



Poletowin Pitcrew Holdings, Inc.

Supplementary Information to the Financial Results for the Six Months Ended July 31, 2016

**Securities code: 3657
Abbreviation: Pole HD
September 9, 2016**

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1. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2016

1-1. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2016



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

| | FY2017.1 Six Months Ended July 31, 2016 (2016.2 - 2016.7) | | FY2016.1 Six Months Ended July 31, 2015 (2015.2 - 2015.7) | | Change YoY | |
|---|--|--------|--|--------|--------------|---------|
| | Results | Margin | Results | Margin | Change | Margin |
| Net sales | 8,885 | - % | 9,243 | - % | (358) | (3.9%) |
| Operating income | 853 | 9.6% | 1,311 | 14.2% | (458) | (34.9%) |
| Ordinary income | 669 | 7.5% | 1,301 | 14.1% | (632) | (48.6%) |
| Profit attributable to owners of parent | 267 | 3.0% | 769 | 8.3% | (501) | (65.2%) |

*Percentages rounded down to one decimal place

1. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2016

1-2. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2016



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

| | Results For the Six Months Ended July 31, 2016 | | Forecasts For the Six Months Ended July 31, 2016 | | Change in Forecasts | |
|---|--|--------|--|--------|---------------------|----------|
| | Results | Margin | Forecasts | Margin | Change | Progress |
| Net sales | 8,885 | - % | 9,335 | - % | (449) | 95.2% |
| Operating income | 853 | 9.6% | 689 | 7.4% | +164 | 123.9% |
| Ordinary income | 669 | 7.5% | 597 | 6.4% | +71 | 112.0% |
| Profit attributable to owners of parent | 267 | 3.0% | 202 | 2.2% | +65 | 132.5% |

*Percentages rounded down to one decimal place

1. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2016



1-3. Segment Overviews for the Six Months Ended July 31, 2016

Testing/Verification & Evaluation Business

Net Sales ¥7,199 million (81.0% of net sales)

| | FY2017.1 Six Months Ended July 31, 2016 (2016.2 - 2016.7) | FY2016.1 Six Months Ended July 31, 2015 (2015.2 - 2015.7) | Change YoY | |
|------------------|--|--|---------------|----------------|
| | | | Change | Margin |
| Net sales | 7,199 | 7,544 | (344) | (4.6%) |
| Operating income | 1,033 | 1,372 | (338) | (24.7%) |
| Operating margin | 14.4% | 18.2% | (3.8%) | - |

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

Percentages rounded down to one decimal place

Internet Monitoring Business

Net sales ¥1,570 million (17.7% of net sales)

| | FY2017.1 Six Months Ended July 31, 2016 (2016.2 - 2016.7) | FY2016.1 Six Months Ended July 31, 2015 (2015.2 - 2015.7) | Change YoY | |
|------------------|--|--|-------------|---------------|
| | | | Change | Margin |
| Net sales | 1,570 | 1,637 | (67) | (4.1%) |
| Operating income | (85) | (15) | (69) | - % |
| Operating margin | - % | - % | - % | - |

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

Percentages rounded down to one decimal place

1-4. Quarterly Net Sales and Operating Income

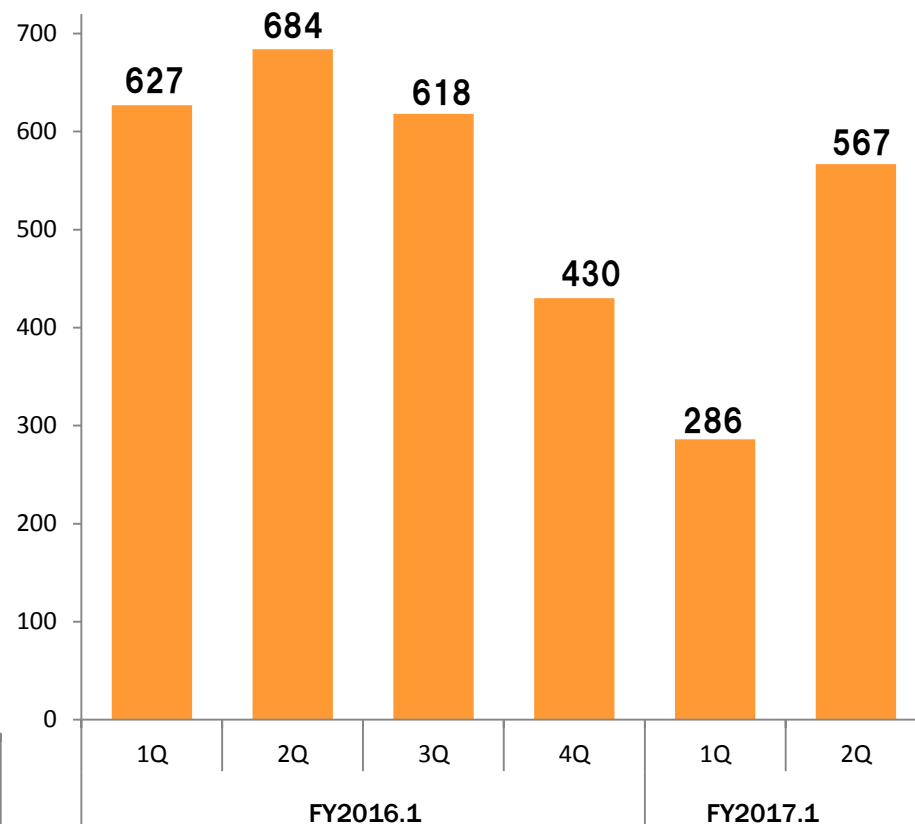
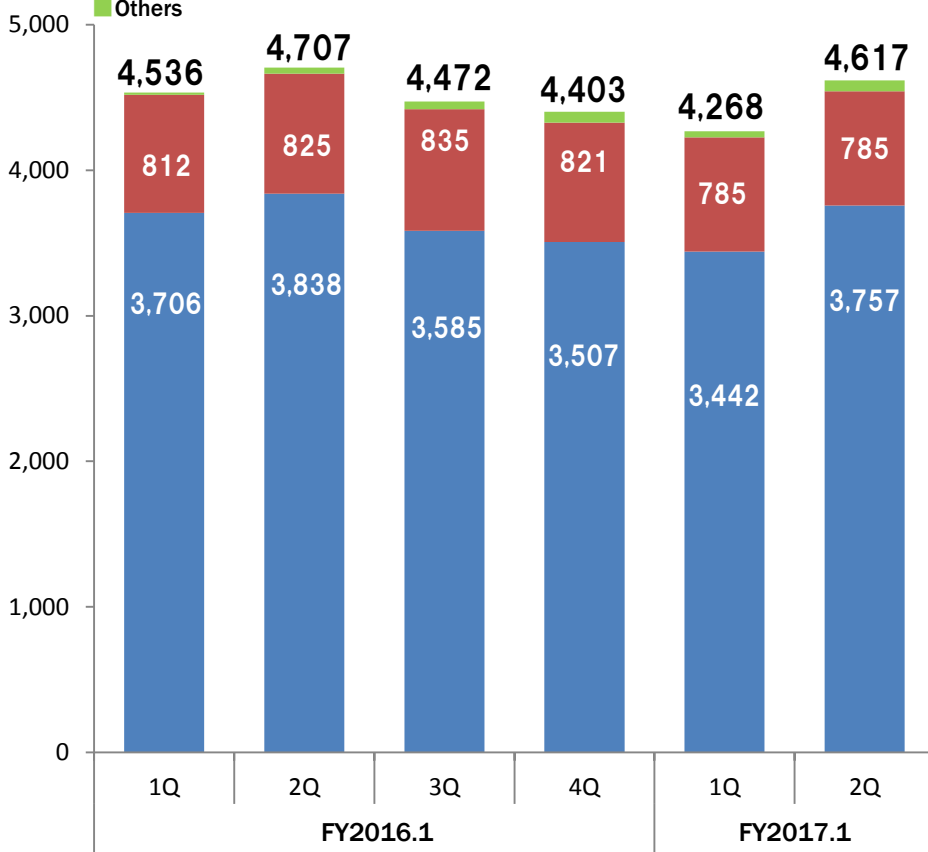
Quarterly sales

Quarterly operating income

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

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

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



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

1-5. Financial Position: Consolidated Balance Sheets

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

| | July 31, 2016 | January 31, 2016 | Change |
|--|---------------|------------------|----------------|
| Total current assets | 7,455 | 8,936 | (1,480) |
| Cash and deposits | 4,188 | 5,636 | (1,448) |
| Total property, plant and equipment | 489 | 491 | (2) |
| Total intangible assets | 1,843 | 2,144 | (301) |
| Investments and other assets | 776 | 744 | +31 |
| Total noncurrent assets | 3,109 | 3,381 | (272) |
| Total assets | 10,565 | 12,317 | (1,752) |
| Total current liabilities | 2,385 | 2,538 | (153) |
| Total noncurrent liabilities | 200 | 261 | (60) |
| Total liabilities | 2,585 | 2,800 | (214) |
| Total net assets | 7,979 | 9,517 | (1,538) |
| Capital stock | 1,236 | 1,236 | +0 |
| Capital surplus | 1,282 | 1,282 | +0 |
| Retained earnings | 6,183 | 6,258 | (75) |
| Total liabilities and net assets | 10,565 | 12,317 | (1,752) |

1-6. Financial Position: Consolidated Cash Flows

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

| | Six Months Ended July 31, 2016 | Six Months Ended July 31, 2015 | YoY Change |
|---|-----------------------------------|-----------------------------------|----------------|
| Net Cash provided by operating activities | 379 | 519 | (139) |
| Net cash used in investing activities | (258) | (177) | (80) |
| Net cash used in financing activities | (1,351) | (304) | (1,047) |
| Effect of exchange rate change on cash and cash equivalents | (218) | (4) | (213) |
| Net increase in cash and cash equivalents | (1,448) | 32 | (1,480) |
| Cash and cash equivalents at beginning of period | 5,636 | 5,343 | +292 |
| Cash and cash equivalents at end of period | 4,188 | 5,376 | (1,188) |

2. Consolidated Forecasts for the Year Ending January 31, 2017



2-1. Consolidated Forecasts for the Year Ending January 31, 2017

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

| | Fiscal 2017 Forecasts | Fiscal 2016 Results | YoY change | |
|--|--------------------------|------------------------|---------------|---------------|
| | | | Amount | Margin |
| Net sales | 20,531 | 18,120 | +2,411 | +13.3% |
| Operating income | 2,466 | 2,360 | +106 | +4.5% |
| Ordinary income | 2,386 | 2,228 | +158 | +7.1% |
| Profit attributable to owners of parent | 1,378 | 1,286 | +92 | +7.1% |
| Net income per share | ¥72.40 | ¥67.58 | +¥4.82 | - |
| Cash dividends per share | ¥19 | ¥18 | ¥+1 | - |

Percentages rounded down to one decimal place

2. Consolidated Forecasts for the Year Ending January 31, 2017

2-2. Progress of Consolidated Forecasts for the Year Ending January 31, 2017



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

| | Results For the Six Months Ended July 31, 2016 | FY2017.1 | |
|--|--|---------------|----------|
| | | Forecasts | Progress |
| Net sales | 8,885 | 20,531 | 43.3% |
| Operating income | 853 | 2,466 | 34.6% |
| Ordinary income | 669 | 2,386 | 28.1% |
| Profit attributable to owners of parent | 267 | 1,378 | 19.4% |

Percentages rounded down to one decimal place

2-3. Shareholder Returns (Forecast of Cash Dividends per Share)

Dividend policy

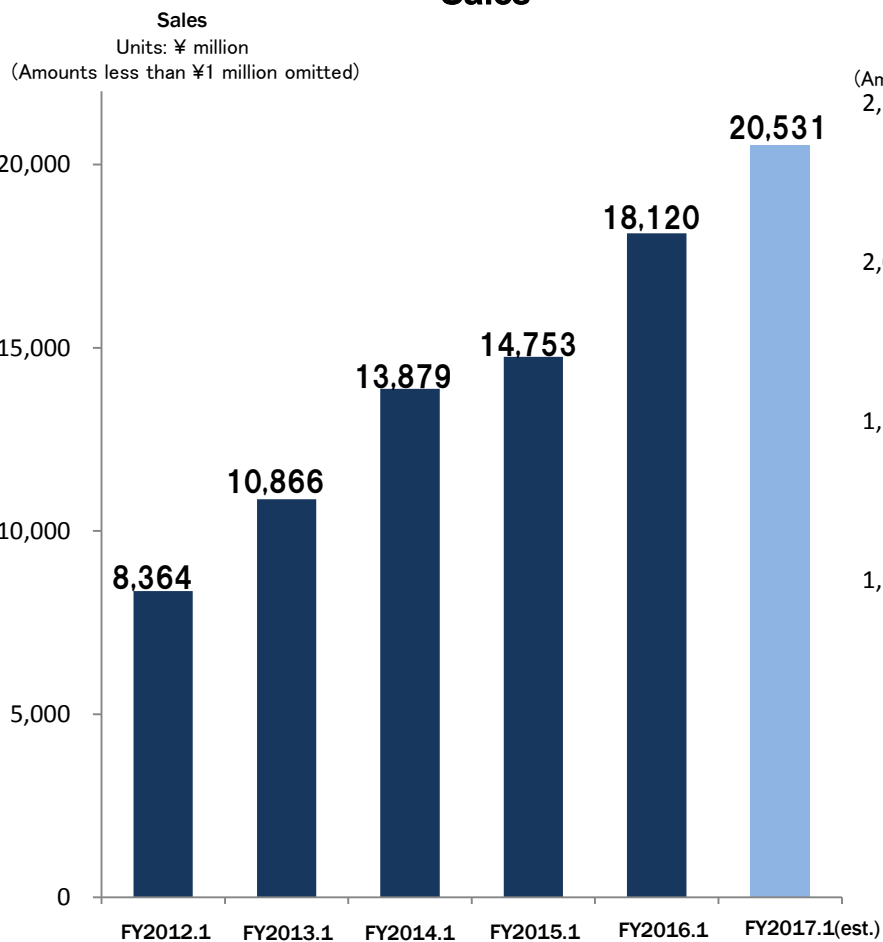
Target payout ratio of 25% to consolidated net income

Yearly dividends per share

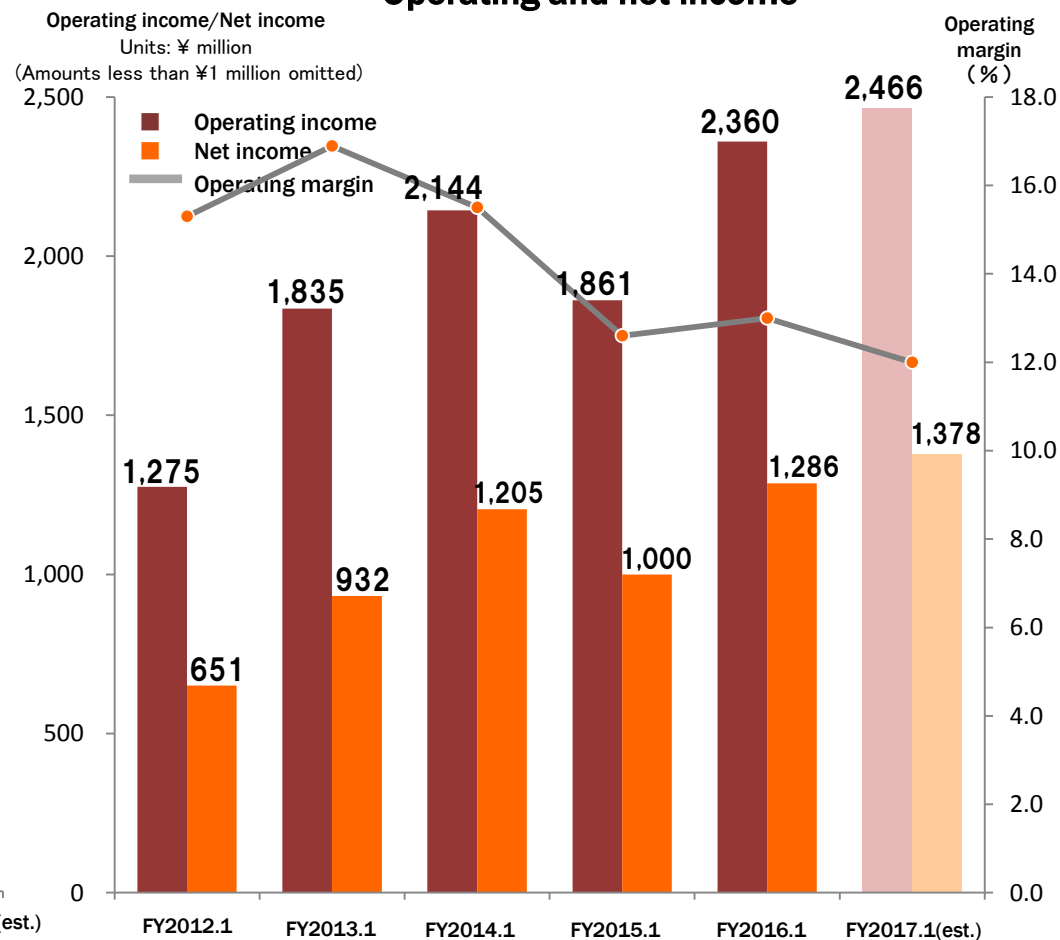
| | | | | | | |
|-----------|---|-----------|---|-----------|---|----------------------|
| FY2014.1 | | FY2015.1 | | FY2016.1 | | FY2017.1 Forecast |
| ¥16/share | → | ¥16/share | → | ¥18/share | → | ¥19/share |

2-4. Consolidated Fiscal Performance and Plan

Sales



Operating and net income



Note: FY2017.1 estimates are forecasts disclosed on March 8, 2016.

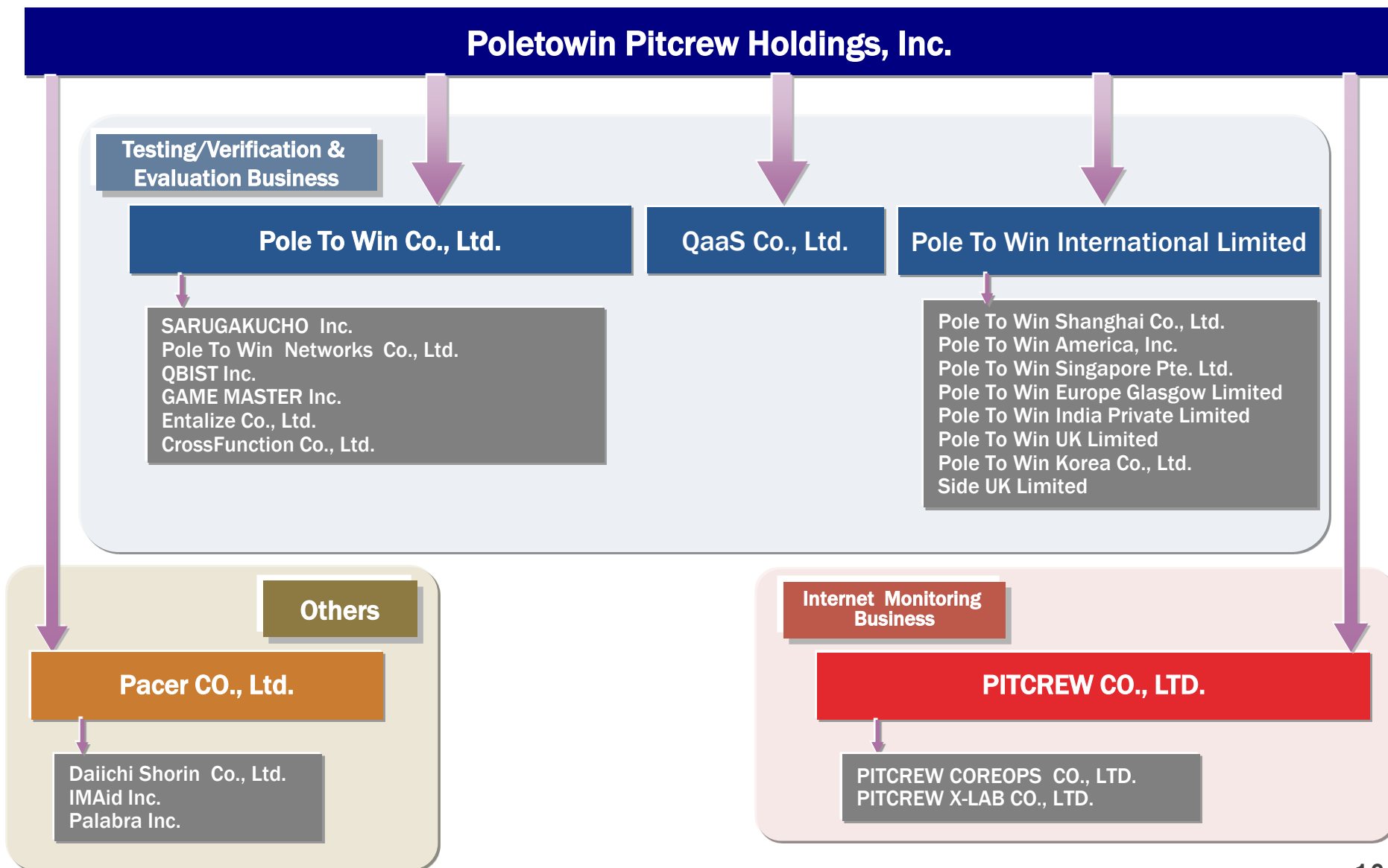
3-1. Corporate Profile

(As of July 31, 2015)

| | | |
|---|---|--|
| 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 | |
| Established | February 2, 2009 | |
| Capital | ¥1,236 Million (As of January 31, 2016) | |
| 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 comprised of 19 consolidated subsidiaries.</p> <p>Major Group businesses</p> <p>1. Testing/Verification & Evaluation Business Detecting defects (finding bugs) to help enhance software and hardware quality</p> <p>2. Internet Monitoring Business Detecting fraud and illegal or harmful information on the Internet to help websites operate soundly</p> <p>3. Others Businesses in publishing and media, among others</p> | |
| Consolidated Financial Results (FY2015.1) | <p>Net Sales: ¥18,120 Million</p> <p>Ordinary Income: ¥2,228 Million</p> <p>Net Income: ¥1,286 Million</p> | <p>No. of Employees on Consolidated Basis: 2,604 (including 1,030 full-time employees, as of January 31, 2016)</p> |

3-2. Group Composition (19 Consolidated Subsidiaries)

(As of July 31, 2016)

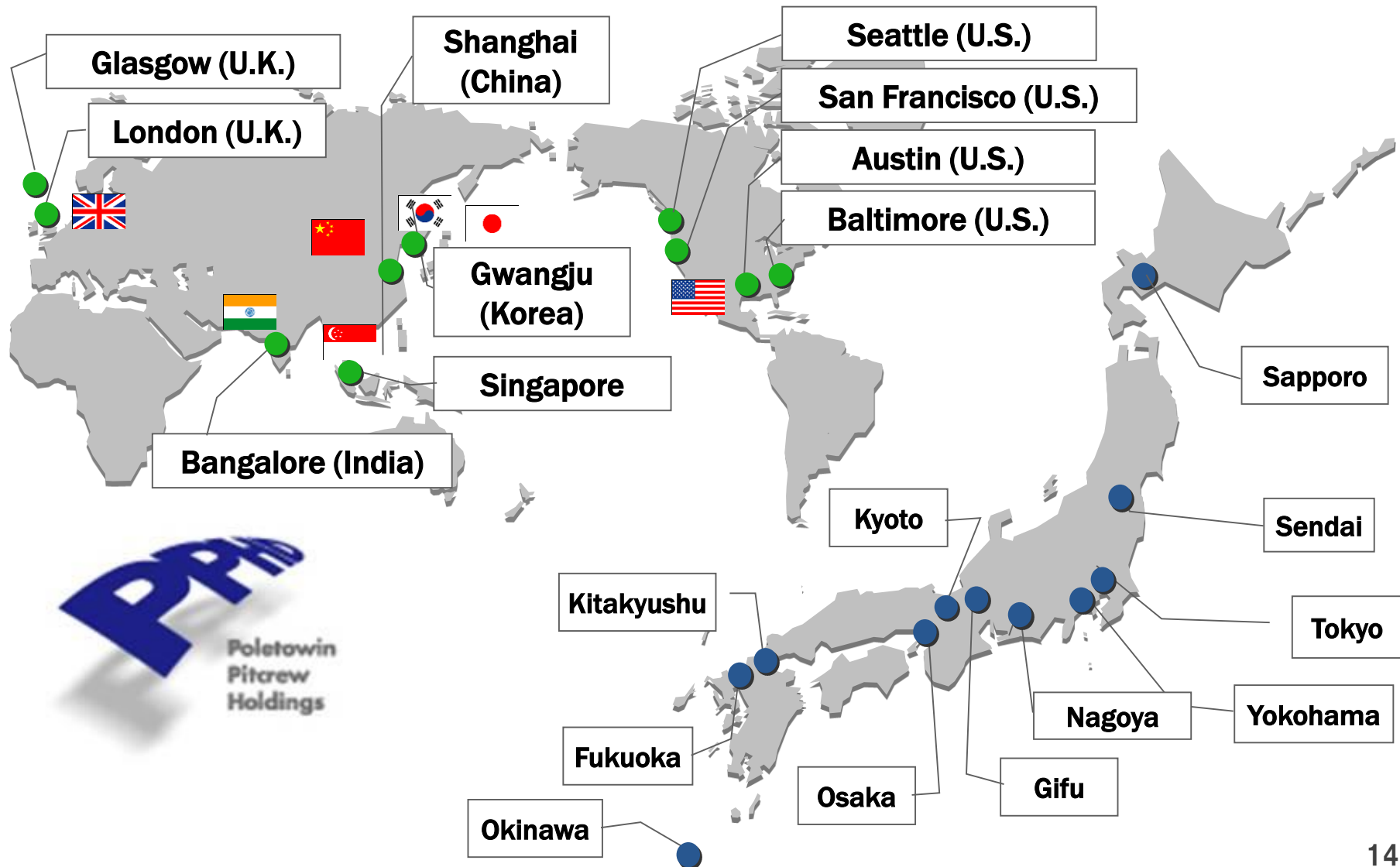


3. Reference: Corporate Profile/Our Business

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

■ Operating in 11 cities in Japan and 6 foreign countries

(As of July 31, 2016)



- 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.