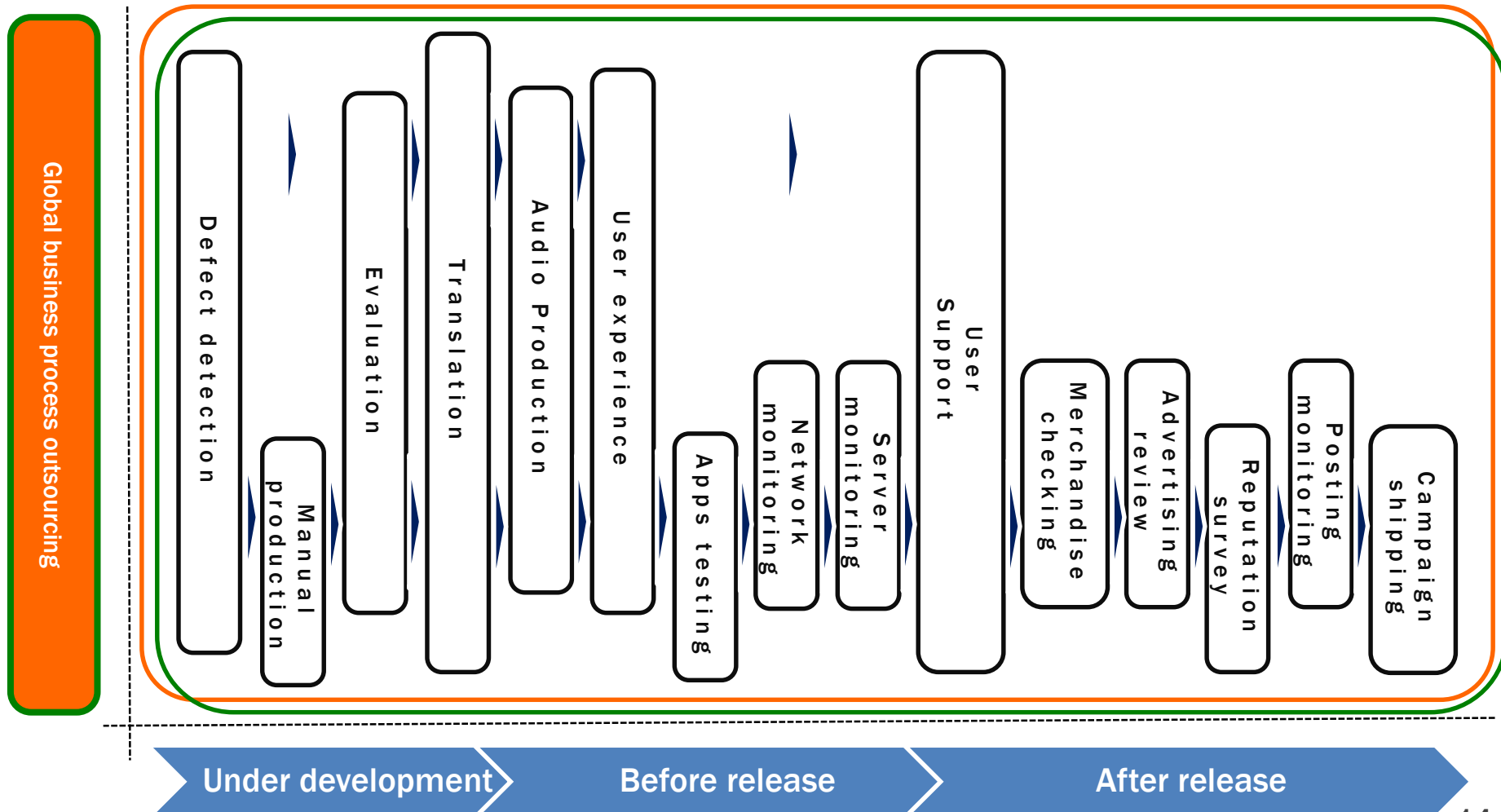
In the process of expanding each business, services or clients overlap between the segments  
 ⇒ Business activities as a whole group is required



### 3. Future Business Strategies

## 3-3. Future Business Strategy Approaches (1)

Establish global business process outsourcing service platform to provide user-friendly support services  
 ⇒ Increase transactions with each client



### 3. Future Business Strategies

## 3-4. Future Business Strategy Approaches (2)

- Looking to generate an average 20% annual growth over next three years
- Seeking to boost revenues and earnings by expanding business areas based on growth strategies

New markets

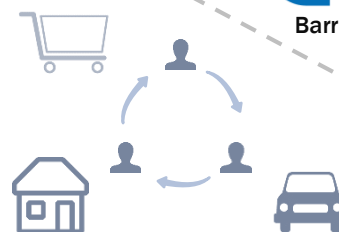
- **Cultivate new markets with core services**  
Go beyond video game and Internet sectors with core defect detection and monitoring services

Education	E-learning materials defect detection	
Appliances	Digital appliance verification	
Publishing	E-book defect detection	
Life/non-life insurance	Agency website reviews	



**Cultivate new businesses**

Including medical professional recruitment, barrier free-related businesses, and B2C businesses



- **Expand Cultivate new business process outsourcing services in new markets**

Existing markets

- **Expand shares of existing markets**  
Expand shares in existing markets, particularly cultivating e-commerce and overseas game markets

Video games	Defect detection User experience Localization Post monitoring Call centers Advertising reviews Server monitoring	
Amusement equipment		
Online media		
E-commerce		

- **Reinforce business process outsourcing services in existing markets**

Cultivate these services comprehensively in core sectors beyond testing/verification and Internet monitoring frameworks

Video games	Instruction manual and playing guide production
Amusement equipment	Development assistance and new model reputation surveys
Online media	Facebook and Twitter support
E-commerce	Free market apps, cross-border e-commerce, and back office representation

Existing services

New services



## 4. Reference: Corporate Profile/Our Business



### 4-1. Corporate Profile

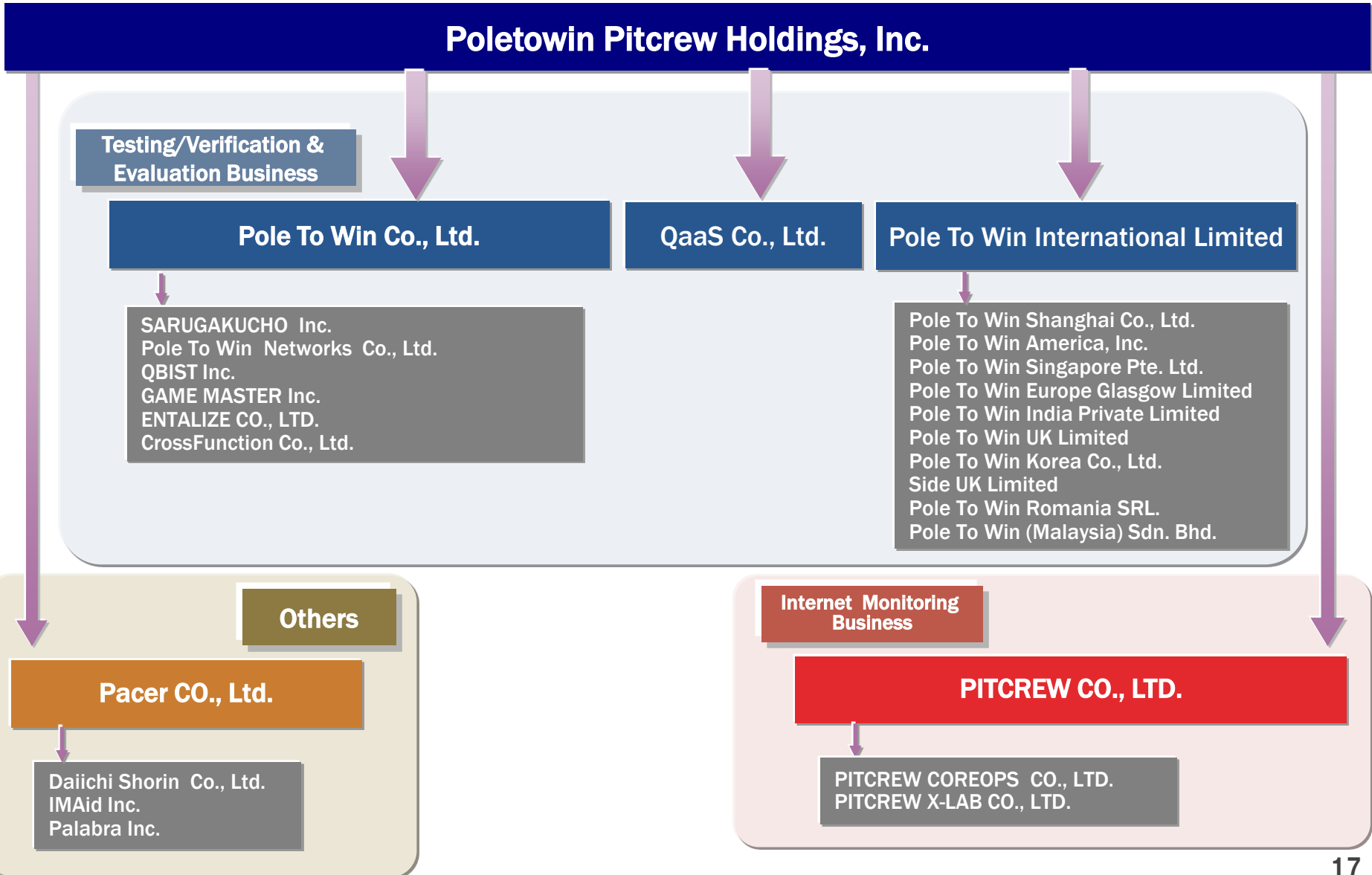
( As of January 31, 2017 )

Company Name	Poletowin Pitcrew Holdings, Inc.	
Representatives	Tamiyoshi Tachibana, Chairman Naoto Konishi, President	
Head Office	11th Floor, Shinjuku NS Building, 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0811, Japan	
Date Established	February 2, 2009	
Capital	¥1,237 Million (As of January 31, 2017)	
Stock Exchange/ Securities Code	Tokyo Stock Exchange (First Section) (Securities Code: 3657 Abbreviation: Pole HD)	
Business Description	<p>Operations ancillary and pertaining to the control and management of business activities of the Company and the entire Group encompassed 26 consolidated subsidiaries.</p> <p>Major Group businesses</p> <ol style="list-style-type: none"> <li>1. Testing/Verification &amp; Evaluation Business Detecting defects (finding bugs) in support of enhancing the quality of software and hardware</li> <li>2. Internet Monitoring Business Detecting fraud and illegal or harmful information on the Internet to help websites operate soundly</li> <li>3. Others Including publishing, media businesses and medical staffing services</li> </ol>	
Consolidated Financial Results (Fiscal 2016)	<p>Net Sales: ¥19,633 Million</p> <p>Ordinary Income: ¥2,312 Million</p> <p>Net Income: ¥1,168 Million</p>	<p>No. of Employees on Consolidated Basis: 3,205 (including 1,356 full-time employees as of January 31, 2017)</p>

# 4. Reference: Corporate Profile/Our Business

## 4-2. Group Composition (26 Consolidated Subsidiaries)

(As of October 31, 2017)

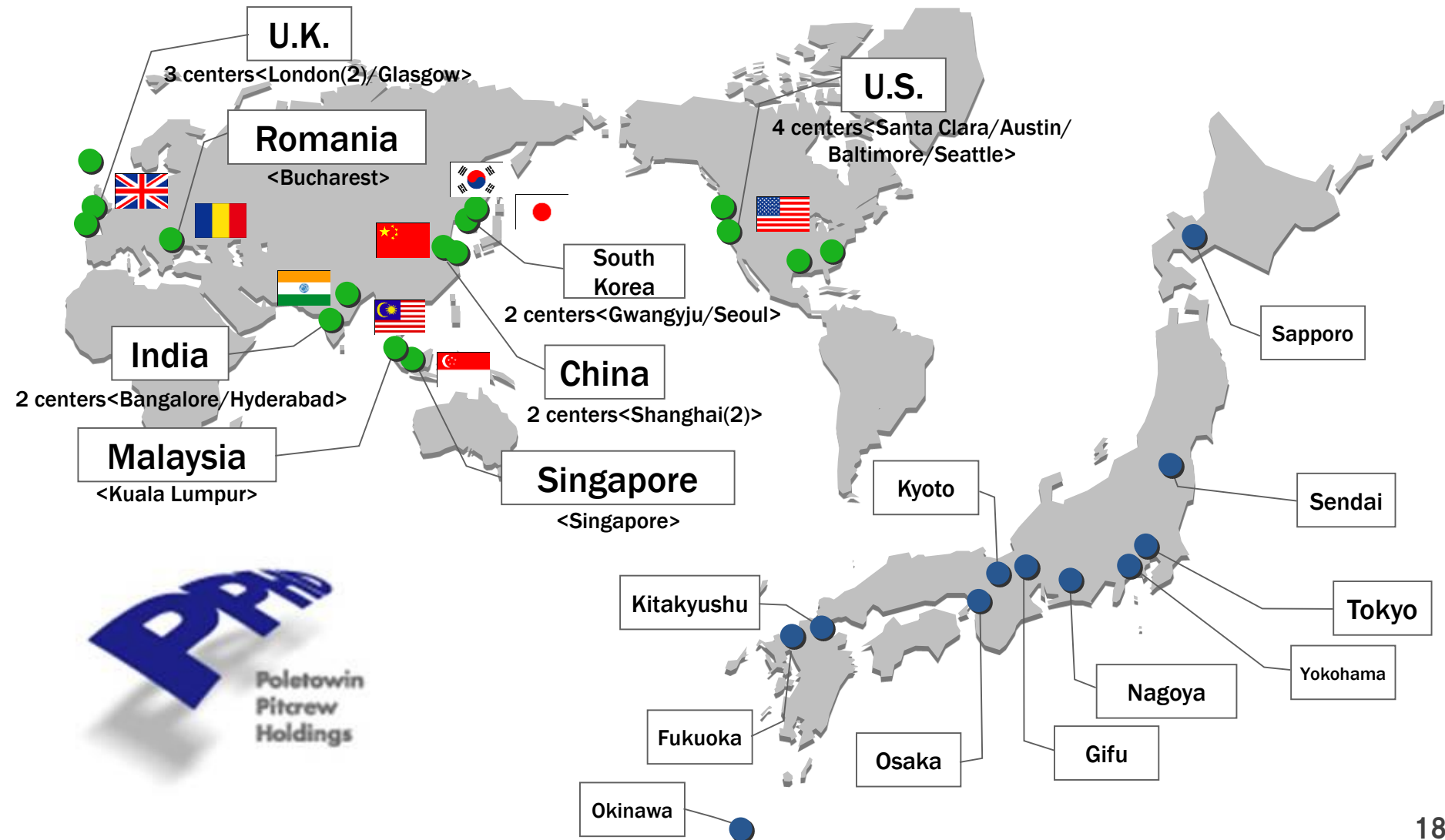


# 4. Reference: Corporate Profile/Our Business

## 4-3. Testing/Verification & Evaluation and Internet Monitoring Business Sites

■ Operating in 11 cities in Japan and 16 centers in 8 foreign countries

(As of January 31, 2017)



- The information on this website includes forward-looking statements. These forward-looking statements do not guarantee our future financial results, but 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.
- Poletowin Pitcrew 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.