



# **Poletowin Pitcrew Holdings, Inc.**

## **Supplementary Information to the Financial Results for the Year Ended January 31, 2018**

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**Securities code: 3657**  
**Abbreviation: Pole HD**  
**March 12, 2018**

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# 1. Overview of Financial Results for Year Ended January 31, 2018

## 1-1. Overview of Consolidated Financial Results for Year Ended January 31, 2018(Change YoY) (1)



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

	FY2018.1		FY2017.1		Change YoY	
	Results	Margin	Results	Margin	Change	Margin
<b>Net sales</b>	<b>22,266</b>	- %	<b>19,633</b>	- %	<b>+ 2,632</b>	<b>+13.4%</b>
<b>Operating income</b>	<b>2,250</b>	10.1%	<b>2,409</b>	12.3%	<b>(159)</b>	<b>(6.6%)</b>
<b>Ordinary income</b>	<b>2,351</b>	10.6%	<b>2,312</b>	11.8%	<b>+ 38</b>	<b>+1.7%</b>
<b>Net income attributable to owners of parent</b>	<b>1,099</b>	4.9%	<b>1,168</b>	6.0%	<b>(68)</b>	<b>(5.9%)</b>

\*Percentages rounded down to one decimal place

# 1. Overview of Financial Results for Year Ended January 31, 2018

## 1-2. Overview of Consolidated Financial Results for Year Ended January 31, 2018(vs. Forecast) (2)



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

	FY2018.1		Forecast		Comparison with Forecast	
	Results	Margin	Initial forecast	Margin	Change	Attainment rate
<b>Net sales</b>	<b>22,266</b>	- %	<b>21,951</b>	- %	<b>+ 314</b>	101.4%
<b>Operating income</b>	<b>2,250</b>	10.1%	<b>2,442</b>	12.0%	<b>(191)</b>	92.1%
<b>Ordinary income</b>	<b>2,351</b>	10.6%	<b>2,385</b>	11.6%	<b>(34)</b>	98.6%
<b>Net income attributable to owners of parent</b>	<b>1,099</b>	4.9%	<b>1,468</b>	6.7%	<b>(368)</b>	74.9%

\*Percentages rounded down to one decimal place

# 1. Overview of Financial Results for Year Ended January 31, 2018



## 1-3. Segment Performances

### Testing/Verification & Evaluation Business

**Net sales ¥18,367 million (82.5% of net sales)**

	FY2018.1	FY2017.1	Change YoY	
			Change	Margin
Net sales	18,367	16,039	+2,328	+14.5%
Operating income	2,480	2,499	(19)	(0.8%)
Operating margin	13.5%	15.6%	(2.1%)	—

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

Percentages rounded down to one decimal place

### Internet Supporting Business

**Net sales ¥ 3,678 million (16.5% of net sales)**

	FY2018.1	FY2017.1	Change YoY	
			Change	Margin
Net sales	3,678	3,261	+417	+12.8%
Operating income	155	(27)	+183	-%
Operating margin	4.2%	-%	-%	—

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

Percentages rounded down to one decimal place

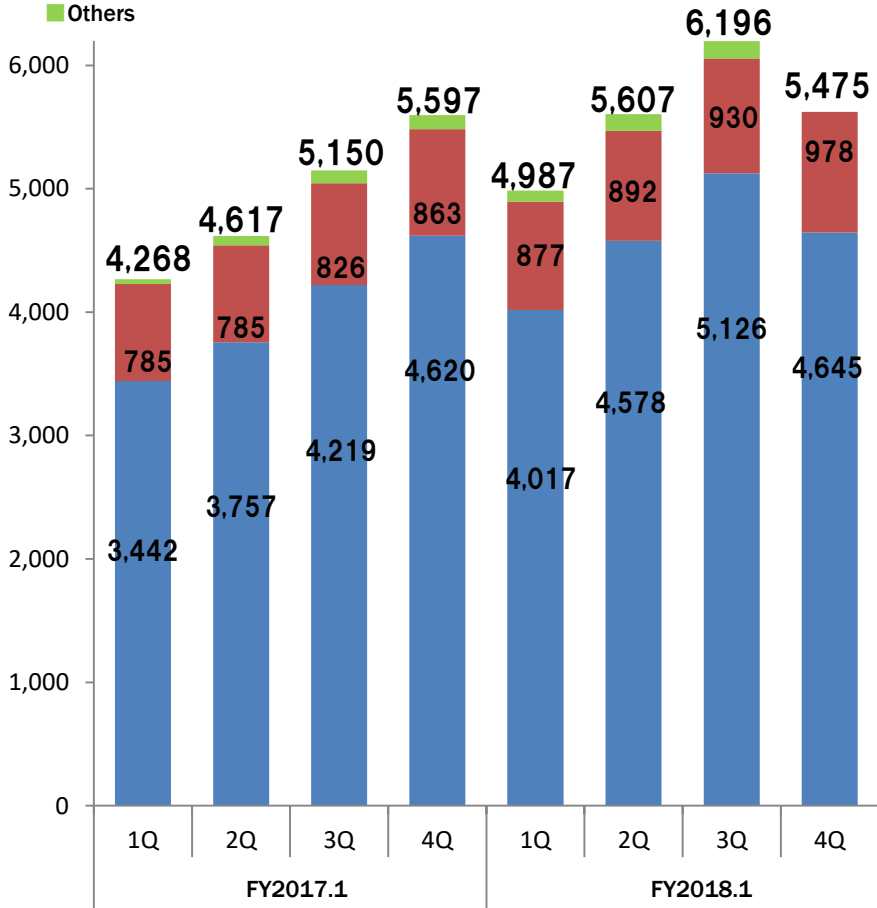
# 1. Overview of Financial Results for Year Ended January 31, 2018

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

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

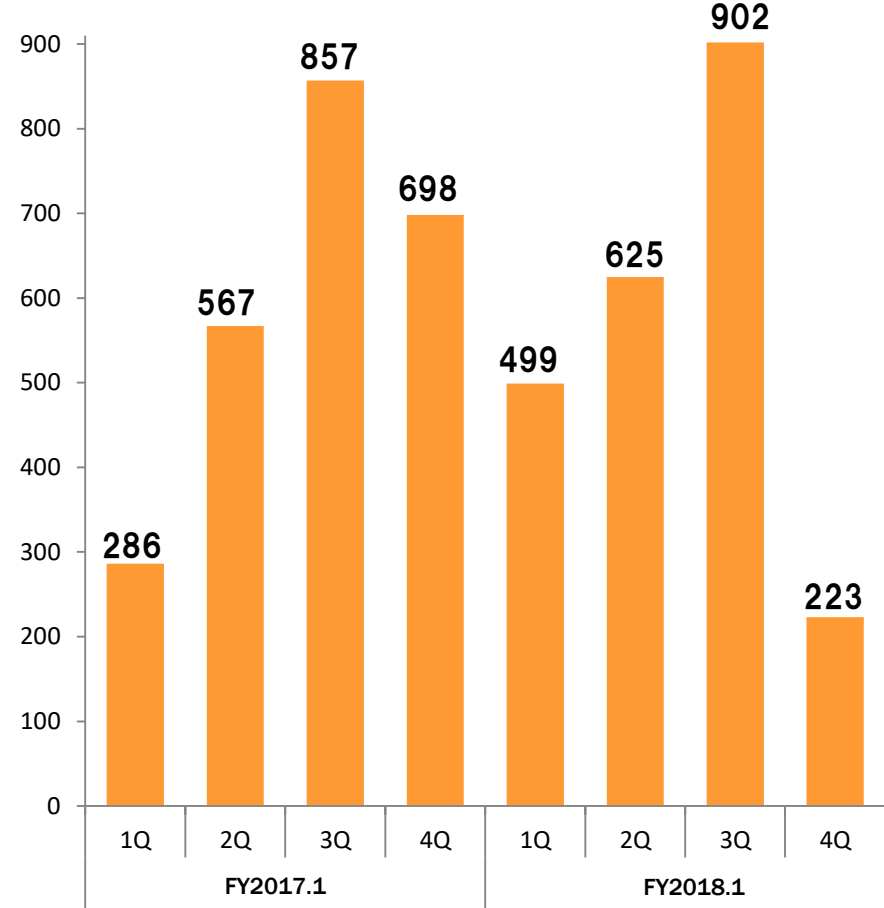
■ Testing/Verification & Evaluation Business  
 ■ Internet Supporting Business  
 ■ Others

### Quarterly sales



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

### 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, 2018

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



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

	Jan. 31, 2018	Jan. 31, 2017	Change
<b>Total current assets</b>	9,398	8,703	+695
<b>Cash and deposits</b>	5,746	5,075	+671
<b>Total property, plant and equipment</b>	749	680	+68
<b>Total intangible assets</b>	1,160	1,592	(432)
<b>Investments and other assets</b>	984	864	+119
<b>Total noncurrent assets</b>	2,893	3,138	(245)
<b>Total assets</b>	12,291	11,842	+449
<b>Total current liabilities</b>	3,052	2,604	+448
<b>Total noncurrent liabilities</b>	185	191	(5)
<b>Total liabilities</b>	3,238	2,795	+442
<b>Total net assets</b>	9,053	9,046	+7
<b>Capital stock</b>	1,237	1,237	+0
<b>Capital surplus</b>	1,283	1,283	+0
<b>Retained earnings</b>	7,836	7,084	+752
<b>Treasury shares</b>	(1,412)	(732)	(680)
<b>Total liabilities and net assets</b>	12,291	11,842	+449

# 1. Overview of Financial Results for Year Ended January 31, 2018

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



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

	<b>FY2018.1</b> <b>(2017.2-2018.1)</b>	<b>FY2017.1</b> <b>(2016.2-2017.1)</b>	<b>Change</b> <b>YoY</b>
<b>Operating cash flows</b>	2,434	1,517	+917
<b>Investing cash flows</b>	(734)	(542)	(191)
<b>Financing cash flows</b>	(1,034)	(1,349)	+315
<b>Effect of exchange rate changes on cash and cash equivalents</b>	5	(185)	+191
<b>Net increase in cash and cash equivalents</b>	671	(560)	+1,232
<b>Cash and cash equivalents at beginning of year</b>	5,075	5,636	(560)
<b>Cash and cash equivalents at end of year</b>	5,746	5,075	+671



## 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 2015	Fiscal 2016	Fiscal 2017	Fiscal 2018 Forecast
<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)	<b>¥19.00/share</b> (¥19.00 ordinary dividend)

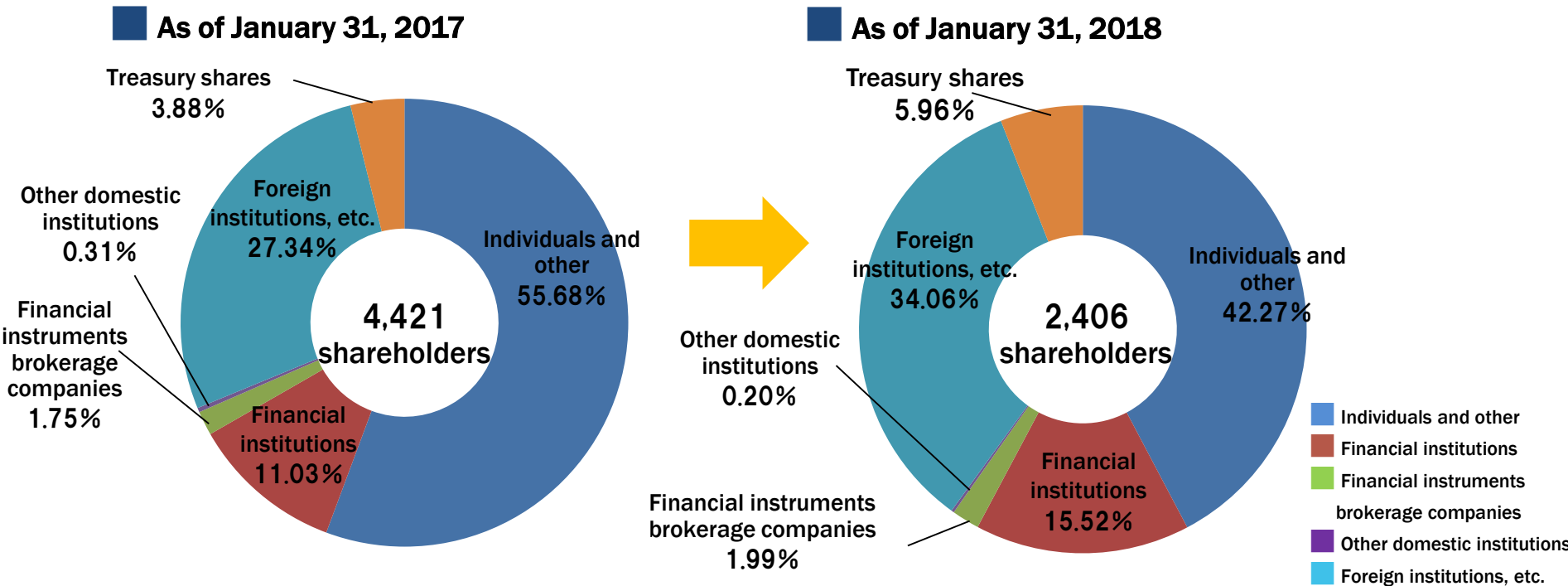
# 1. Overview of Financial Results for Year Ended January 31, 2018

## 1-8. Stock Information

### Number of Shares Issued

<b>As of January 31, 2017</b>	<b>19,053,600</b>
<b>As of January 31, 2018</b>	<b>19,058,400</b>

### Stock Distribution by Shareholder



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

## 2. Forecasts for Year Ending January 31, 2019

### 2-1. Consolidated Forecasts for Year Ending January 31, 2019

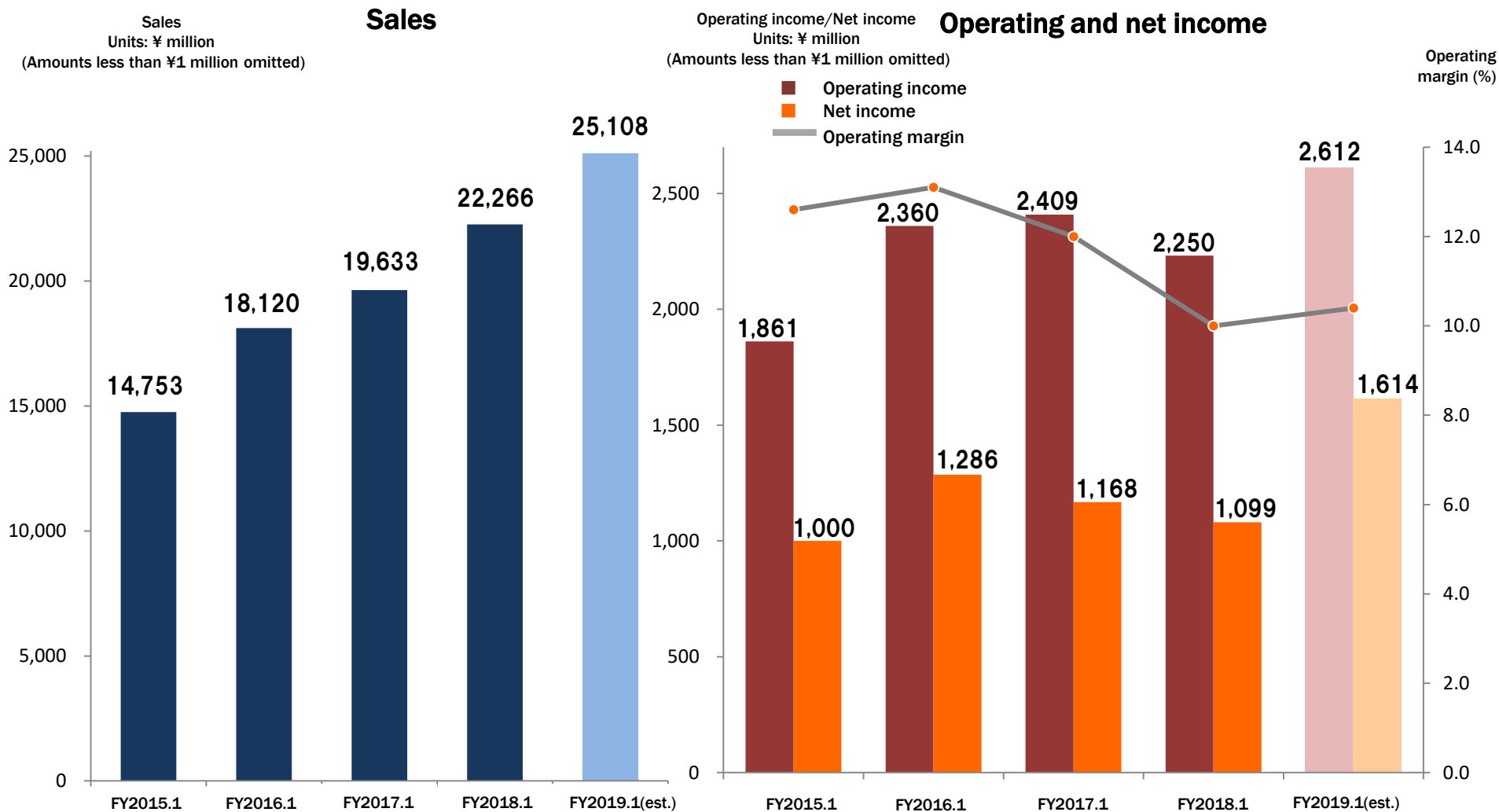
Units (except for per-share figures): ¥ million (Amounts less than ¥1 million omitted)

	Fiscal 2019 Forecasts	Fiscal 2018 Results	YoY change	
			Amount	%
<b>Net sales</b>	<b>25,108</b>	22,266	+2,842	+12.8%
<b>Operating income</b>	<b>2,612</b>	2,250	+362	+16.1%
<b>Ordinary income</b>	<b>2,624</b>	2,351	+273	+11.6%
<b>Net income attributable to owners of parent</b>	<b>1,614</b>	1,099	+515	+46.8%
<b>Net income per share</b>	<b>¥84.71</b>	¥60.90	+¥23.81	—
<b>Cash dividends per share</b>	<b>¥20</b>	¥19	+¥1	—

Percentages rounded down to one decimal place

## 2. Forecasts for Year Ending January 31, 2019

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



Note: FY2019.1 estimates are forecasts disclosed on March 12, 2018.

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

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#### <Game Market>

**1**

Expand market shares in core Testing/ Verification and Evaluation Business

Promote cross-selling in Internet Support Business

Reinforce multilingual business process outsourcing services for global contents

#### <Non-Game Market>

**2**

Expand electric payment system testing, server monitoring and data processing services to online shopping, video site and sharing economy services

Utilize AI and deploy services that supports AI accuracy improvement

#### <Corporate Structure>

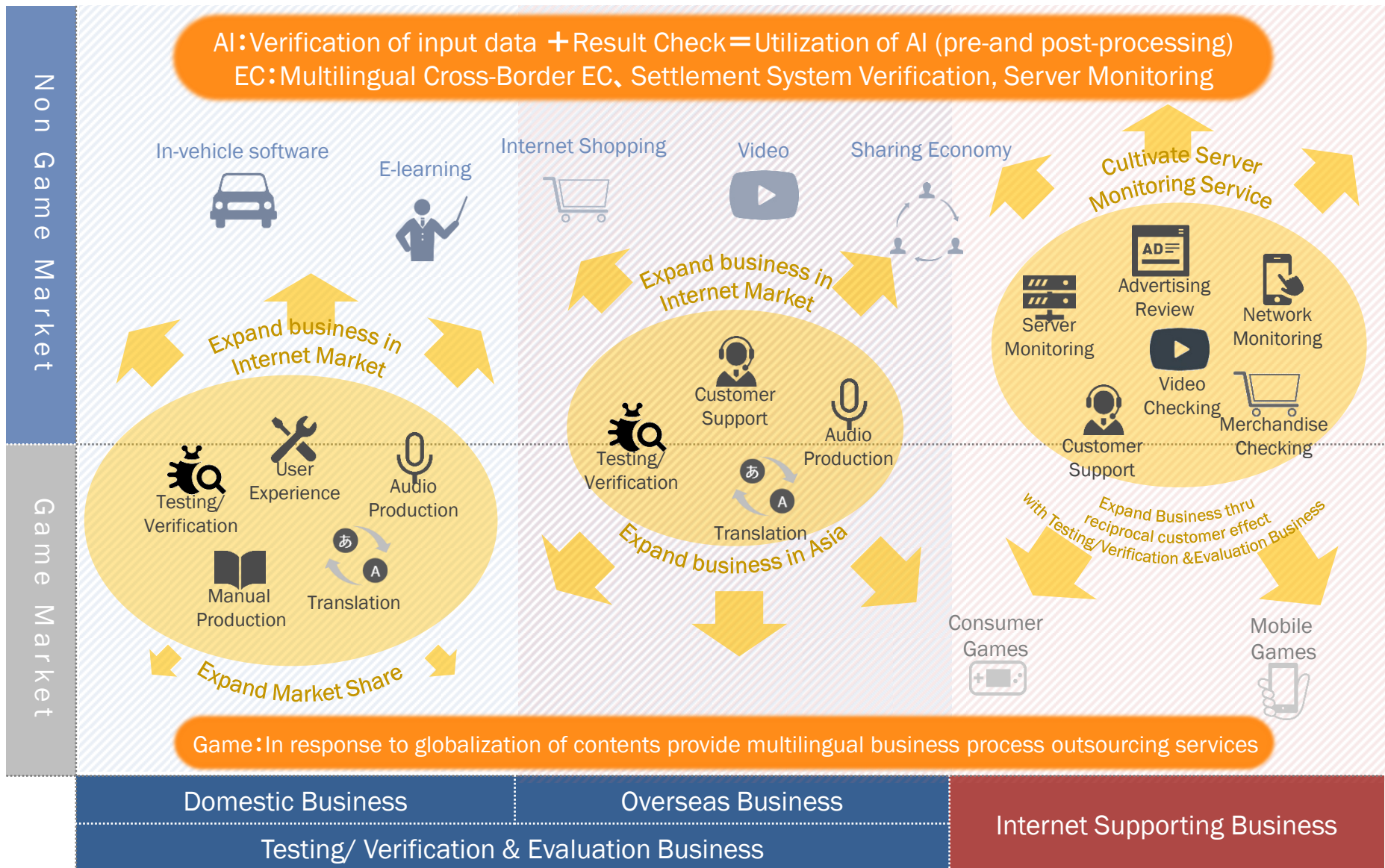
**3**

Consolidate subsidiaries and centers to improve profitability

Promote personnel reshuffle to improve further synergistic effects

# 3. Future Business Strategies

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



## 4. Reference: Corporate Profile/Our Business



### 4-1. Corporate Profile

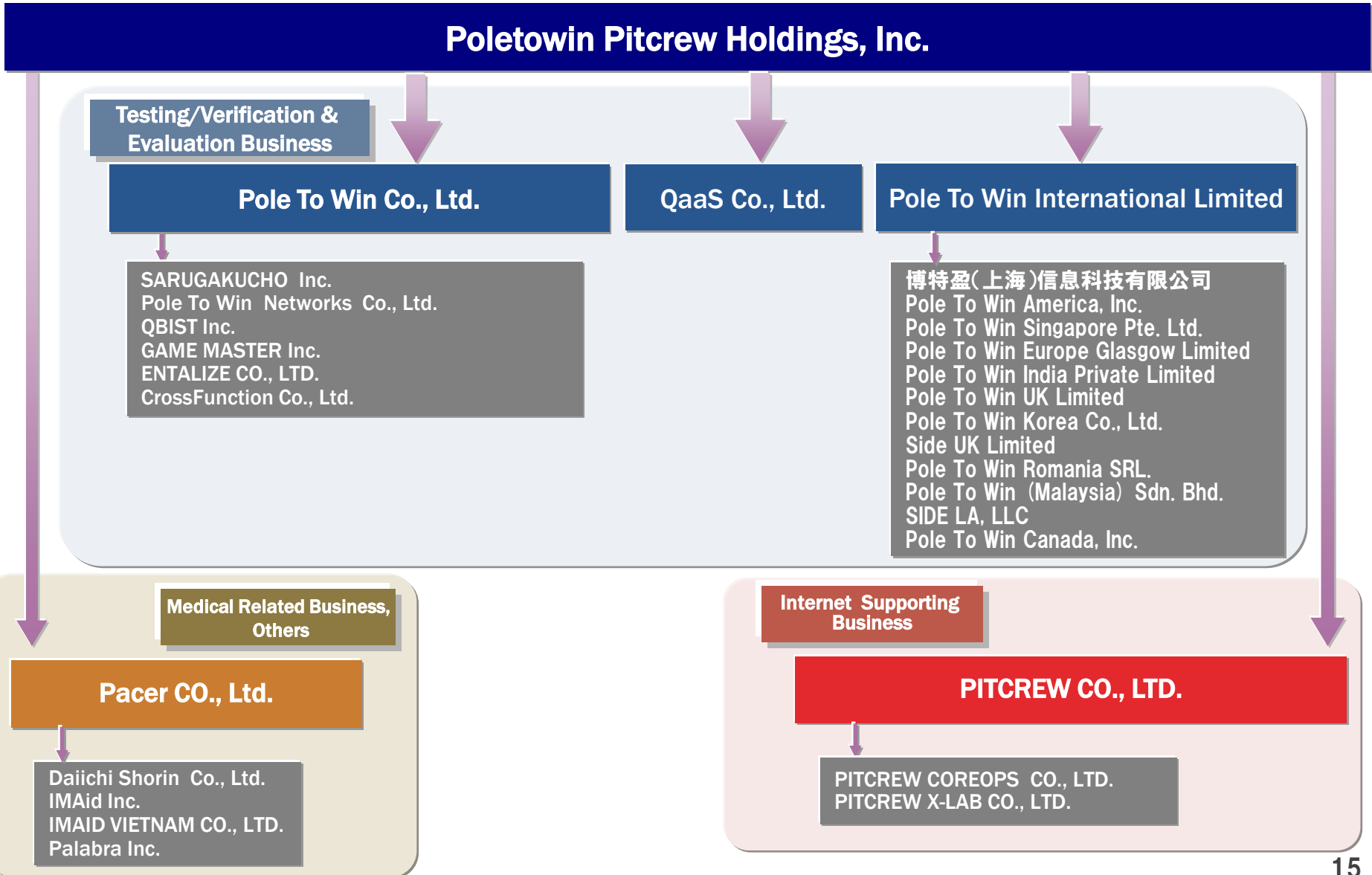
( As of January 31, 2018 )

<b>Company Name</b>	Poletowin Pitcrew Holdings, Inc.	
<b>Representatives</b>	Tamiyoshi Tachibana, Chairman Naoto Konishi, President	
<b>Head Office</b>	11th Floor, Shinjuku NS Building, 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0811, Japan	
<b>Date Established</b>	February 2, 2009	
<b>Capital</b>	¥1,237 Million (As of January 31, 2018)	
<b>Stock Exchange/ Securities Code</b>	Tokyo Stock Exchange (First Section) (Securities Code: 3657 Abbreviation: Pole HD)	
<b>Business Description</b>	<p>Operations ancillary and pertaining to the control and management of business activities of the Company and the entire Group encompassed 29 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 Supporting Business Detecting fraud and illegal or harmful information on the Internet to help websites operate soundly</li> <li>3. Medical Related Business and Others Including Medical Staffing Services, publishing/media businesses</li> </ol>	
<b>Consolidated Financial Results (Fiscal 2018)</b>	<p>Net Sales: ¥22,266 Million</p> <p>Ordinary Income: ¥2,351 Million</p> <p>Net Income: ¥1,099 Million</p>	<p>No. of Employees on Consolidated Basis: 3,363 (including 1,485 full-time employees as of January 31, 2018)</p>

# 4. Reference: Corporate Profile/Our Business

## 4-2. Group Composition (29 Consolidated Subsidiaries)

(As of January 31, 2018)



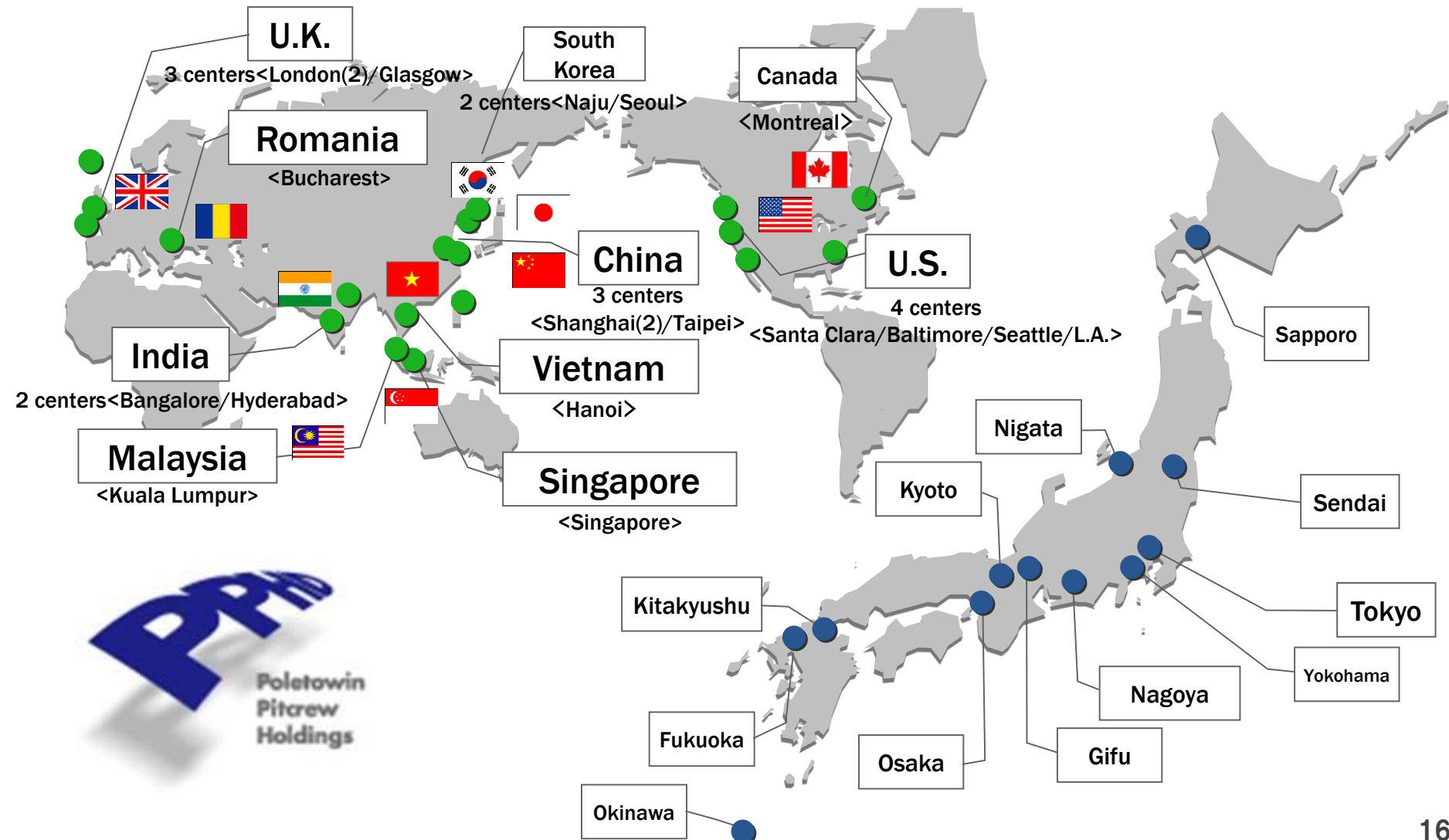


# 4. Reference: Corporate Profile/Our Business

## 4-3. Business Sites

■ Operating in 12 cities in Japan and 19 centers in 10 foreign countries

(As of January 31, 2018)



- 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.