



Poletowin Pitcrew Holdings, Inc.

Supplementary Information to Consolidated Financial Results for Nine Months Ended October 31, 2014

- Earnings declined owing to a drop in highly profitable domestic defect detection services and increased personnel expenses, offsetting contributions from overseas and expansion in e-commerce support operations
- Reinforcing sales activities and profitability by reorganizing sales and operations while building on domestic and overseas service collaborations

Securities code: 3657
Abbreviation: Pole HD
December 5, 2014

1. Overview	2
2. Fiscal 2015 Full-Year Forecasts	7
3. E-Commerce Support	11
4. Corporate Data and Growth Strategies	14

1-1. Key Financial Results

- **Overseas sales rose** as game developers accelerated global deployments and yen depreciated
- Earnings declined owing to drop in highly profitable domestic defect detection services, increased personnel expenses, and business site openings
- Reinforcing sales activities and profitability by reorganizing sales and operations

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

	Nine Months Ended October 31, 2014		Nine Months Ended October 31, 2013		YoY Change	
	Results	Margin	Results	Margin	Amount	%
Net sales	11,015	- %	10,482	- %	533	5.1%
Operating income	1,391	12.6%	1,769	16.9%	-377	-21.4%
Ordinary income	1,411	12.8%	1,902	18.2%	-491	-25.8%
Net income	732	6.6%	1,063	10.1%	-331	-31.2%

Percentages rounded down to one decimal place

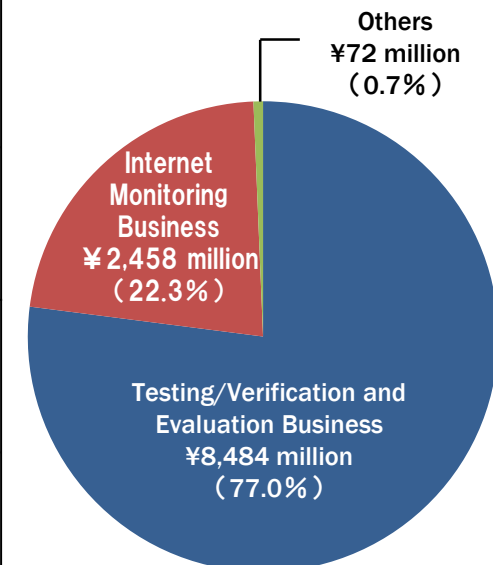
1-2. Segment Performances

- **Devalued yen** contributed to overseas revenues exceeding 20% of Testing/Verification & Evaluation segment sales
- Sluggish defect detection business for PlayStation 4 platform and pachislot machines
- In Internet Monitoring segment, sales rose for merchandise checks and reviews of Internet advertising

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

		Nine Months Ended October 31, 2014	Nine Months Ended October 31, 2013	YoY Change
Testing/ Verification & Evaluation Business	Sales	8,484	8,218	3.2%
	Operating income	1,373	1,625	- 15.5%
Internet Monitoring Business	Sales	2,458	2,215	11.0%
	Operating income	60	125	- 51.7%

Segment Sales
(Nine Months Ended October 31, 2014)
Net Sales
¥11,015 million



1-3. Segment Highlights

Testing/Verification & Evaluation Business

Sales ¥8,484 million (77.0% of net sales)

- Steadily expanded overseas operations to take advantage of game business globalization and weak yen
 - > **Revenues** from nine sales centers in six overseas countries accounted for **more than 20% of segment sales**
 - > Increased localization (translation) and user support for Japanese social game developers expanding into China, Korea, Southeast Asia, the United States, Canada, Australia, Europe, and other countries
 - > Domestic and overseas business sites collaborated to expand multi-lingual localization and benefited from expanded demands for user support
- Domestic defect detection revenues down year on year and from previous quarter
 - > Less orders in defect detection business due to the fact that development lead times stretched out for newly launched PlayStation 4 platforms
 - > Change in pachislot testing regulations pushed back defect detection orders

Internet Monitoring Business

Sales ¥ 2,458 million (22.3% of net sales)

- **E-commerce** support services expanded
 - > Demand rose for merchandise checks amid growing Internet shopping and auction traffic and for Internet advertising reviews based on the domestic laws such as Pharmaceutical Affairs Act and the Act against Unjustifiable Premiums
 - > **Business process outsourcing work for e-commerce** also increased
- User support services for native applications targeted for smart phones expanded
- Received steady orders for services to monitor cyberbullying among the young and increased orders for providing Internet literacy education

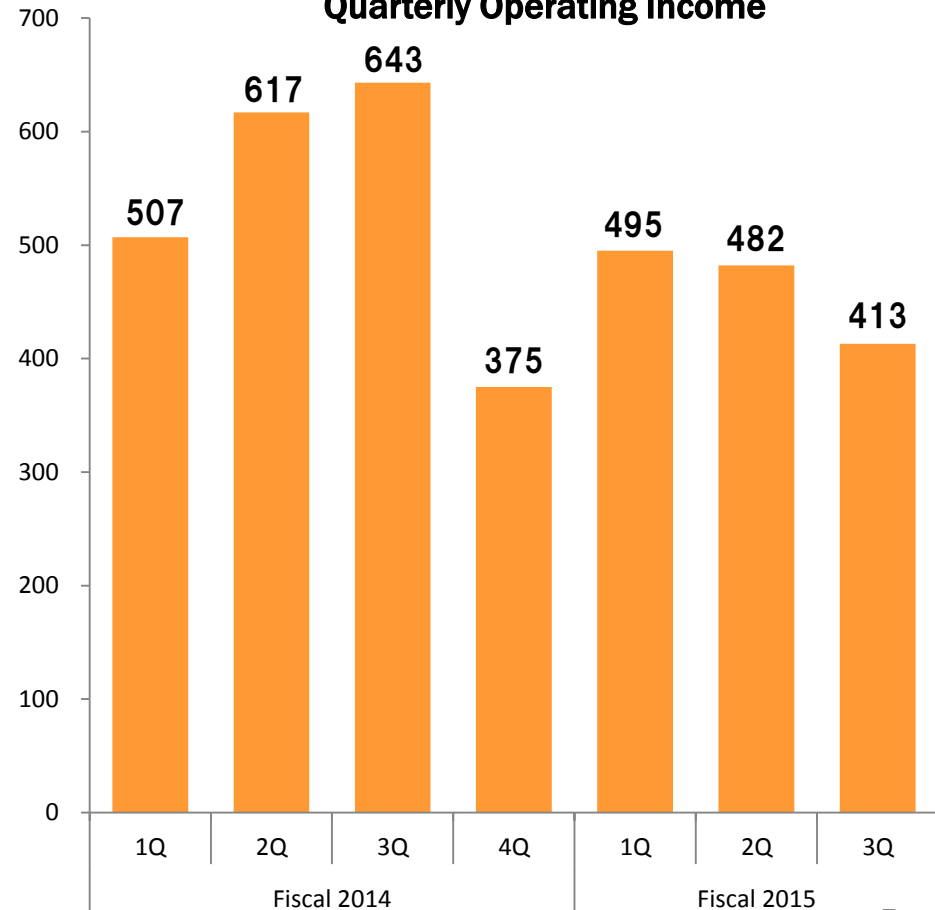
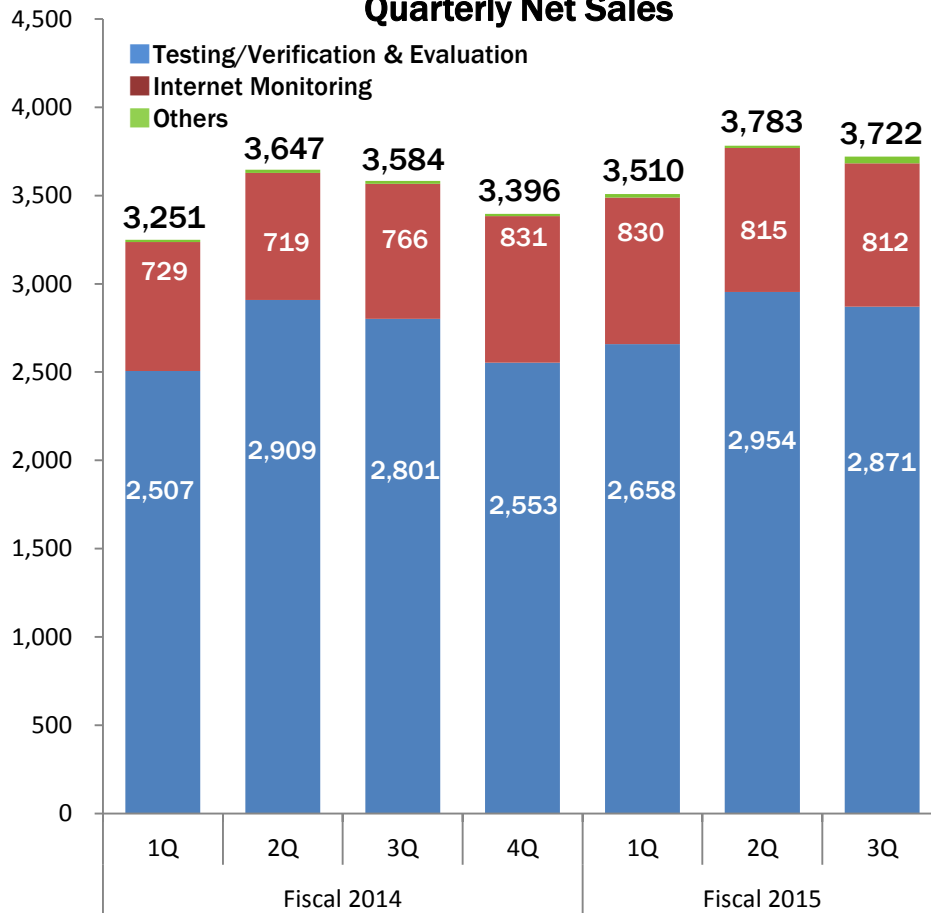
1-4. Quarterly Net Sales and Operating Income

- Domestic defect detection and Internet monitoring declines business offset overseas sales growth
- Operating income decreased owing to drop in highly profitable domestic defect detection services, increased personnel expenses, and business site additions

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

Quarterly Net Sales

Quarterly Operating Income



Note: Quarterly sales and operating income are management figures, for reference only

1-5. Balance Sheets

- Notes and accounts receivable and accounts payable rose with NET sales
- Continuously zero debt and a high equity ratio of 81.6%

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

	October 31, 2014	January 31, 2014	Change
Total current assets	7,486	7,036	449
Cash and deposits	4,999	4,959	39
Total property, plant and equipment	370	295	75
Total intangible assets	1,377	1,456	-78
Investments and other assets	568	440	128
Total noncurrent assets	2,316	2,191	124
Total assets	9,802	9,228	574
Total current liabilities	1,747	1,680	67
Total noncurrent liabilities	54	53	0
Total liabilities	1,802	1,734	68
Total net assets	8,000	7,494	506
Capital stock	1,236	1,233	2
Capital surplus	1,282	1,279	2
Retained earnings	5,007	4,579	428
Total liabilities and net assets	9,802	9,228	574

2. Fiscal 2015 Full-Year Forecasts

2-1. Summary

- Position defect detection business **overseas** and **e-commerce** support services as **growth engines**
- Reinforce **market competitiveness** by boosting quality and generating high added value in domestic defect detection services
- Profitability should drop owing to foreign investments and higher personnel costs

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

	Fiscal 2015 Forecasts	Fiscal 2014 Results	YoY Change
Net sales	14,961	13,879	7.8%
Operating income	2,183	2,144	1.8%
Ordinary income	2,186	2,290	-4.5%
Net income	1,211	1,205	0.5%
Net income per share	¥63.74	¥63.55	¥0.19
Cash dividends per share	¥16.00	¥16.00	¥-

Percentages rounded down to one decimal place

2. Fiscal 2015 Full-Year Forecasts

2-2. Progress to Date

- Revenue and earnings progress slightly slower than projected for full term
- Notwithstanding potential push-backs for PlayStation 4 and Pachislot defect detection projects against full-year targets, management has retained its performance forecasts because levels are in line with disclosure requirements

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

	Nine Months Ended October 31, 2014	Fiscal 2015	
		Forecasts	Progress
Net sales	11,015	14,961	73.6%
Operating income	1,391	2,183	63.7%
Ordinary income	1,411	2,186	64.5%
Net income	732	1,211	60.4%

Percentages rounded down to one decimal place

2-3. Accommodating Market Environment

- Reinforce sales structure to accommodate market expansion and leverage regional service centers to bolster capacity and profitability
- Leverage collaboration between domestic and overseas operations to support global deployments of clients

SALES STRUCTURE:
Seize business opportunities

Increase number of sales executives domestically and abroad to **bolster sales activities** while leveraging collaboration between sales and support personnel to **ensure swift client service**



LABOR COSTS:
Overcome personnel shortages and rising labor expenses

As we can provide services anywhere, expand and promote **service centers in low cost locations** to handle everything except operations at client sites and personnel placements



PROFITABILITY:
Sustainably expand profits

While increasing personnel costs are inevitable, leverage **25 domestic service centers** to secure personnel and **balance labor costs** to bolster defect detection services overseas and enhance Internet monitoring business earnings

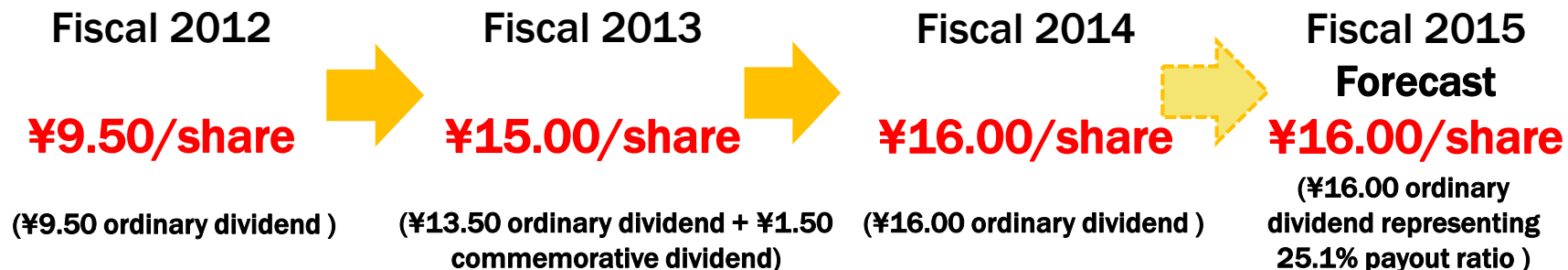
2-4. Shareholder Returns

Planning to pay **¥16.00** in cash dividends per share in fiscal 2015

Dividend policy

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

Dividend trends



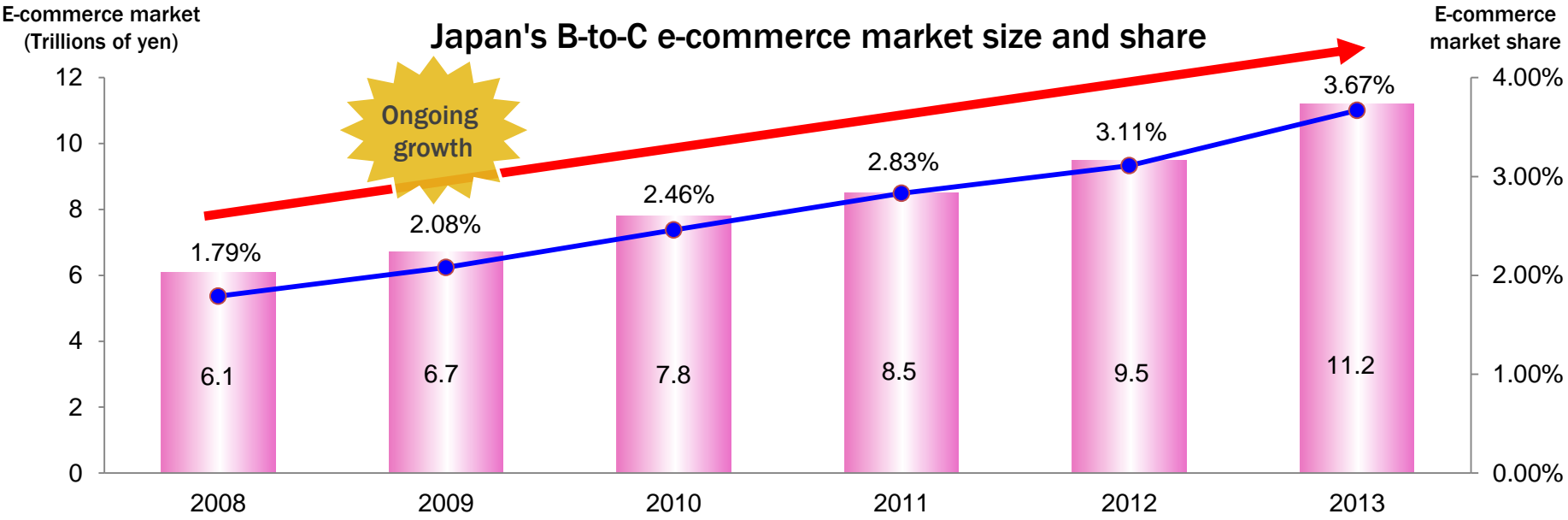
Note: The Company conducted stock splits on January 9, 2013, and on January 9, 2014, at a ratio of two shares of common stock per share of common stock. The Company therefore retroactively adjusted dividends for fiscal 2012 and 2013 to reflect the splits

3. E-Commerce Support



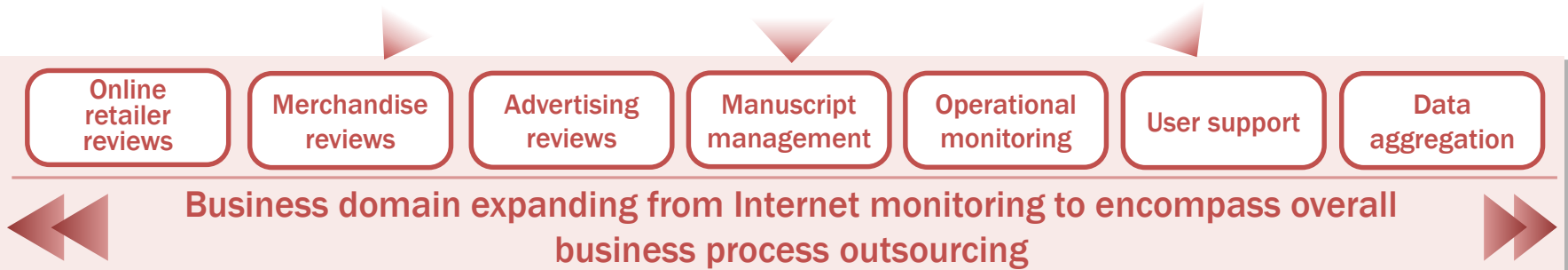
3-1. E-Commerce Market Conditions

- Apparel, lodgings, dining out, and medical cosmetics driving market expansion
- Site operations that users find reliable essential to e-commerce business success



Source: Research on Infrastructure Development in Japan's Information-based Economy Society (E-Commerce Market Survey) for Fiscal 2013 by Ministry of Economy, Trade and Industry

E-commerce market
 E-commerce market share



3. E-Commerce Support

3-2. E-Commerce Market Conditions

Case study of support services ensuring that e-commerce malls operate securely

Online retailer reviews	Evaluating whether online retailers have previously engaged in fraud
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Merchandise reviews	Assessing whether merchandise violates relevant regulations or is fraudulent and checking merchandise images and text
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Preparatory briefing at Operations at Pitcrew Sapporo Support Center

Advertising reviews / Manuscript management	Checking that ads that online retailers submit comply with site placement policies and overseeing progress through placement
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User support	Handling general inquiries from consumers. Addressing issues and complaints, answering consumers questions and endeavoring to enhance customer satisfaction
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Data aggregation Back office support	Analyzing consumer behavioral processes and handling queries from government agencies
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3-3. Cross-Border E-Commerce Support

- More retailers, including small and medium-sized companies, look for business abroad.
- Rebranding Internet monitoring subsidiary to align with corporate identity*
- Building total support structure from start-up to global e-commerce businesses

Four key challenges in launching cross-border e-commerce operations



Language

Culture

Merchandise systems

Inventory control

Language	Offering an operational structure that caters for more than 10 languages (including translations for page creation, order processing, and buyer corresponding)
Culture	Foreign market research, overseas e-commerce site selection, and site operations in line with local cultures
Merchandise systems	Support with data conversions and other operations for uploading merchandise data files to merchandise systems
Inventory control	Providing outsourcing services that integrate everything from order management to shipping and inventory control

* Portside CO., LTD., was renamed PITCREW X-LAB CO., LTD., on November 28, 2014

4. Corporate Data and Growth Strategies

4-1. Corporate Profile

(As of October 31, 2014)

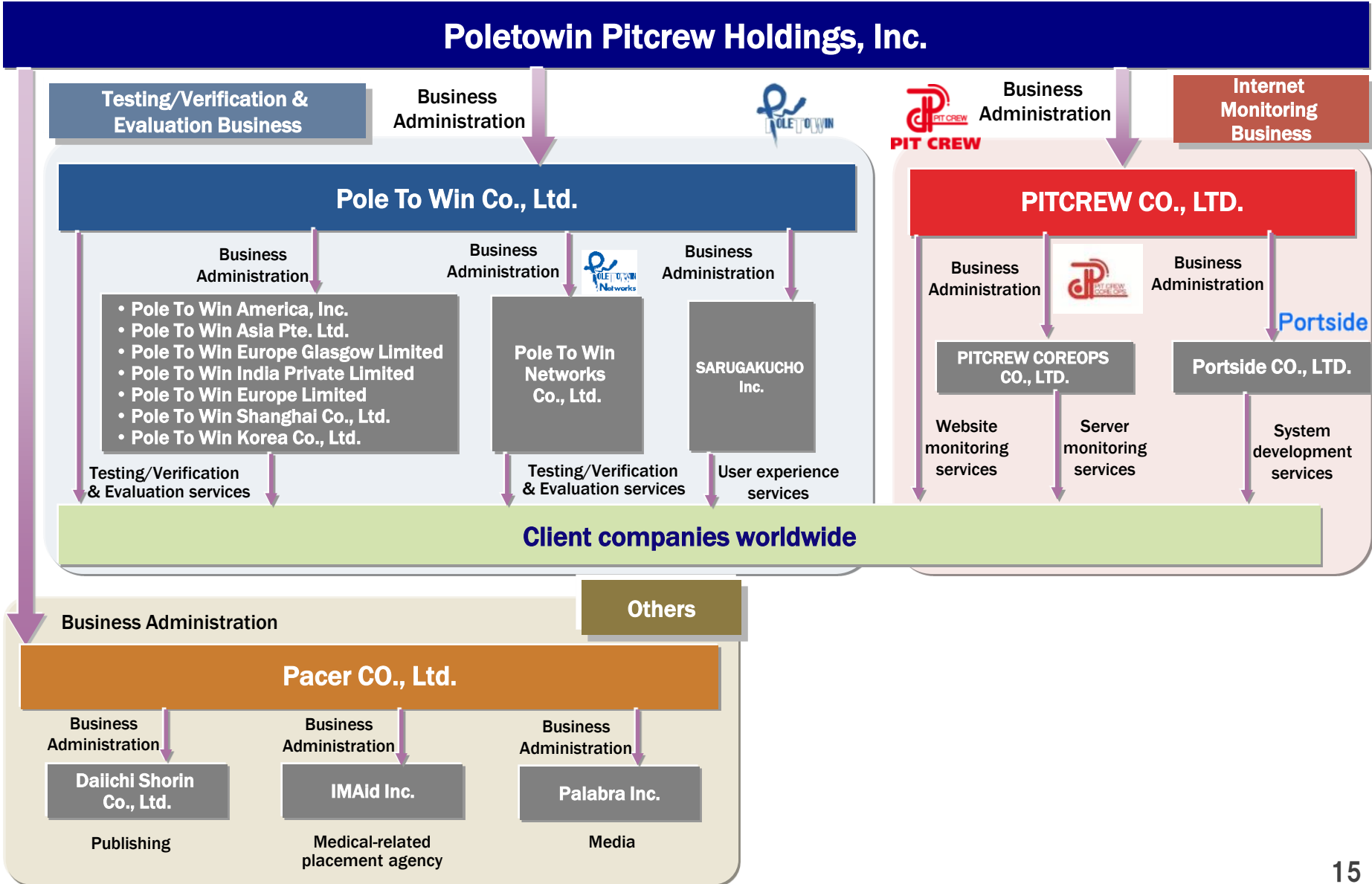
Company Name	Poletowin Pitcrew Holdings, Inc.	
Representatives	Tamiyoshi Tachibana, Chairman Naoto Konishi, President	
Head Office	11th Floor, Shinjuku NS Building, 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0811, Japan	
Date Established	February 2, 2009	
Capital	¥1,236 Million (As of July 31, 2014)	
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 17 consolidated subsidiaries.</p> <p>Major Group businesses</p> <ol style="list-style-type: none"> 1. Testing/Verification & Evaluation Business Detecting defects (finding bugs) in support of enhancing the quality of software and hardware 2. Internet Monitoring Business Detecting fraud and illegal or harmful information on the Internet to help websites operate soundly 3. Others Including publishing and media businesses 	
Consolidated Financial Results (Fiscal 2014)	<p>Net Sales: ¥13,879 Million</p> <p>Ordinary Income: ¥2,290 Million</p> <p>Net Income: ¥1,205 Million</p>	<p>No. of Employees on Consolidated Basis: 1,919 (including 558 full-time employees as of January 31, 2014)</p>

4. Corporate Data and Growth Strategies



4-2. Group Composition (17 Consolidated Subsidiaries)

(As of October 31, 2014)



4-3. Business Segments

Testing/Verification & Evaluation Business

(As of October 31, 2014)

Testing/Verification & Evaluation: Verifying and reporting whether software programs operate as designed and specified and whether there are unintended glitches

1. Testing (Finding Bugs) Services: Consumer electronic games, mobile content and amusement equipment
2. Verification & Evaluation Services: Testing 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 Limited	Pole To Win India Private Limited	Pole To Win Europe Limited	Pole To Win Shanghai Co., Ltd.
		Pole To Win Korea Co., Ltd.	SARUGAKUCHO Inc.

Internet Monitoring Business

Internet Monitoring: Ensure safety of Internet sites and protect users from harmful and illegal activities through interception and removal

1. Internet Monitoring Services
2. User Support Services: Responding to telephone and e-mail inquiries from users

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

Publishing and media operations and a medical-related placement agency

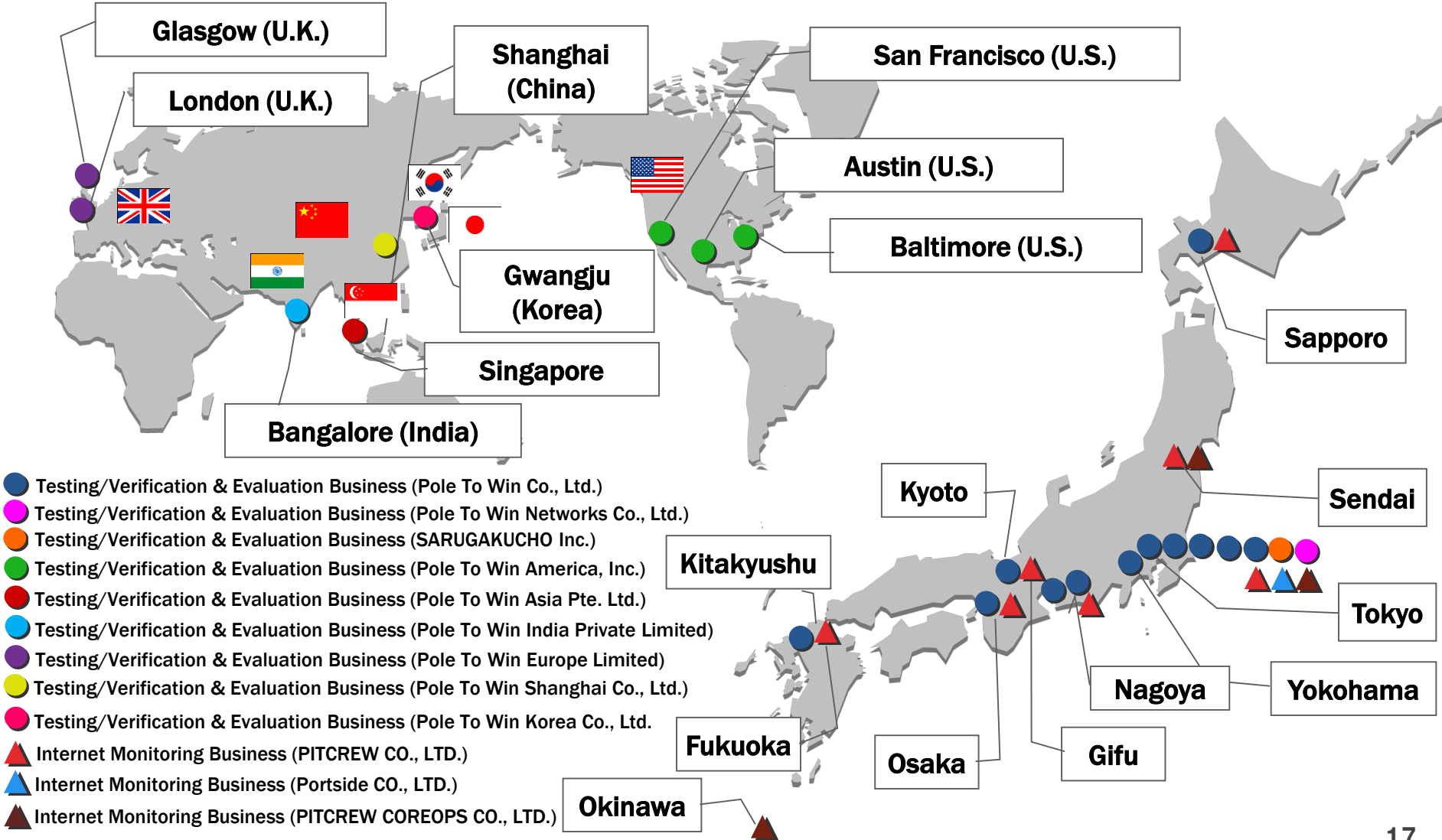
Pacer CO., Ltd.	Daiichi Shorin Co., Ltd.	IMAid Inc.	Palabra Inc.
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4. Corporate Data and Growth Strategies



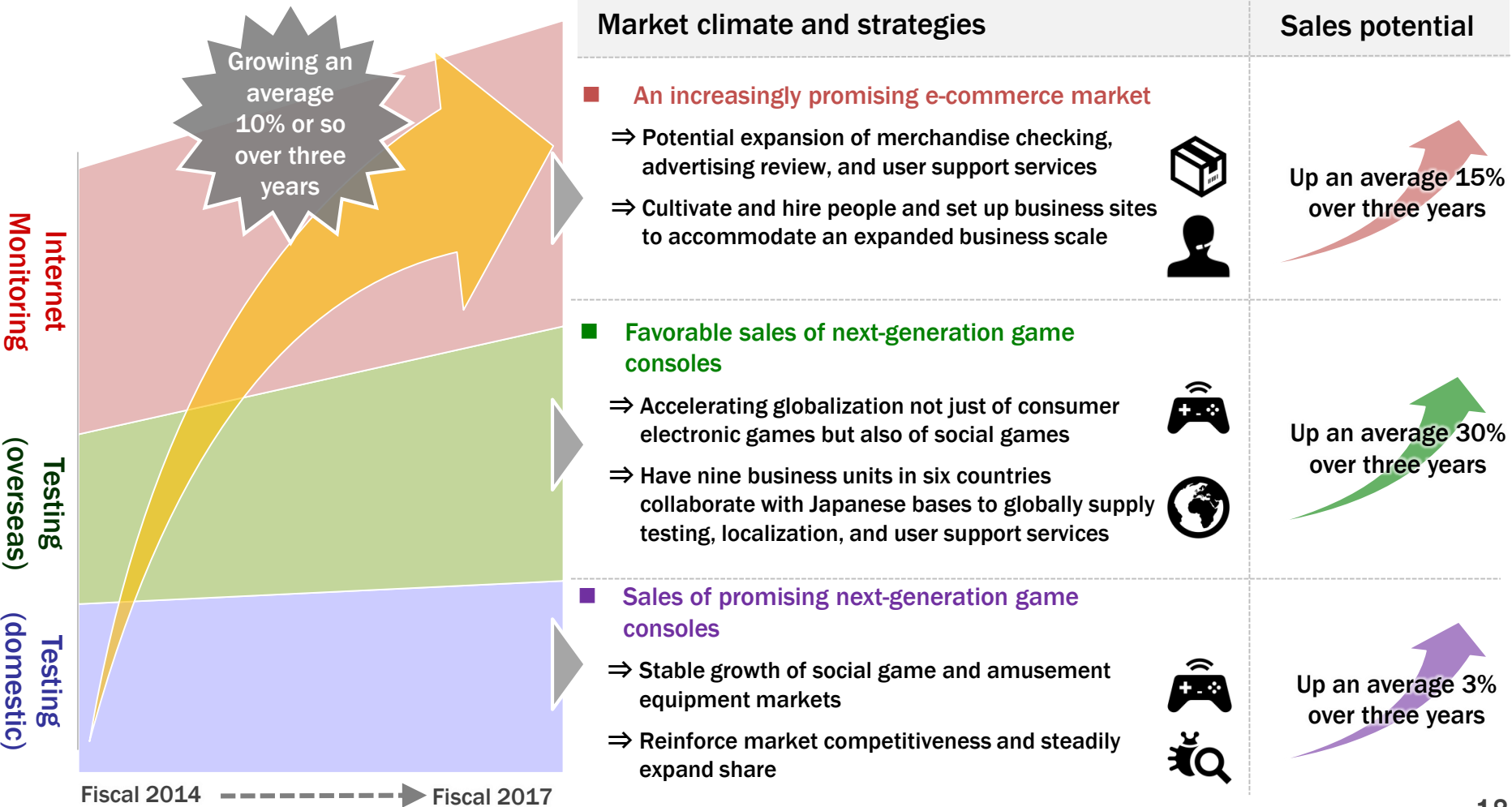
4-4. Global Business Sites

■ 25 business units in Japan and 9 service centers overseas



4-5. Business Group Approach

- Anticipating 10% average sales growth over the next three years
- Targeting an operating margin of 18% three years onward



- 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.