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# Poletowin Pitcrew Holdings, Inc.

## Supplementary Information to the Financial Results for the Three Months Ended April 30, 2013

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**Smooth integration of subsidiaries acquired in Japan and overseas  
in FY2013.1 resulting in:**

- **Net sales: +38.9% YoY, Operating income: +24.9% YoY**

**Work increased finding bugs in smartphone apps, amusement equipment  
and for clients overseas, and in user support. As a result:**

- **Achieved another record-high sales for the three months**

**Securities code: 3657**

**Abbreviation: Pole HD**

**June 7, 2013**

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# 1. Overview of Financial Results for the Three Months Ended April 30, 2013



## 1-1. Overview of Consolidated Financial Results for the Three Months Ended April 30, 2013

- **Subsidiaries in Japan and overseas acquired** in FY2013.1 produced **operating synergies** and **expanded order intake capabilities**
- **Sales and profits increased** YoY from more work finding bugs in smartphone apps, amusement equipment and for clients overseas, and in user support

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

	FY2014.1 Three Months Ended April 30, 2013 (2013.2 - 2013.4)		FY2013.1 Three Months Ended April 30, 2012 (2012.2 - 2012.4)		Change YoY	
	Results	Margin	Results	Margin	Change	Margin
Net sales	<b>3,251</b>	- %	<b>2,340</b>	- %	<b>910</b>	+38.9%
Operating income	<b>507</b>	15.6%	<b>406</b>	17.4%	<b>101</b>	+24.9%
Ordinary income	<b>573</b>	17.6%	<b>439</b>	18.8%	<b>134</b>	+30.6%
Net income	<b>326</b>	10.0%	<b>228</b>	9.7%	<b>98</b>	+43.3%

\*Percentages rounded to the nearest first decimal place

# 1. Overview of Financial Results for the Three Months Ended April 30, 2013



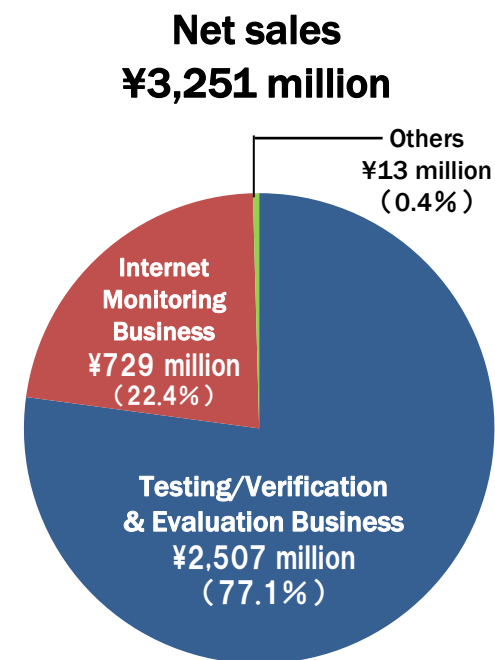
## 1-2. Overview of Results by Segment for the Three Months Ended April 30, 2013

- Both Testing/Verification & Evaluation and Internet Monitoring saw record quarterly sales
- **Mutual customer** referral among Group companies enabled the Group to **deepen one-on-one business** with clients and provide a one-stop, full-service platform for defect detection, Internet monitoring and user support

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

		FY2014.1 Results for the Three Months Ended April 30, 2013	FY2013.1 Results for the Three Months Ended April 30, 2012	Change YoY
Testing/ Verification & Evaluation Business	Net sales	<b>2,507</b>	1,738	+44.2%
	Operating income	<b>464</b>	393	+18.0%
Internet Monitoring Business	Net sales	<b>729</b>	601	+21.3%
	Operating income	<b>49</b>	11	+344.4%

Composition of Sales by Segment  
(For the Three Months Ended April 30, 2013)



\*Percentages rounded to the nearest first decimal place

## 1-3. Topics by Segment for the Three Months Ended April 30, 2013

### Testing/Verification & Evaluation Business

**Net Sales ¥2,507million** (77.1% of total sales)

- Orders for smartphone application defect detection (finding bugs) increased
  - As a result of social game providers tilting toward developing games with more entertainment value
  - An increase in defect detection work due to the rising complexity of native apps and other games
- Accelerated global expansion
  - As a result of establishing eight bases in five countries, the segment's overseas sales ratio rose to over 10%
- Orders for amusement equipment defect detection (finding bugs) increased
  - As a result of an increase in models featuring higher entertainment value

### Internet Monitoring Business

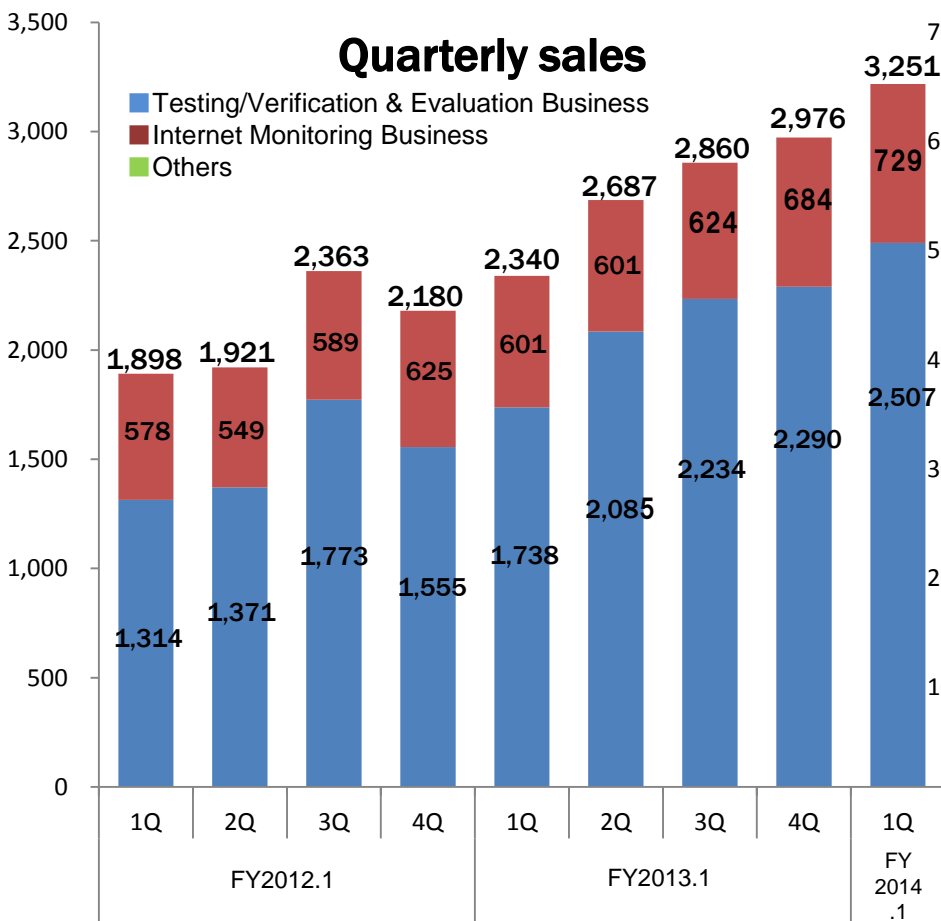
**Net Sales ¥729 million** (22.4% of net sales)

- Orders for e-commerce user support services and review of Internet advertising increased
  - As a result of increased operating and user support in e-books, e-commerce and other spaces
- Orders for investigating youth Internet activity increased: Cumulative contracts with 19 municipalities introduced to approx. 8,000 schools
  - Won proposal-driven investigation contracts with 16 municipalities and 14 private schools
- Mutual client referral with Testing/Verification & Evaluation
  - Promoted joint Group marketing with defect-detection-only and Internet-monitoring-only clients
  - One-stop, full-service marketing for deepening business with existing clients and to new clients

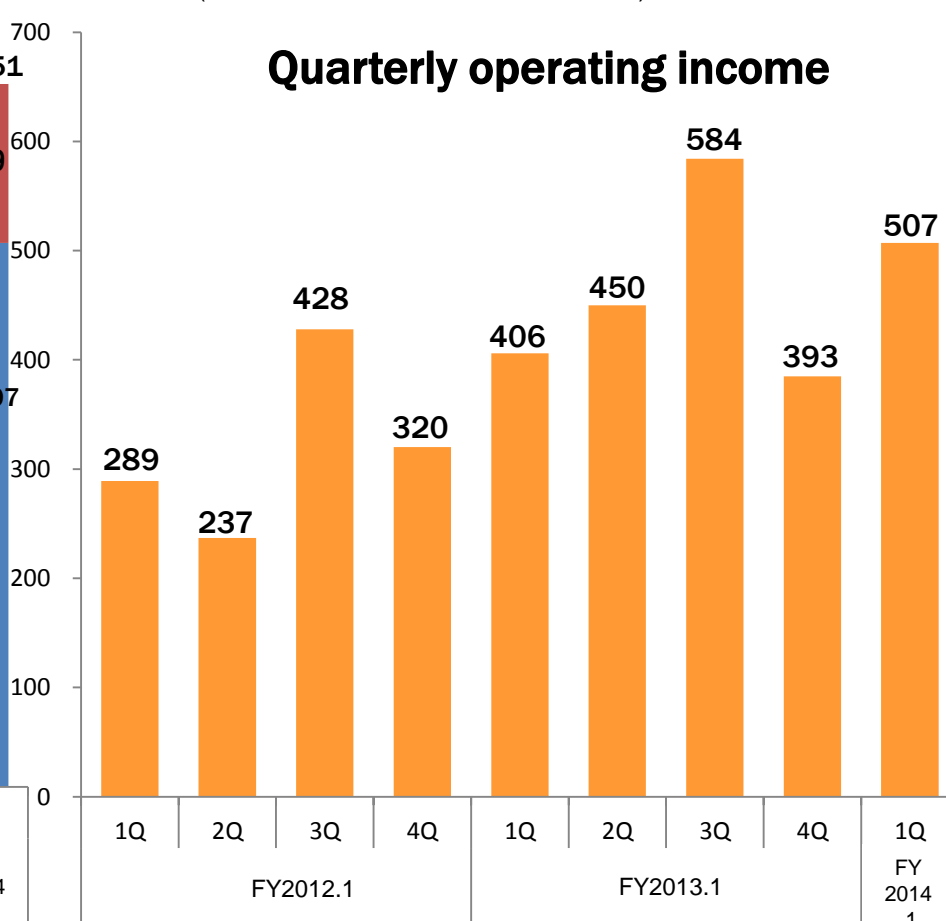
# 1-4. Trend in Quarterly Net Sales and Operating Income

Expanded order intake capability and operating synergy from Japanese and overseas subsidiaries acquired in FY2013.1 resulted in **record quarterly sales** this first quarter

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



Unit: ¥ 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

- Cash and deposits diminished owing to income tax and dividend payments
- Maintained zero loans and a high 79.4% equity ratio

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

	Apr. 30, 2013	Jan. 31, 2013	Change
<b>Total current assets</b>	5,931	5,918	13
<b>Cash and deposits</b>	3,954	4,199	(245)
<b>Total property, plant and equipment</b>	219	221	(2)
<b>Total intangible assets</b>	1,275	1,320	(44)
<b>Investments and other assets</b>	346	405	(59)
<b>Total noncurrent assets</b>	1,841	1,947	(106)
<b>Total assets</b>	7,773	7,866	(93)
<b>Total current liabilities</b>	1,558	1,589	(31)
<b>Total noncurrent liabilities</b>	46	121	(74)
<b>Total liabilities</b>	1,604	1,711	(106)
<b>Total net assets</b>	6,168	6,154	13
<b>Capital stock</b>	1,229	1,228	0
<b>Capital surplus</b>	1,276	1,275	0
<b>Retained earnings</b>	3,700	3,657	42
<b>Total liabilities and net assets</b>	7,773	7,866	(93)

## 2. Forecasts for the Year Ending January 31, 2014

### 2-1. Consolidated Forecasts for the Year Ending January 31, 2014



- Expand sales by accelerating global development
- Invest globally in personnel, business bases and equipment to build **a business base for sustainable longer-term growth**

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

		FY2014.1 Forecast	FY2013.1 Results	Change
Net sales		<b>13,028</b>	<b>10,866</b>	<b>+19.9%</b>
Operating income		<b>1,842</b>	<b>1,835</b>	<b>+0.4%</b>
Ordinary income		<b>1,840</b>	<b>1,885</b>	<b>(2.4)%</b>
Net income		<b>1,041</b>	<b>932</b>	<b>+11.8%</b>
Net income per share		<b>¥109.97</b>	<b>¥106.69</b>	<b>¥+3.28</b>
Dividend	Ordinary	<b>¥27</b>	<b>¥27</b>	<b>¥±0</b>
	Commemoration	<b>¥-</b>	<b>¥3</b>	<b>¥(3)</b>

\*Percentages rounded to the nearest first decimal place



## 2. Forecasts for the Year Ending January 31, 2014

### 2-2. Progress of Consolidated Forecasts for the Year Ending January 31, 2014



- Net sales and operating income postings at 52.7% and 66.2% of 2Q cumulative forecasts, respectively
- Performance of Testing/Verification & Evaluation and Internet Monitoring seen largely on target, even with aggressive business investments

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

	Results For the Three Months Ended April 30, 2013	Six Months Ending July 31, 2013		FY2014.1	
		Forecast	Progress Margin	Forecast	Progress Margin
Net sales	<b>3,251</b>	<b>6,169</b>	52.7%	<b>13,028</b>	25.0%
Operating income	<b>507</b>	<b>767</b>	66.2%	<b>1,842</b>	27.6%
Ordinary income	<b>573</b>	<b>766</b>	74.9%	<b>1,840</b>	31.2%
Net income	<b>326</b>	<b>387</b>	84.3%	<b>1,041</b>	31.4%

\*Percentages rounded to the nearest first decimal place

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

Dividends per share of ¥27 planned for FY2014.1

### Dividend policy

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

### Trend in yearly dividends per share



\*The Company conducted a 2-for-1 stock split on January 9, 2013. Consequently, the FY2012.1 dividend per share disclosed here was retrospectively adjusted for this stock split.

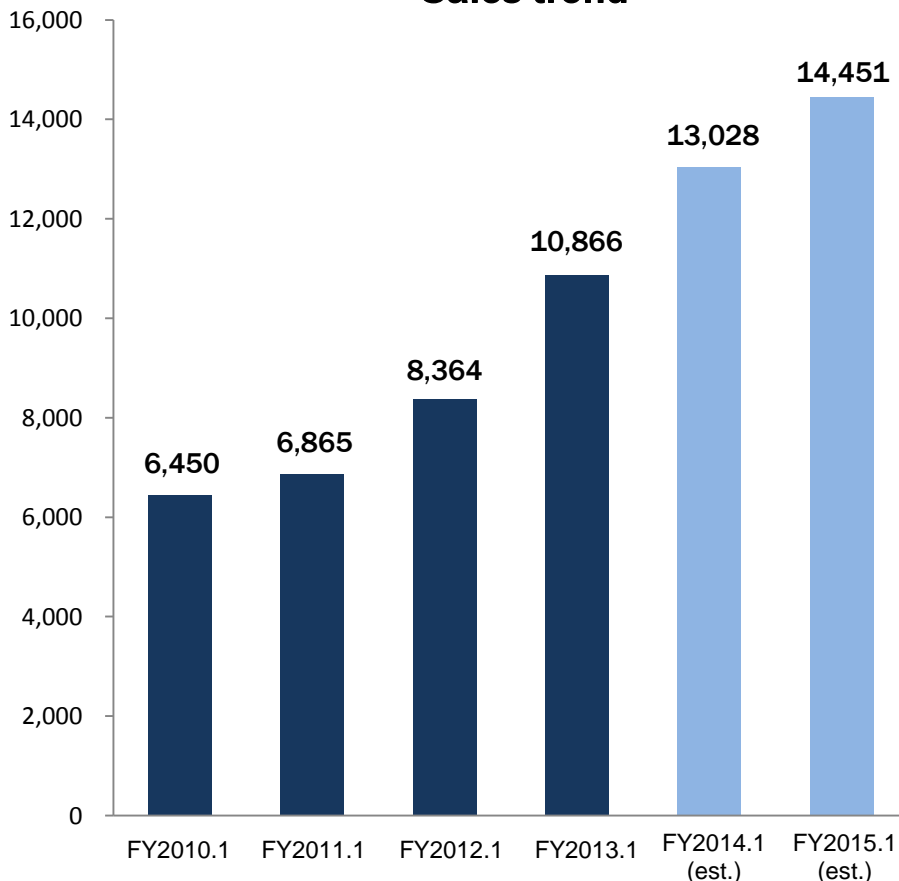
## 2. Forecasts for the Year Ending January 31, 2014

# 2-4. Consolidated Fiscal Performance and Plan

- **Expand market share worldwide** by increasing synergies among Group companies
- **Aim for investment-driven sales and earnings growth**

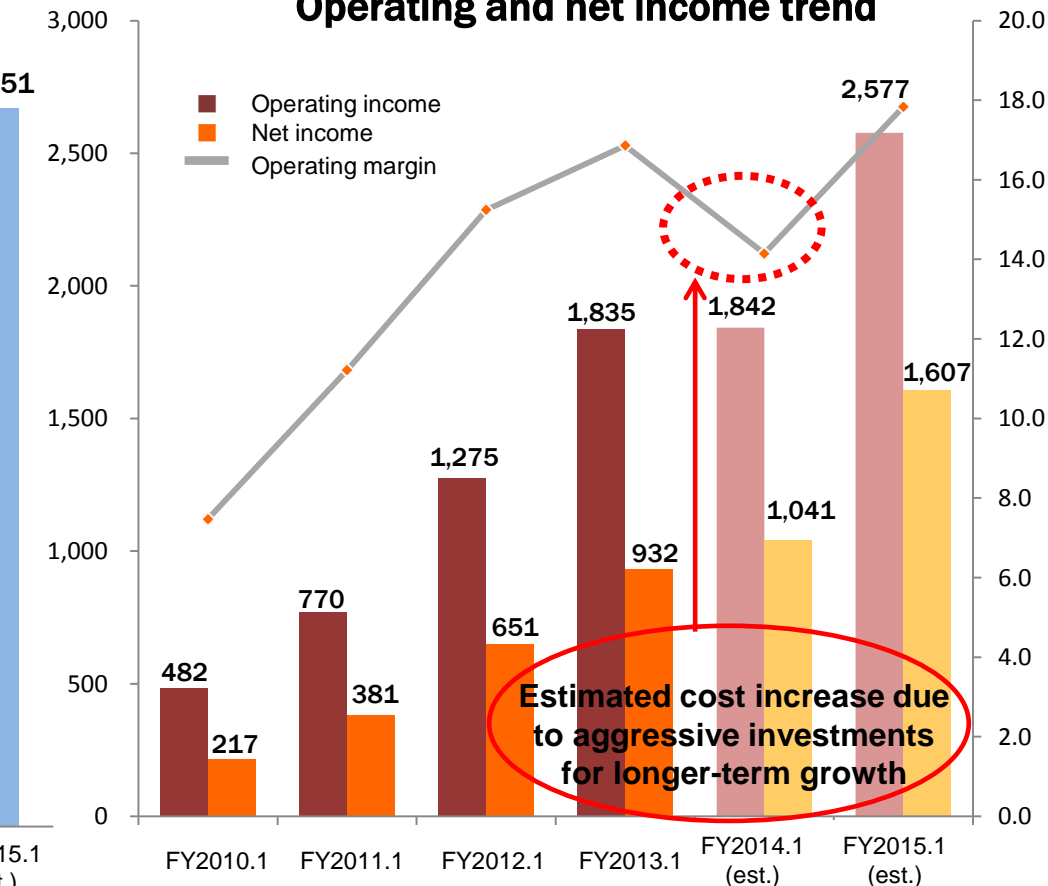
Net sales  
Unit: ¥ million (Amounts less than ¥1 million omitted)

### Sales trend



Operating and net income  
Unit: ¥ million (Amounts less than ¥1 million omitted)

### Operating and net income trend



FY2014.1 estimates are forecasts disclosed March 11, 2013. FY2015.1 estimates are reference information based on a 3-year plan disclosed Sept. 7, 2012.

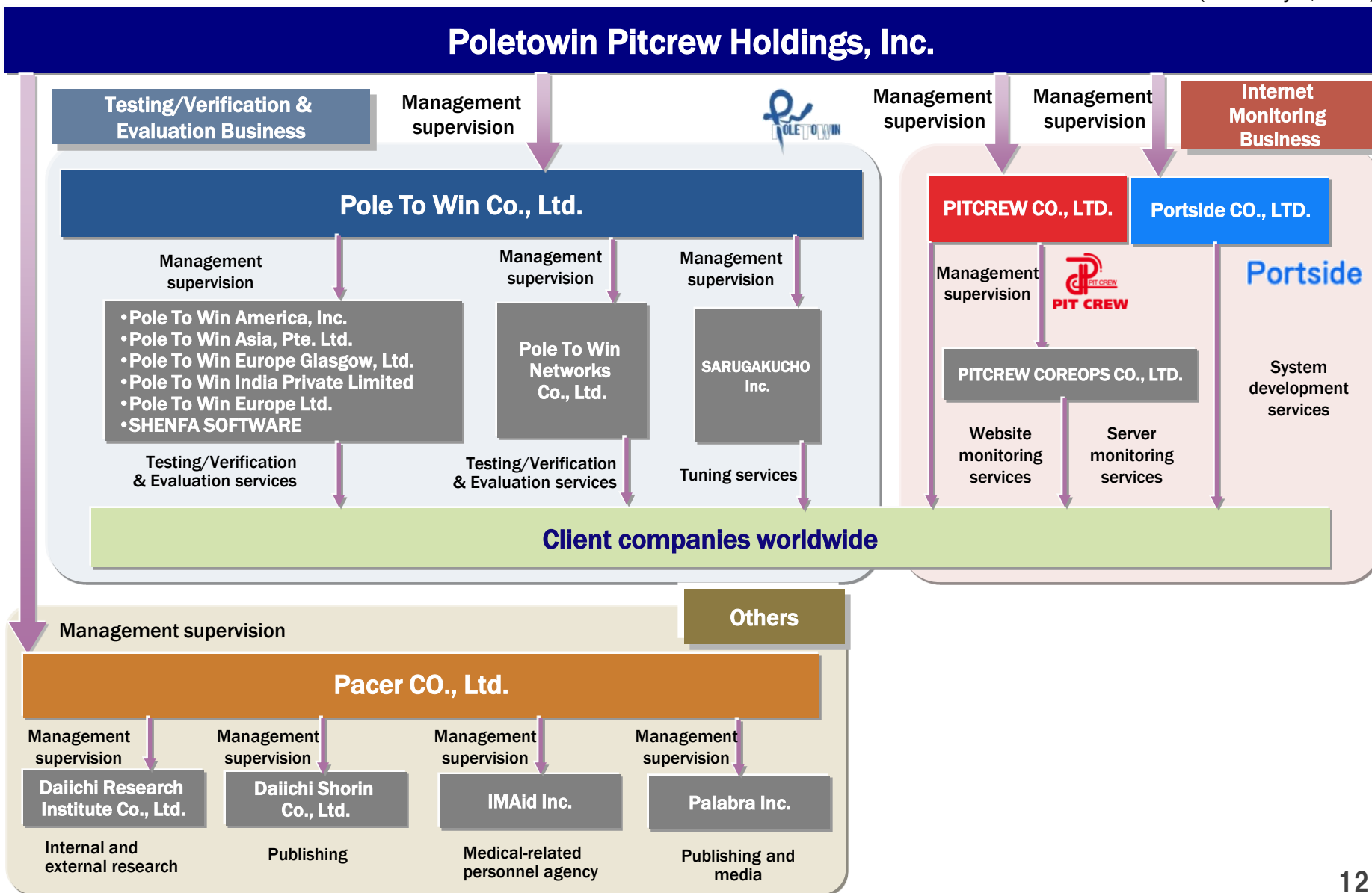
## 3-1. Corporate Profile

(As of May 1, 2013)

Company Name	Poletowin Pitcrew Holdings, Inc.	
Representatives	Chairman Tamiyoshi Tachibana President Naoto Konishi	
Head Office	11th Floor, Shinjuku NS Building, 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0811, Japan	
Established	February 2, 2009	
Capital	¥1,229 Million (As of April 30, 2013)	
Stock Exchange/ Securities Code	Tokyo Stock Exchange (First Section) (Securities Code: 3657 Abbreviation: Pole HD)	
Business Descriptions	<p>Operations ancillary and pertaining to the control and management of business activities of the Company and the entire Group comprised of 17 consolidated subsidiaries.</p> <p><b>Major Group businesses</b></p> <p><b>1. Testing/Verification &amp; Evaluation Business</b> Business detecting defects (finding bugs) in support of enhancing the quality of software and hardware</p> <p><b>2. Internet Monitoring Business</b> Business detecting fraud and illegal or harmful information on the Internet in supporting the sound operation of websites</p> <p><b>3. Others</b> Businesses in market research, and in publishing and media, among others</p>	
Consolidated Financial Results (FY2013.1)	<p>Net Sales: ¥10,866 Million</p> <p>Ordinary Income: ¥1,885 Million</p> <p>Net Income: ¥932 Million</p>	<p>Consolidated Employees: 1,639</p> <p>(including 562 full-time employees, as of January 31, 2013)</p>

# 3-2. Group Composition (17 Consolidated Subsidiaries)

(As of May 1, 2013)



### 3. Reference: Corporate Profile/Our Business

## 3-3. Business Segments

#### Testing/Verification & Evaluation Business

(As of May 1, 2013)

**Testing/Verification & Evaluation: Verify and report whether software programs operate according to design and specifications, and whether there are unintended glitches**

- ① **Testing (Finding bugs) Services:** Mainly for consumer electronic games, mobile content and amusement equipment
- ② **Verification & Evaluation Services:** Mainly for testing the operation of digital home appliances and other IT devices
- ③ **Translation Services:** High-quality in-game and technical translations conveying game appeal to users overseas

Pole To Win Co., Ltd.	Pole To Win Networks Co., Ltd.	Pole To Win America, Inc.	Pole To Win Asia Pte. Ltd.
Pole To Win Europe Glasgow, Ltd.	Pole To Win India Private Limited	Pole To Win Europe Ltd.	SHENFA SOFTWARE
			SARUGAKUCHO Inc.

#### Internet Monitoring Business

**Internet monitoring: Soundly operate Internet websites and ensure the peace of mind of users by detecting and eliminating harmful, illegal information and unauthorized access word order flipped**

- ① **Internet Monitoring Services:** Services monitoring Internet websites
- ② **User Support Services:** Responding with replies, etc., to telephone and e-mail inquiries from users

PITCREW CO., LTD.	Portside CO., LTD.	PITCREW COREOPS CO., LTD.
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#### Others

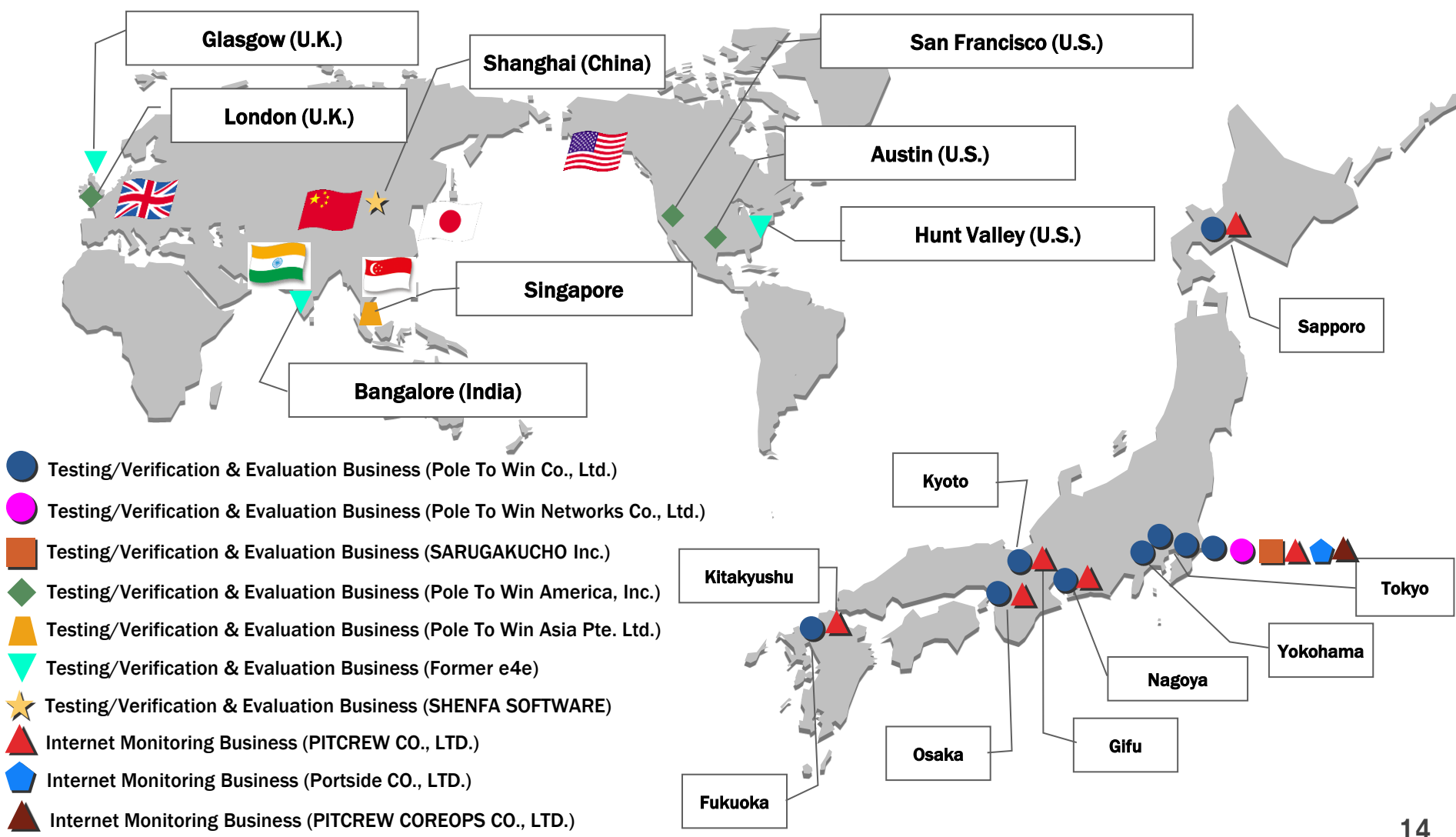
External and internal market research, publishing and media operations, and a medical-related personnel agency

Pacer CO., Ltd.	Dalichi Research Institute Co., Ltd.	Dalichi Shorin Co., Ltd.
IMAid Inc.	Palabra Inc.	

### 3. Reference: Corporate Profile/Our Business

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

■ Business development through 19 bases in Japan and 8 bases overseas (As of May 1, 2013)



## 4-1. Summary of Future Business Strategies

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**1**

**Provide comprehensive support as content systems grow complex due to society's increasing Internet and IT dependence**

**2**

**Expand business coverage through development overseas based on collaboration and client referral among 19 bases in Japan and 8 bases overseas**

**3**

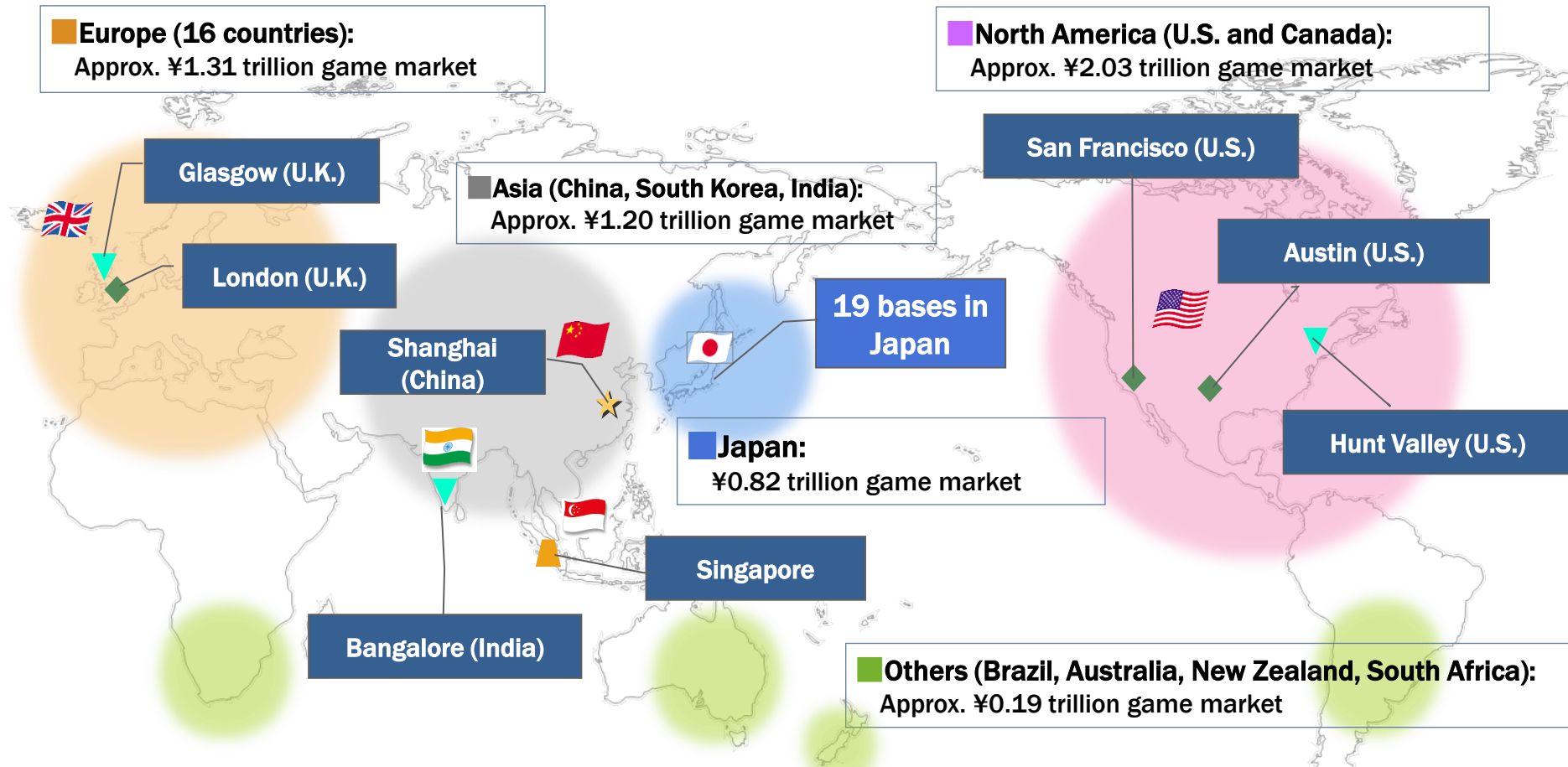
**Expand client industries utilizing existing know-how**



## 4. Reference: Future Business Strategies

# 4-2. Future Business Strategies: Global Market Expansion

- The Japanese game market is estimated to be less than 20% of the global market
- Utilize 8 bases overseas to **accelerate development in the global market**



\*Monetary size of game market as of 2011, including console games, handheld games, download games, browser games and mobile games. Although banned, China has a very large black market in console games. (Source: NeoGAF)

- 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 fluctuation.
- 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.