



---

# Poletowin Pitcrew Holdings, Inc.

## Supplementary Information to the Financial Results for the Year Ended January 31, 2015

---

- Posted record net sales from expanding overseas operations and e-commerce operations
- Established strong position as business process outsourcing provider for games, Internet, and e-commerce to increase shares in existing markets while pursuing business growth

**Securities code: 3657**  
**Abbreviation: Pole HD**  
**March 9, 2015**

# Contents

---

1. Overview of Financial Results for  
Year Ended January 31, 2015 . . . . . 2
2. Forecasts for Year Ending January 31, 2015 . . . . . 12
3. Future Business Strategies . . . . . 17
4. Reference: Corporate Profile/Our Business . . . . . 22

# 1. Overview of Financial Results for Year Ended January 31, 2015

## 1-1. Overview of Consolidated Financial Results for Year Ended January 31, 2015 (Change YoY) (1)



- Overseas sales rose on solid orders from overseas game developers and lower yen
- Posted record sales on expansion in business process outsourcing work amid growth in e-commerce market growth
- Earnings down owing to reduced domestic testing/verification & evaluation business revenues and investments in domestic and Asian business units

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

	FY2015.1		FY2014.1		Change YoY	
	Results	Margin	Results	Margin	Change	Margin
Net sales	<b>14,753</b>	- %	<b>13,879</b>	- %	<b>+873</b>	<b>+6.3%</b>
Operating income	<b>1,861</b>	12.6%	<b>2,144</b>	15.5%	<b>-283</b>	<b>-13.2%</b>
Ordinary income	<b>1,879</b>	12.7%	<b>2,290</b>	16.5%	<b>-410</b>	<b>-17.9%</b>
Net income	<b>1,000</b>	6.8%	<b>1,205</b>	8.7%	<b>-204</b>	<b>-17.0%</b>

\*Percentages rounded down to one decimal place

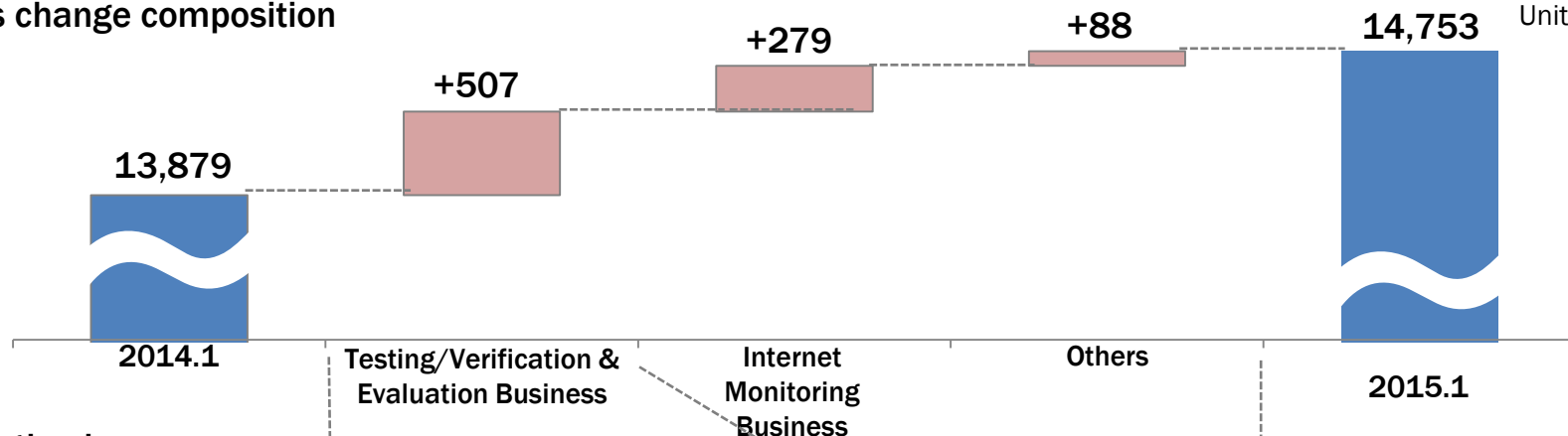
# 1. Overview of Financial Results for Year Ended January 31, 2015

## 1-2. Overview of Consolidated Financial Results for Year Ended January 31, 2015 (Change YoY) (2)

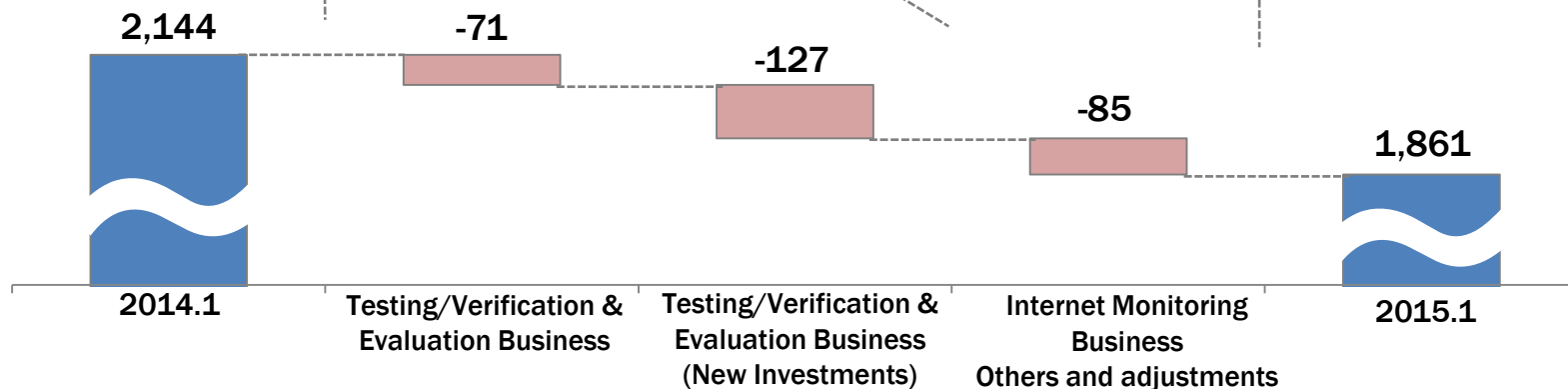
- Overseas sales increased on steady expansions of European, U.S., and Indian business units and weaker yen
- Earnings down owing to reduced revenues in high-margin domestic testing/verification & evaluation business and investments in domestic and Asian business units

### Sales change composition

Units: ¥ million



### Operating income change composition



Note: Sales and operating income change compositions are reference information based on in-house numbers.

# 1. Overview of Financial Results for Year Ended January 31, 2015

## 1-3. Overview of Consolidated Financial Results for Year Ended January 31, 2015 (vs. Forecast)



- Surpassed revenue and earnings targets in overseas Testing/Verification & Evaluation Business, reflecting impact of weaker yen
- Revenues and earnings were below target in domestic defect detection services owing to delays in pachislot machine development and downturn in browser game monitoring

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

	FY2015.1		Comparison with Forecast	
	Results	Initial forecast (on March 10, 2014)	Change	Attainment rate
Net sales	<b>14,753</b>	<b>14,961</b>	<b>-208</b>	<b>98.6%</b>
Operating income	<b>1,861</b>	<b>2,183</b>	<b>-321</b>	<b>85.3%</b>
Ordinary income	<b>1,879</b>	<b>2,186</b>	<b>-306</b>	<b>86.0%</b>
Net income	<b>1,000</b>	<b>1,211</b>	<b>-210</b>	<b>82.6%</b>

\*Percentages rounded down to one decimal place

# 1. Overview of Financial Results for Year Ended January 31, 2015



## 1-4. Segment Performances (1)

Testing/Verification & Evaluation Business

Sales **¥11,278 million** (76.5% of net sales)

	FY2015.1	FY2014.1	Change YoY	
			Change	Margin
Sales	<b>11,278</b>	<b>10,772</b>	<b>506</b>	<b>4.7%</b>
Operating income	<b>1,775</b>	<b>1,973</b>	<b>-198</b>	<b>-10.0%</b>
Operating margin	<b>15.7%</b>	<b>18.3%</b>	<b>-2.6%</b>	<b>—</b>

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

Percentages rounded down to one decimal place

- Steadily expanded business units in Europe, United States, and India
  - > Supported major global deployments of overseas game developers
  - > Overseas sales increased from around ¥1,900 million, to about ¥2,700 million
  - > Invested in China, Singapore, and Korea. Expanded business on launch of console game manufacturing in China. Stepped up operations related to Asian deployments of native applications
- Domestic defect detection service sales declined
  - > Lower orders in defect detection business because development lead times stretched out for PlayStation 4 titles
  - > Change in pachislot testing regulations pushed back defect detection orders

## 1-5. Segment Performances (2)

### Internet Monitoring Business

**Sales ¥3,325 million (22.5% of net sales)**

	FY2015.1	FY2014.1	Change YoY	
			Change	Margin
Sales	<b>3,325</b>	<b>3,046</b>	<b>278</b>	<b>9.1%</b>
Operating income	<b>121</b>	<b>182</b>	<b>-61</b>	<b>-33.6%</b>
Operating margin	3.6%	6.0%	-2.4%	—

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

Percentages rounded down to one decimal place

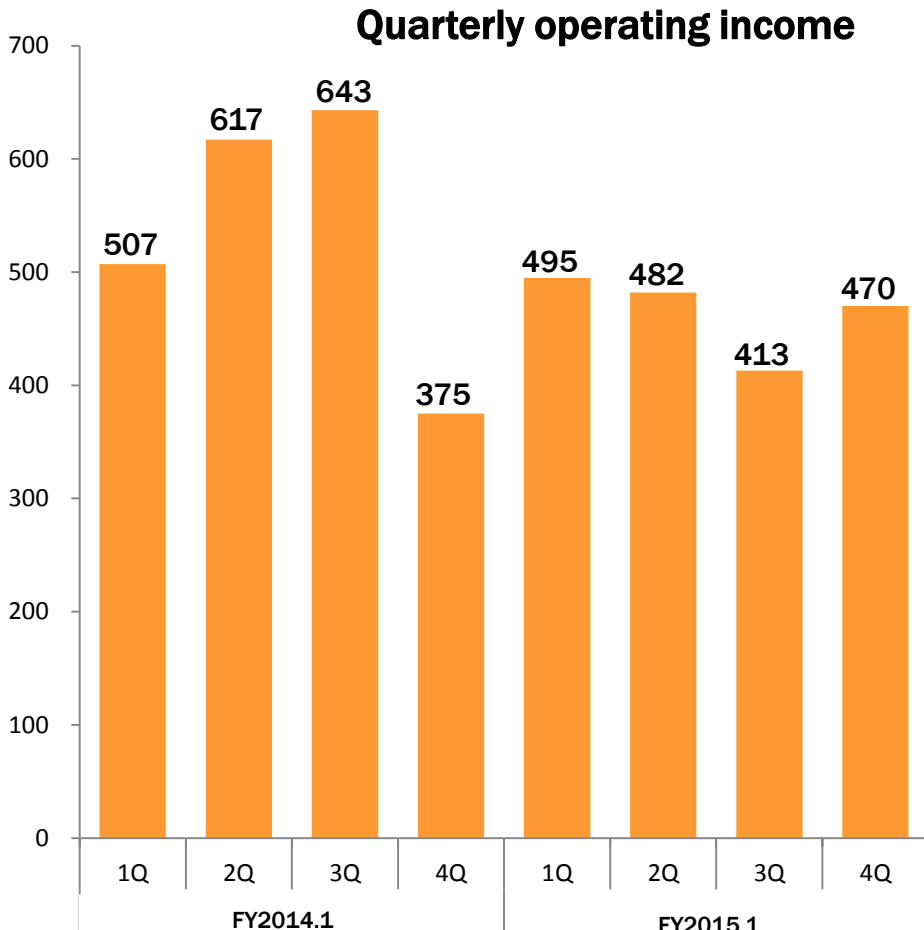
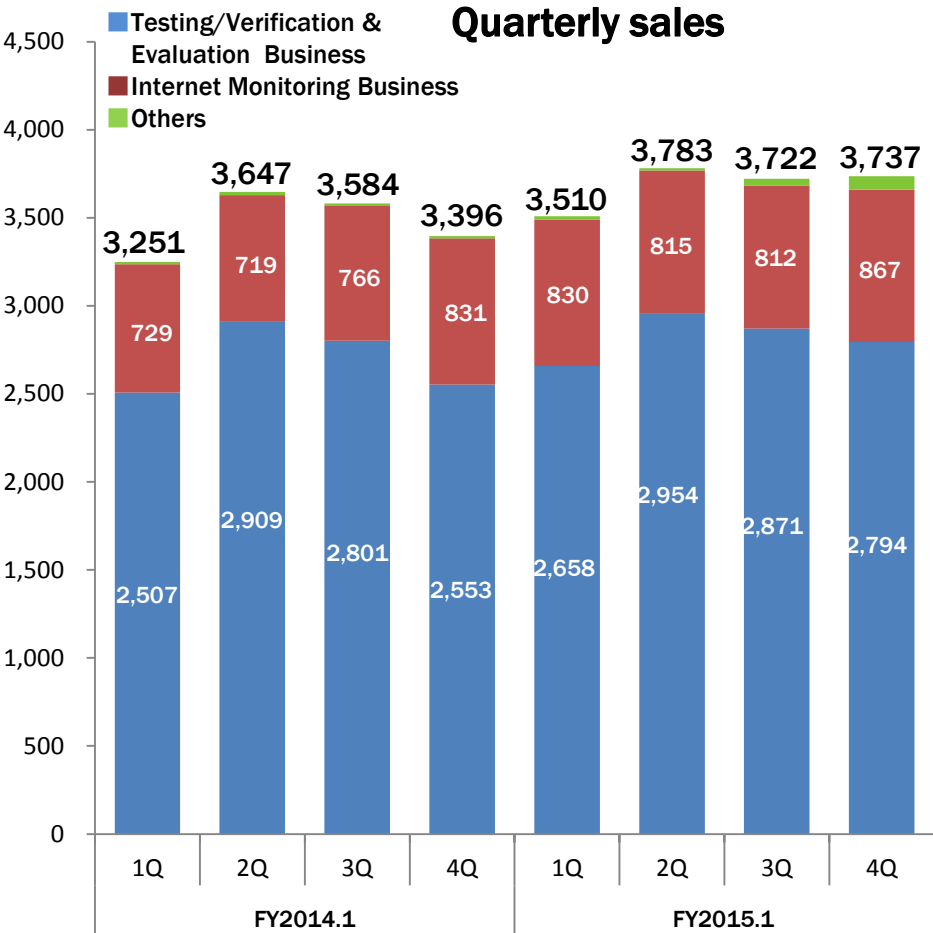
- Business process outsourcing work increased in line with e-commerce market expansion
  - > Demand rose for merchandise checks amid growing Internet shopping and auction traffic, for Internet advertising reviews based on the Pharmaceutical Affairs Act and the Act against Unjustifiable Premiums and Misleading Representations, and for user support
  - > Back office work for e-commerce also increased
- Native application support services expanded
  - > Collaborated with overseas business units to provide user support for globally marketed games
- Received steady orders for services to monitor cyberbullying among the young and increased orders for providing Internet literacy education
- Operating income was down, as the Group extensively opened, relocated, or added floor space at business sites to expand operations and streamline efficiency

# 1. Overview of Financial Results for Year Ended January 31, 2015

## 1-6. Quarterly Net Sales and Operating Income

- Posted record fourth-quarter sales in Internet Monitoring Business and Others
- Enhanced profitability to boost operating income from previous quarter

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



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



# 1. Overview of Financial Results for Year Ended January 31, 2015



## 1-7. Financial Position: Consolidated Balance Sheets

- Increased accounts receivable and payable with net sales expansion and maintained zero debt
- Generated ROE of 12.6% and equity ratio of 80.1%

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

	Jan. 31, 2015	Jan. 31, 2014	Change
<b>Total current assets</b>	7,960	7,036	+924
<b>Cash and deposits</b>	5,343	4,959	+383
<b>Total property, plant and equipment</b>	424	295	+128
<b>Total intangible assets</b>	1,554	1,456	+98
<b>Investments and other assets</b>	579	440	+138
<b>Total noncurrent assets</b>	2,557	2,191	+365
<b>Total assets</b>	10,518	9,228	+1,290
<b>Total current liabilities</b>	2,036	1,680	+356
<b>Total noncurrent liabilities</b>	60	53	+6
<b>Total liabilities</b>	2,097	1,734	+362
<b>Total net assets</b>	8,421	7,494	+927
<b>Capital stock</b>	1,236	1,233	+2
<b>Capital surplus</b>	1,282	1,279	+2
<b>Retained earnings</b>	5,276	4,579	+696
<b>Total liabilities and net assets</b>	10,518	9,228	+1,290

# 1. Overview of Financial Results for Year Ended January 31, 2015

## 1-8. Financial Position: Consolidated Statements of Cash Flows



- Cash and cash equivalents up ¥383 million at year-end
- Key factor in financing cash flows was ¥304 million in cash dividends paid

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

	<b>FY2015.1 (2014.2-2015.1)</b>	<b>FY2014.1 (2013.2-2014.1)</b>	<b>Change YoY</b>
<b>Operating cash flows</b>	1,326	1,239	86
<b>Investing cash flows</b>	(686)	(256)	(430)
<b>Financing cash flows</b>	(298)	(274)	(23)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	43	51	(8)
<b>Net increase in cash and cash equivalents</b>	383	760	(376)
<b>Cash and cash equivalents at beginning of year</b>	4,959	4,199	760
<b>Cash and cash equivalents at end of year</b>	5,343	4,959	383

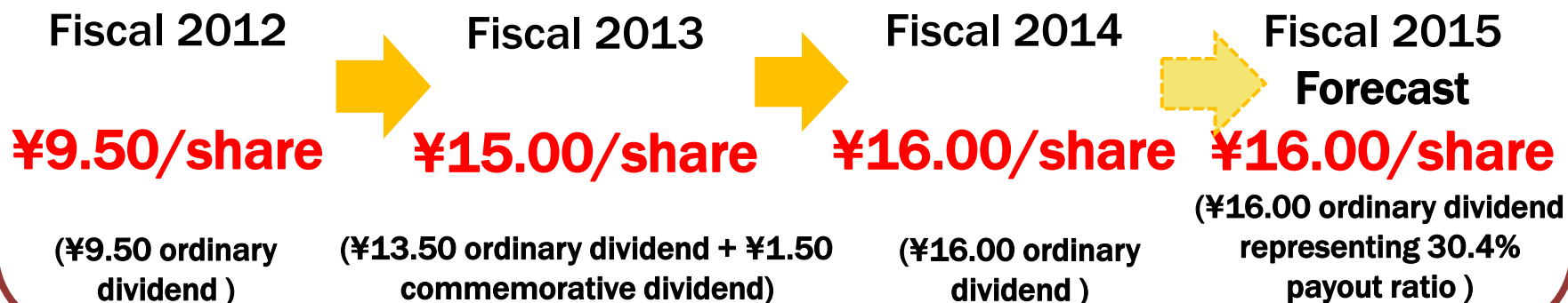
## 1-9. Shareholder Returns (Dividend Forecast)

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

### Dividend policy

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

### Yearly dividends per share



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

# 1. Overview of Financial Results for Year Ended January 31, 2015

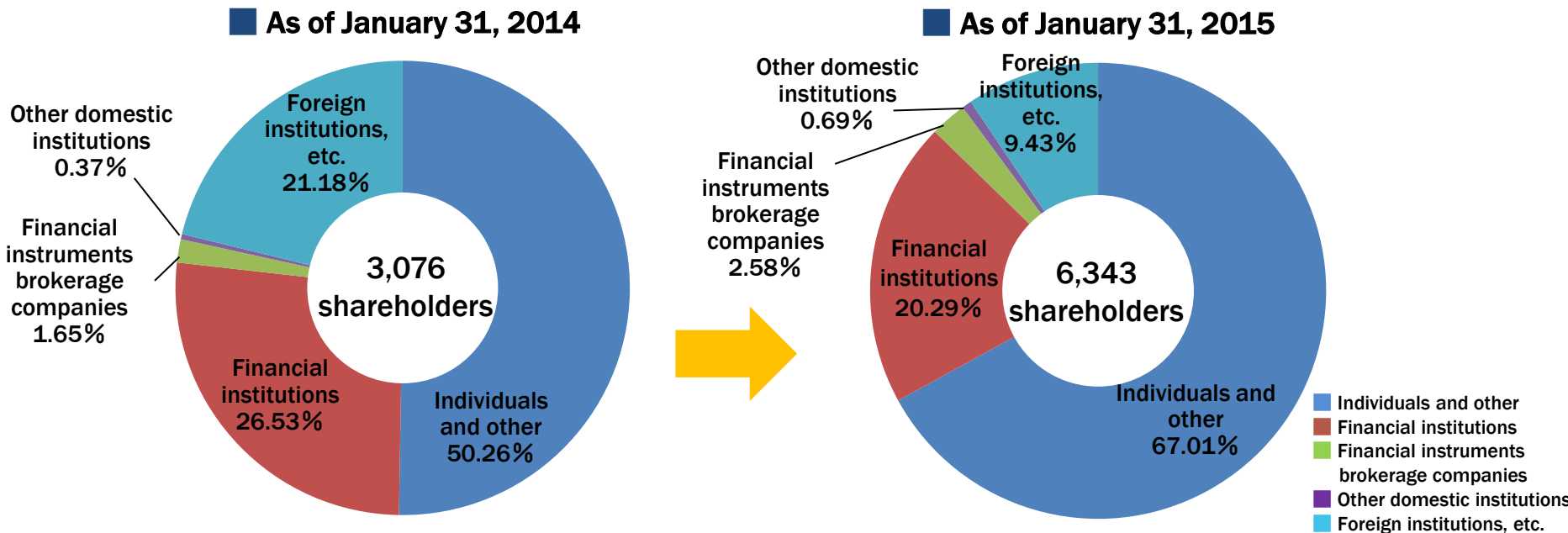
## 1-10. Stock Information

### Number of Shares Issued

As of January 31, 2014	19,007,200
As of January 31, 2015	19,041,200

### Stock Distribution by Shareholder

At end-January 2015, the holdings of foreign institutions, etc., and financial institutions were down 11.75 and 6.24 percentage points, respectively, from a year earlier, while individual and other ownership was up 16.75 percentage points



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

## 2. Forecasts for Year Ending January 31, 2016



### 2-1. Consolidated Forecasts for Year Ending January 31, 2016 (1)

- Boost business process outsourcing services for games, Internet, and e-commerce
- Cultivate new markets for core Testing/Verification & Evaluation and Internet Monitoring businesses
- Projecting flat profitability growth owing to higher personnel costs and new business investments

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

	Fiscal 2016 Forecasts	Fiscal 2015 Results	YoY change	
			Amount	%
<b>Net sales</b>	<b>17,881</b>	<b>14,753</b>	<b>3,128</b>	<b>+21.2%</b>
<b>Operating income</b>	<b>2,293</b>	<b>1,861</b>	<b>431</b>	<b>+23.2%</b>
<b>Ordinary income</b>	<b>2,304</b>	<b>1,879</b>	<b>424</b>	<b>+22.6%</b>
<b>Net income</b>	<b>1,387</b>	<b>1,000</b>	<b>386</b>	<b>+38.6%</b>
<b>Net income per share</b>	<b>¥72.85</b>	<b>¥52.60</b>	<b>+¥20.25</b>	<b>—</b>
<b>Cash dividends per share</b>	<b>¥18</b>	<b>¥16</b>	<b>+¥2</b>	<b>—</b>

Percentages rounded down to one decimal place

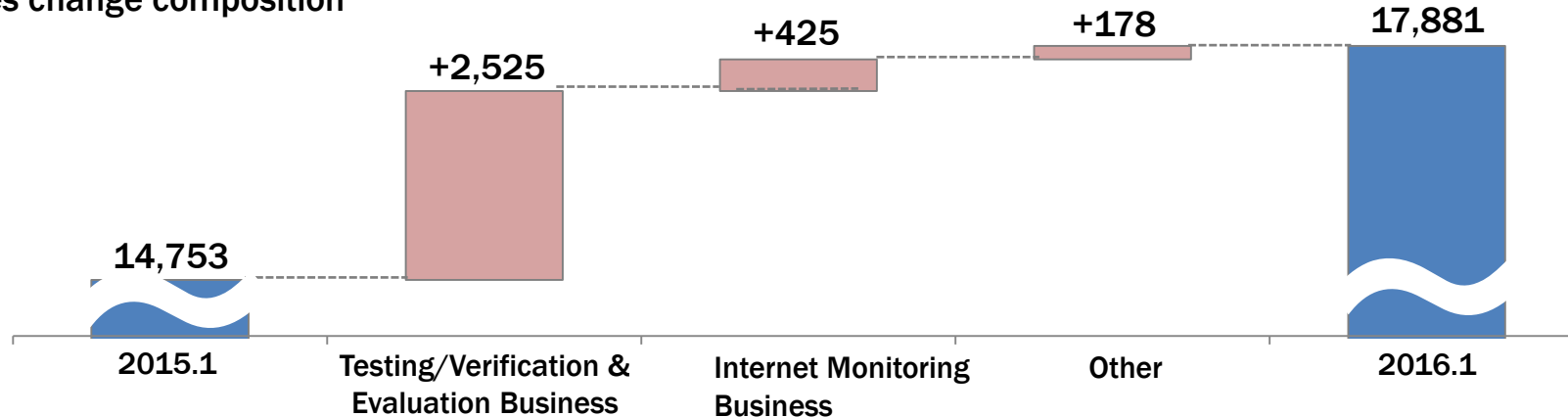
## 2. Forecasts for Year Ending January 31, 2016

### 2-2. Consolidated Forecasts for Year Ending January 31, 2016 (2)

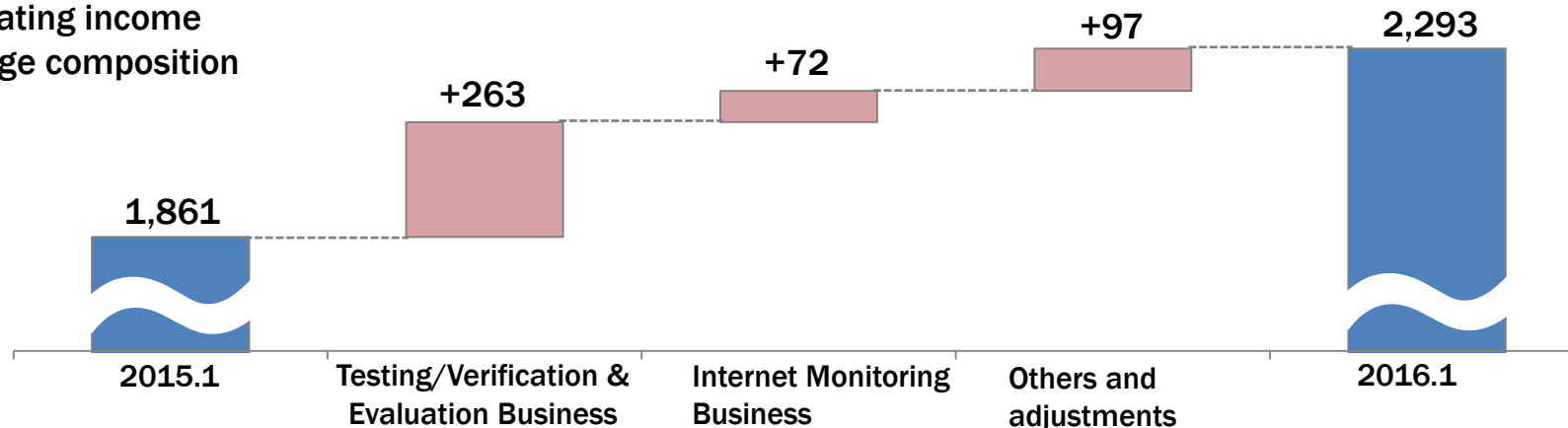
- Looking to increase sales and operating income on full-year M&A contributions and revenue gains overseas
- Aiming to enhance profitability of Asian business units and Internet Monitoring Business areas in which we have invested

Sales change composition

Units: ¥ million



Operating income change composition



Note: Sales and operating income change compositions are reference information based on in-house numbers.

### 2-3. Backdrop to Forecasts for Year Ending January 31, 2016 (1)

#### Testing/Verification & Evaluation Business

- Major console game publishers actively creating social games
  - Orders rising from such publishers for detecting defects (bugs) in their social games
  - More items being tested because game play is becoming more complex and mature
  
- Recovery in pachislot defect (bug) detection development pace
  - Anticipating recovery in pachislot defect (bug) detection orders after slowdown owing to change in model testing regulations
  
- Address high labor costs and personnel shortages
  - Leverage regional business sites to hire and increase work locally
  
- Reinforce competitiveness through efforts to boost quality and deliver high added value
  - Enhance competitiveness through ongoing efforts to bolster sales capabilities and service quality and create high-value-added services
  
- Increase business with overseas game developers and drive Group growth
  - Draw on the experience with large orders in leveraging capabilities of nine studios in six countries, languages, and time differences to deepen ties with existing clients and cultivate new ones

#### Internet Monitoring Business

##### ■ Bolster support services in e-commerce market

- More companies offering Internet shopping and auction services, with transactions growth driving the need for merchandise checks, advertising reviews, and user support
- Develop support services for flea market apps and other new e-commerce vehicles
- Creation of support services for cross-border e-commerce

##### ■ Boost capabilities of call and contact centers

- Augment inbound-focused phone and email support with outbound capabilities while using outbound capabilities through Facebook and Twitter to provide active support, campaign agency, telephone reception, and other services to reinforce user support

##### ■ Build on successful services that monitor online bullying among young to develop new businesses

- Educate the young, parents, and teachers and provide information sharing services

##### ■ Cultivate human resources to provide high-value-added services

- Cultivate and hire people who can identify client needs and plan and deliver high-value-added service solutions



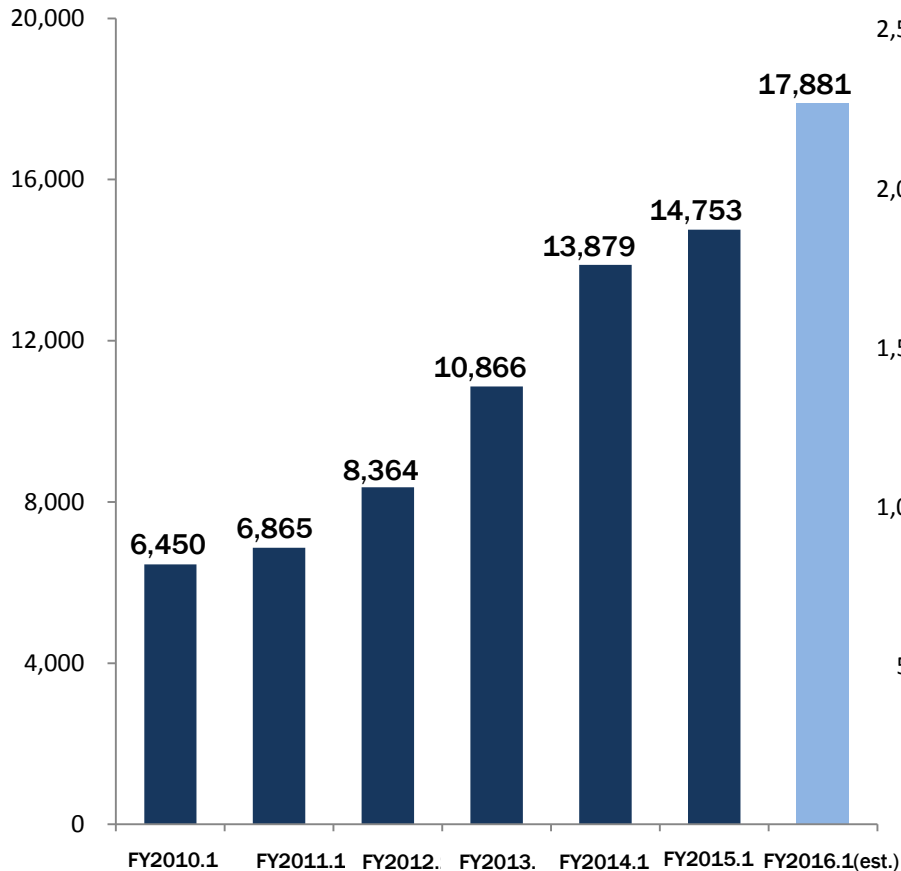
## 2. Forecasts for Year Ending January 31, 2016

### 2-5. Consolidated Fiscal Performance and Plan

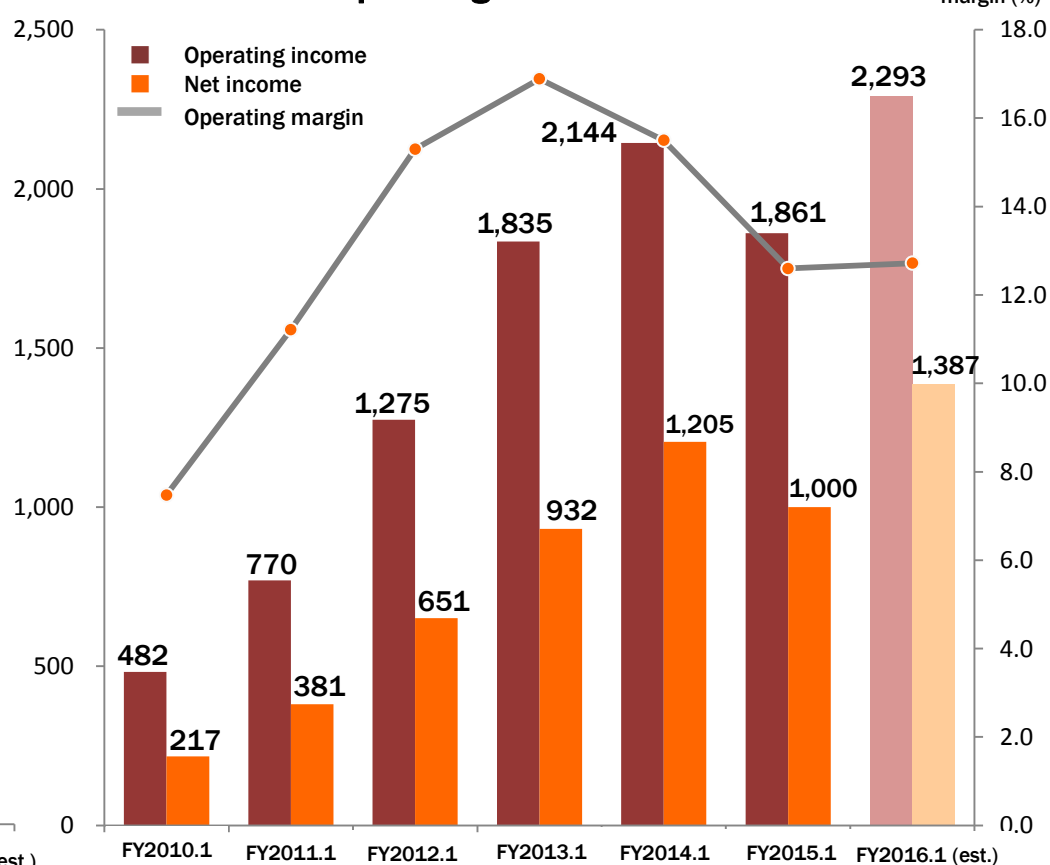
- Have steadily expanded operations domestically and abroad since inception
- Aiming to bolster business process outsourcing services in existing markets while developing new markets with core services

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

#### Sales



#### Operating and net income



Note: FY2016.1 estimates are forecasts disclosed on March 9, 2015.

## 3-1. Summary of Future Business Strategies

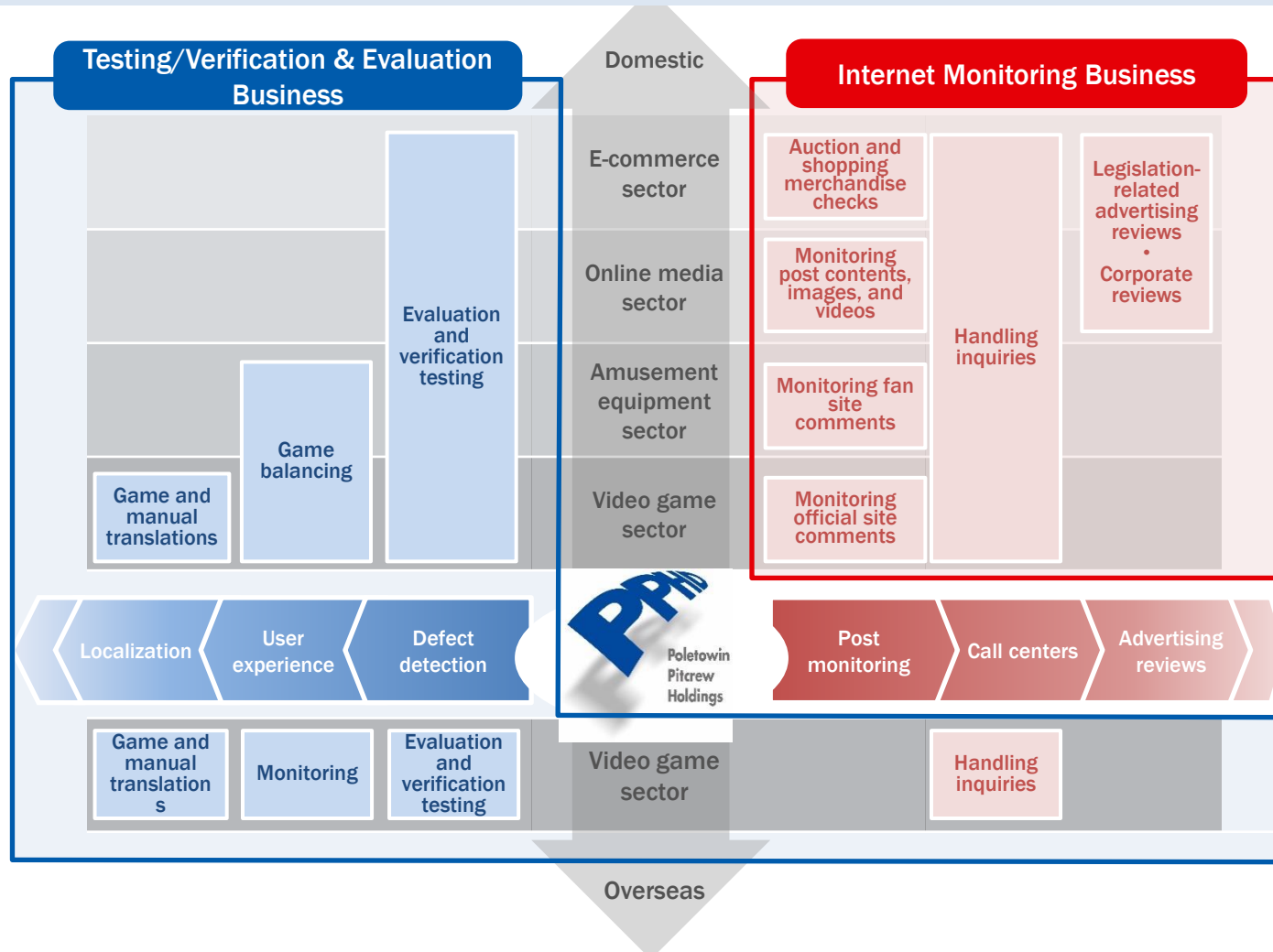
---

- 1** Bolster business process outsourcing services, for which demand is strong among existing customers, establishing a strong position in that area in the video game, Internet, and e-commerce sectors
- 2** Develop new markets for core Testing/Verification & Evaluation and Internet Monitoring services
- 3** Bolster business development in overseas video game market, which offers great growth potential

### 3. Future Business Strategies

## 3-2. Current Business Fields and Segments

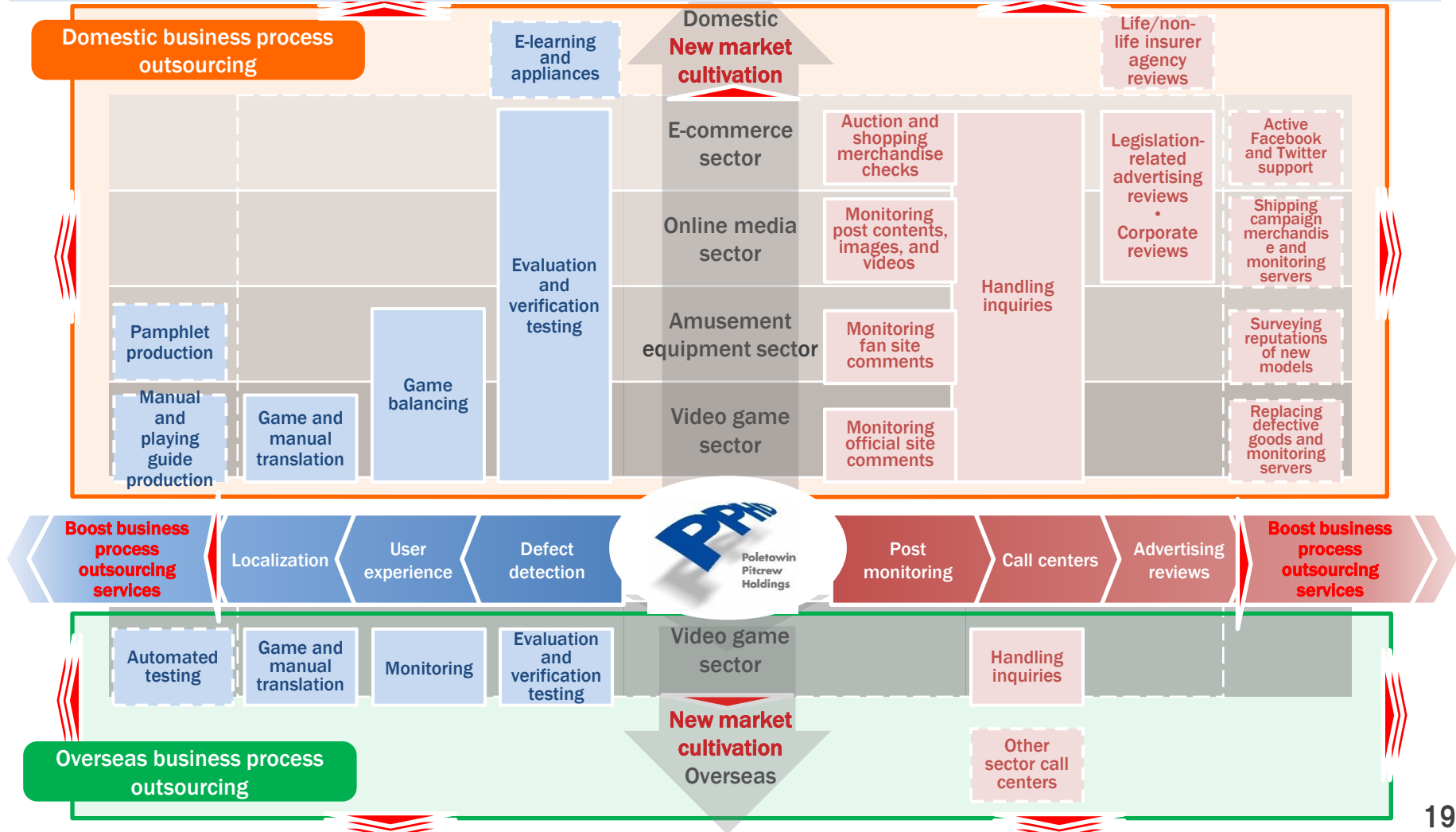
- Expanding by Testing/Verification & Evaluation and Internet Monitoring function
- Pushing ahead with providing one-stop, full-service capabilities in areas of business overlap



### 3. Future Business Strategies

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

- Going beyond Testing/Verification & Evaluation and Internet Monitoring frameworks to bolster business process outsourcing services in existing markets and develop new markets with core services

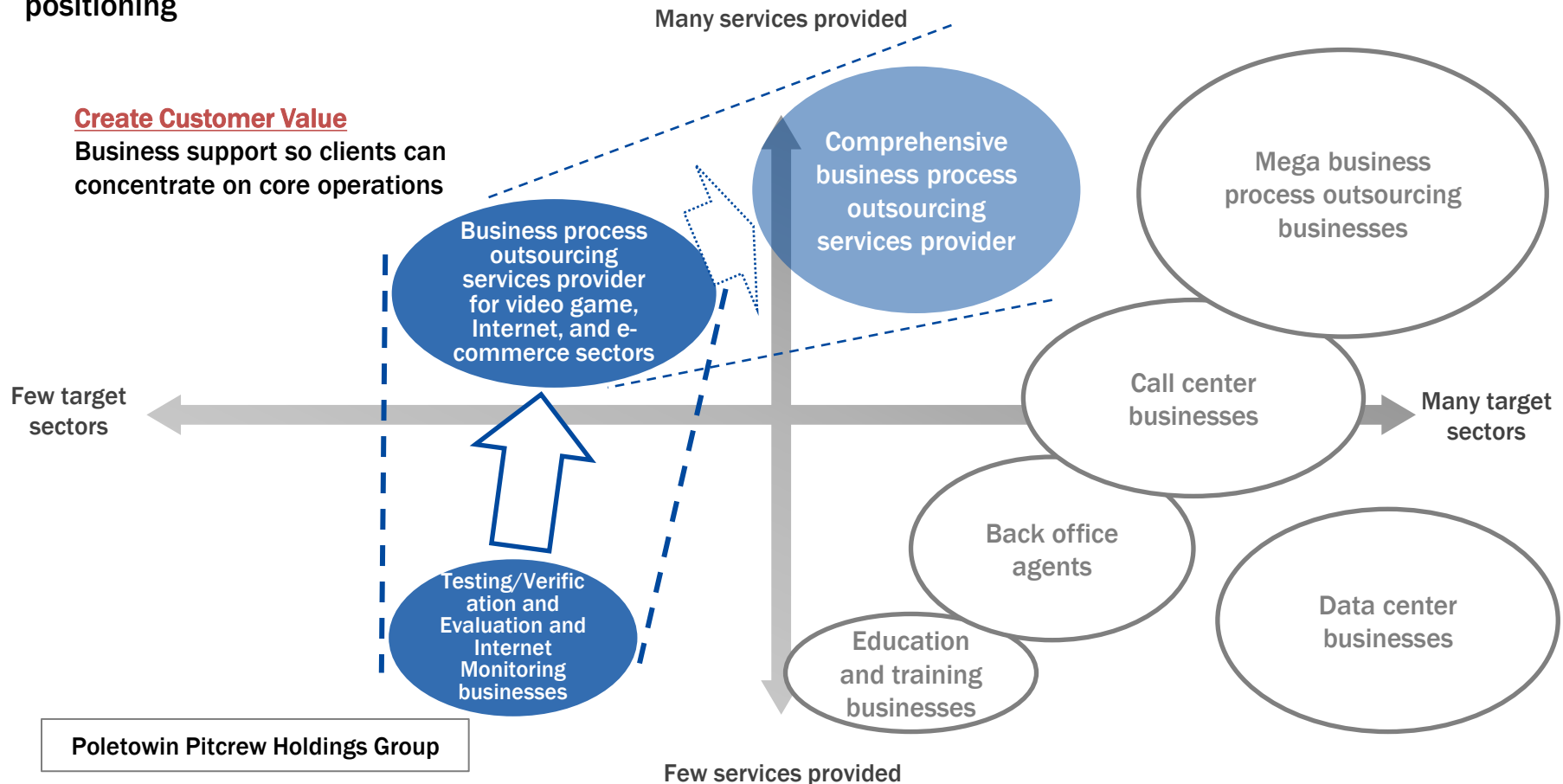


### 3. Future Business Strategies

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

- Establish strong business process outsourcing position in video game, Internet, and e-commerce sectors and cultivate core Testing/Verification & Evaluation and Internet Monitoring services in new markets

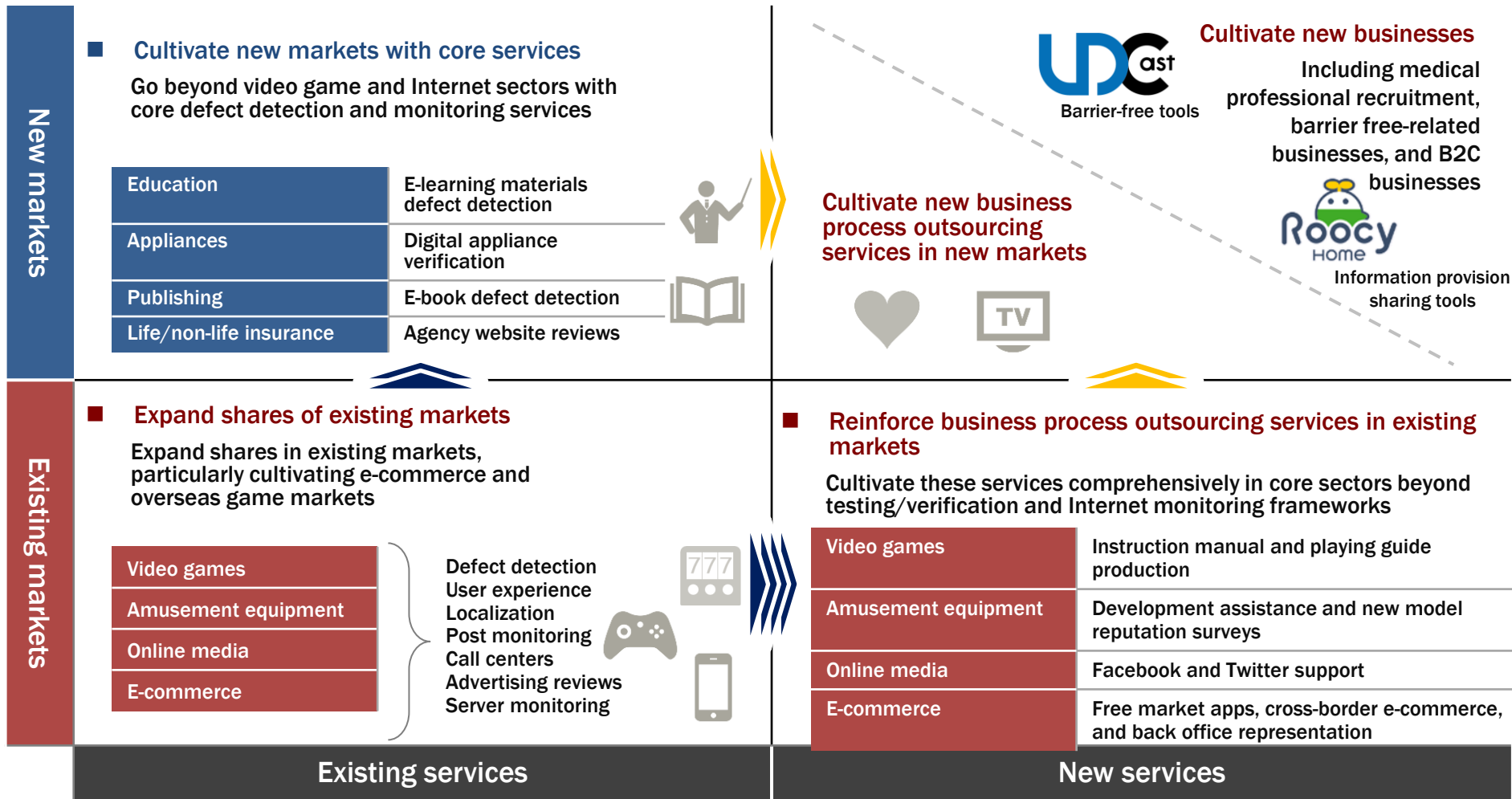
Overview of business process outsourcing sector players and positioning



# 3. Future Business Strategies

## 3-5. Future Business Strategy Approaches (3)

- 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



## 4. Reference: Corporate Profile/Our Business

### 4-1. Corporate Profile

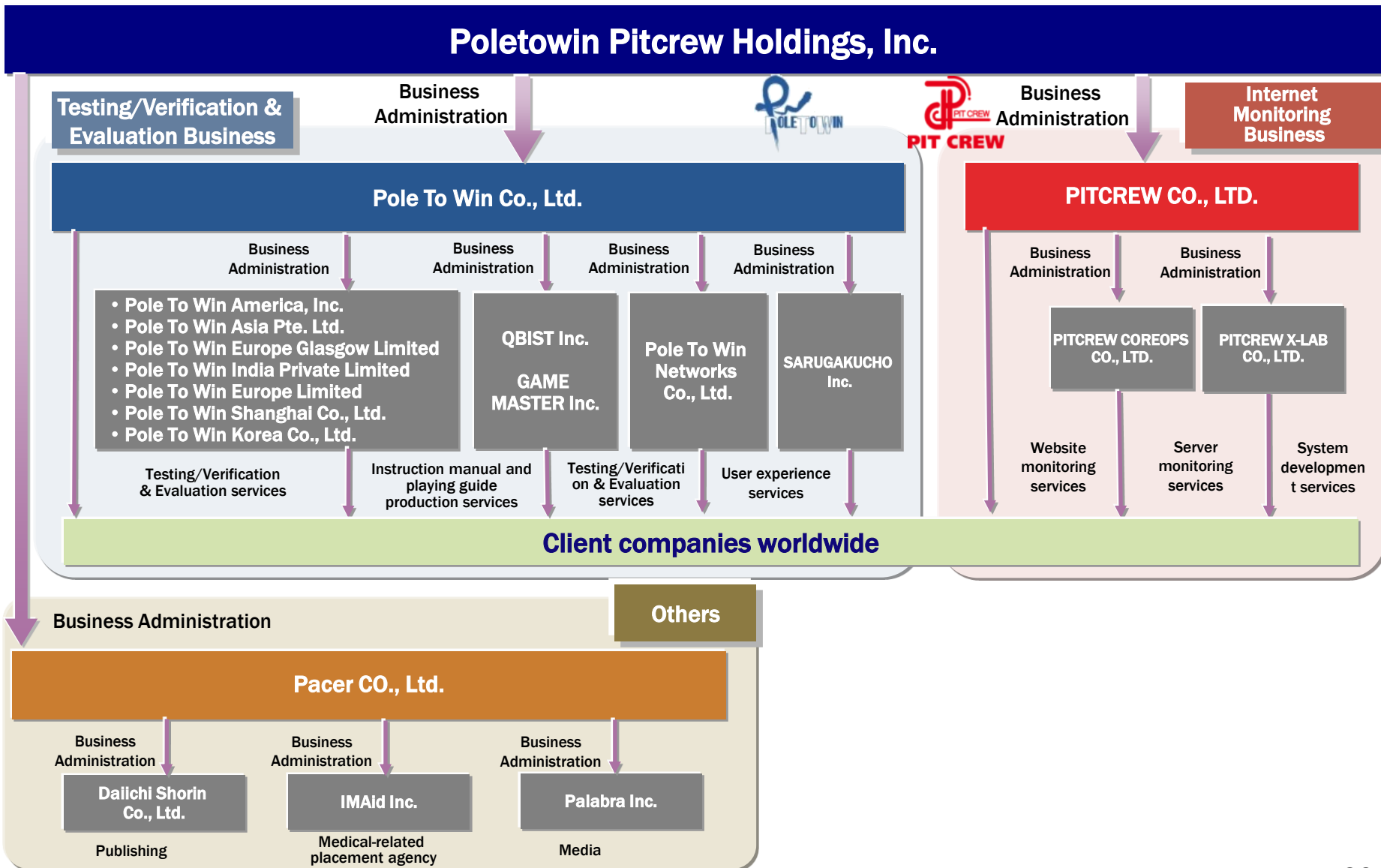


(As of January 31, 2015)

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	
Date Established	February 2, 2009	
Capital	¥1,236 Million (As of January 31, 2015)	
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 19 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 and media businesses</li> </ol>	
Consolidated Financial Results (Fiscal 2015)	<p>Net Sales: ¥14,753 Million</p> <p>Ordinary Income: ¥1,879 Million</p> <p>Net Income: ¥1,000 Million</p>	<p>No. of Employees on Consolidated Basis: 2,387 (including 775 full-time employees as of January 31, 2015)</p>

# 4. Reference: Corporate Profile/Our Business

## 4-2. Group Composition (19 Consolidated Subsidiaries)





## 4. Reference: Corporate Profile/Our Business

### 4-3. Business Segments

#### Testing/Verification & Evaluation Business

(As of January 31, 2015)

**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.	SARUGAKUCHO Inc.	Pole To Win Networks Co., Ltd.	QBIST Inc.
GAME MASTER Inc.	Pole To Win Shanghai Co., Ltd.	Pole To Win America, Inc.	Pole To Win Europe Limited
Pole To Win Asia Pte. Ltd.	Pole To Win Europe Glasgow Limited	Pole To Win India Private Limited	Pole To Win Korea Co., Ltd.

#### Internet Monitoring Business

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

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

PITCREW CO., LTD.	PITCREW X-LAB CO., LTD.	PITCREW COREOPS CO., LTD.
-------------------	-------------------------	---------------------------

#### Others

Publishing and media operations and a medical-related placement agency

Pacer CO., Ltd.	Daiichi Shorin Co., Ltd.	IMAid Inc.	Palabra Inc.
-----------------	--------------------------	------------	--------------

## 4-4. Testing/Verification & Evaluation Business (Domestic)

### Examples of diverse support services to increase video game quality

#### Product Quality

##### Compliance Tests

Checking that games comply with console manufacturer guidelines

##### Functionality Tests

Ensuring that there are no game play issues

##### Linguistic Tests

Confirming that text in games is accurate and appropriate

##### Online Tests

Checking proper functioning in massively multiplayer online and other network environments

##### Ratings

Evaluate whether games comply with age restrictions from public policy perspectives

##### Compatibility & Platform Tests

Checking proper functioning on PCs, smartphones, and diverse other devices

#### Usability

##### Monitoring

Gathering target users to play games to collect data on impressions and reactions

##### User Experience

Designing and adjusting difficulty levels to balance games

##### Instruction Manual Production

Producing game software instruction manuals, including digital versions

#### User Experience

##### User Support

Helping users after launching games

##### Playing Guide Production

Producing guides and helping run official sites



### Examples of Services to Support Global Launches of Games

#### Compliance Tests

Checking that games comply with console manufacturer guidelines

#### Functionality Tests

Ensuring that there are no game play issues

#### Localization

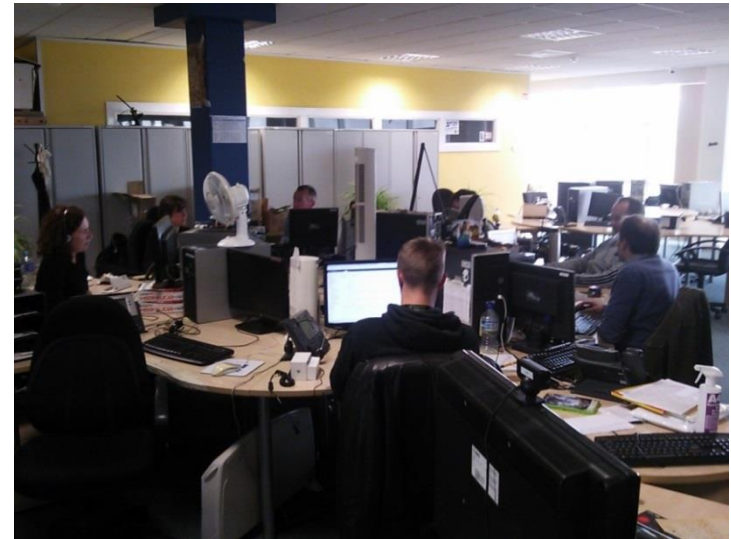
Translating in-game text and user manuals and recording voiceovers

#### Linguistic Tests

After translation, native speakers play games to ensure grammatical and translation accuracy, check concepts and characters, and confirm that translations are culturally appropriate where launched

#### Customer Support

Helping users after launching games



## 4. Reference: Corporate Profile/Our Business

### 4-6. 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

##### Merchandise reviews

Assessing whether merchandise violates relevant regulations or is fraudulent and checking merchandise images and text

##### Advertising reviews Manuscript management

Checking that ads that online retailers submit comply with site placement policies and overseeing progress through placement

##### User support

Handling general inquiries from consumers. Addressing issues and complaints, answering consumers questions and endeavoring to enhance customer satisfaction

##### Data aggregation Back office support

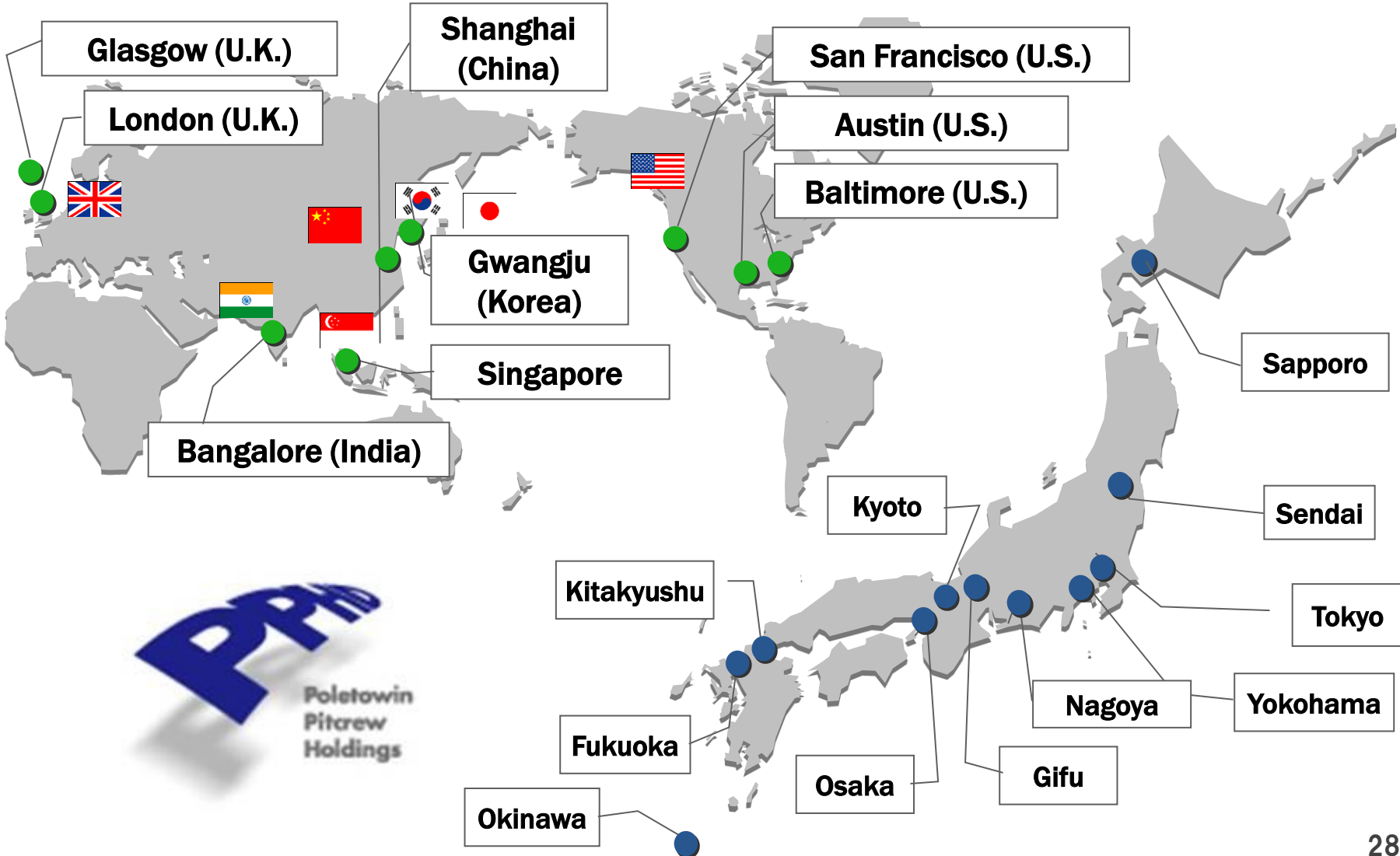
Analyzing consumer behavioral processes and handling queries from government agencies and other third parties



4. Reference: Corporate Profile/Our Business

4-7. Business Sites

■ 11 business units in Japan and 9 overseas (As of January 31, 2015)



- 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.