



**Securities code: 3657**  
**Abbreviation: Pole HD**  
**September 6, 2019**

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## **Poletowin Pitcrew Holdings, Inc.**

### **Supplementary Information to the Financial Results for the Six Months Ended July 31, 2019**

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#### **【Summary】**

Net sales:                   ¥ 12,402 million ( 5.7% increase QoQ / +1.3% compared to forecast)  
Operating profit:         ¥ 1,612 million ( 9.3% increase QoQ/ +26.3% compared to forecast)  
Net income:                ¥ 954 million ( 13.7% increase QoQ/ +24.9% compared to forecast)

#### ➤ <Testing/Verification & Evaluation Business >

- Domestic sales improved.
- Orders for outsourcing services for amusement equipment increased.
- Group synergy increased cross-selling (Overseas service & Internet support service)for domestic game makers

#### ➤ <Internet Supporting Business>

- Services for new business areas expanded.
- Orders for outsourcing services for EC, AI, and QR code settlement increased.

#### ➤ <Other Business> Restructuring of other businesses resulted in profit improvement.

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# 1-1. Overview of Consolidated Financial Results for the Six months Ended July 31, 2019

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

	FY2020.1 Six months Ended July 31, 2019		FY2019.1 Six months Ended July 31, 2018		Change	
	Results	Margin	Results	Margin	Change	Margin
Net sales	<b>12,402</b>	- %	<b>11,735</b>	- %	<b>+667</b>	+5.7%
Operating profit	<b>1,612</b>	13.0%	<b>1,474</b>	12.6%	<b>+137</b>	+9.3%
Ordinary profit	<b>1,542</b>	12.4%	<b>1,432</b>	12.2%	<b>+109</b>	+7.7%
Profit attributable to owners of parent	<b>954</b>	7.7%	<b>839</b>	7.2%	<b>+114</b>	+13.7%

\*Percentages rounded down to one decimal place

# 1-2. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2019



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

	Results For the Six Months Ended July 31, 2019		Forecasts For the Six Months Ended July 31, 2019		Results vs Forecasts	
	Results	Margin	Forecasts	Margin	Change	Progress
Net sales	<b>12,402</b>	- %	<b>12,246</b>	- %	<b>+155</b>	101.3%
Operating income	<b>1,612</b>	13.0%	<b>1,276</b>	10.4%	<b>+335</b>	126.3%
Ordinary income	<b>1,542</b>	12.4%	<b>1,262</b>	10.3%	<b>+279</b>	122.2%
Profit attributable to owners of parent	<b>954</b>	7.7%	<b>764</b>	6.2%	<b>+190</b>	124.9%

\*Percentages rounded down to one decimal place

# 1-3. Segment Overviews for the Six months Ended July 31, 2019

## Testing/Verification & Evaluation Business

**Net Sales ¥9,365 million (75.5% of net sales)**

	FY2020.1 2Q	FY2019.1 2Q	Change YoY	
			Change	Margin
Net sales	<b>9,365</b>	<b>9,081</b>	<b>+284</b>	<b>+3.1%</b>
Operating profit	<b>1,459</b>	<b>1,563</b>	<b>(103)</b>	<b>(6.6%)</b>
Operating margin	<b>15.6%</b>	<b>17.2%</b>	<b>(1.6%)</b>	<b>-</b>

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

\*Percentages rounded down to one decimal place

## Internet Supporting Business

**Net Sales ¥2,918 million (23.5% of net sales)**

	FY2020.1 2Q	FY2019.1 2Q	Change YoY	
			Change	Margin
Net sales	<b>2,918</b>	<b>2,480</b>	<b>+438</b>	<b>+17.7%</b>
Operating profit	<b>116</b>	<b>102</b>	<b>+13</b>	<b>+13.4%</b>
Operating margin	<b>4.0%</b>	<b>4.1%</b>	<b>(0.1%)</b>	<b>-</b>

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

\*Percentages rounded down to one decimal place

# 1-4. Quarterly Net Sales and Operating Profit

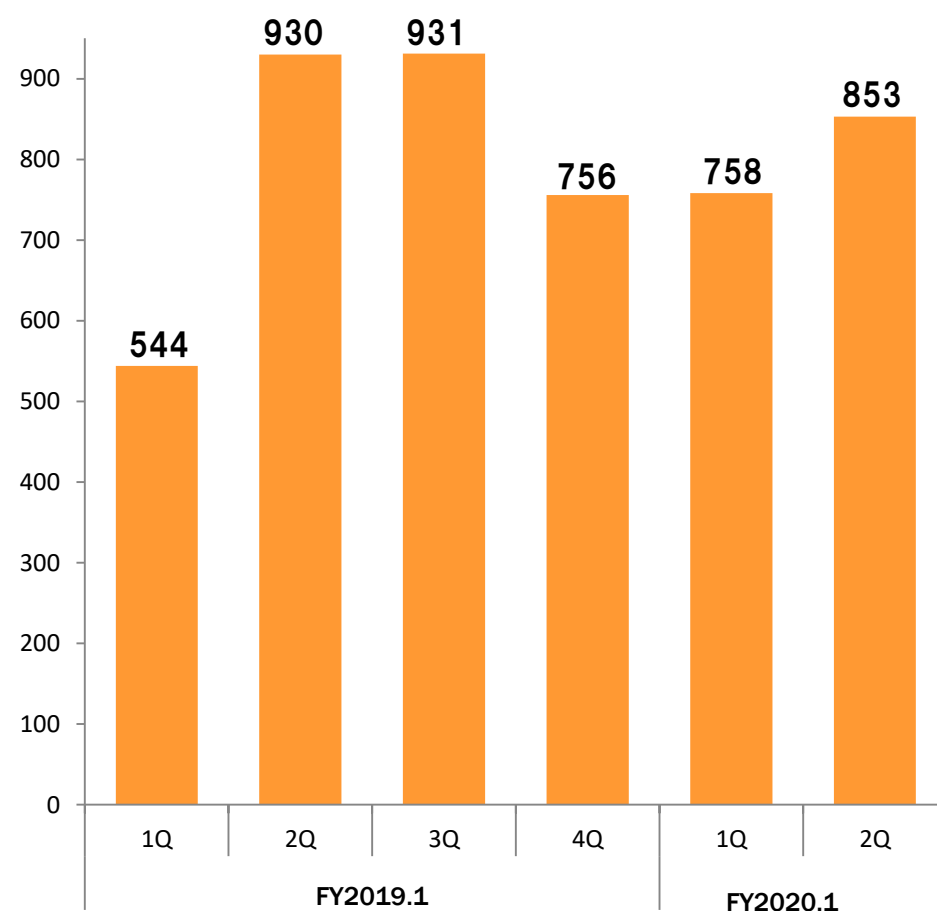
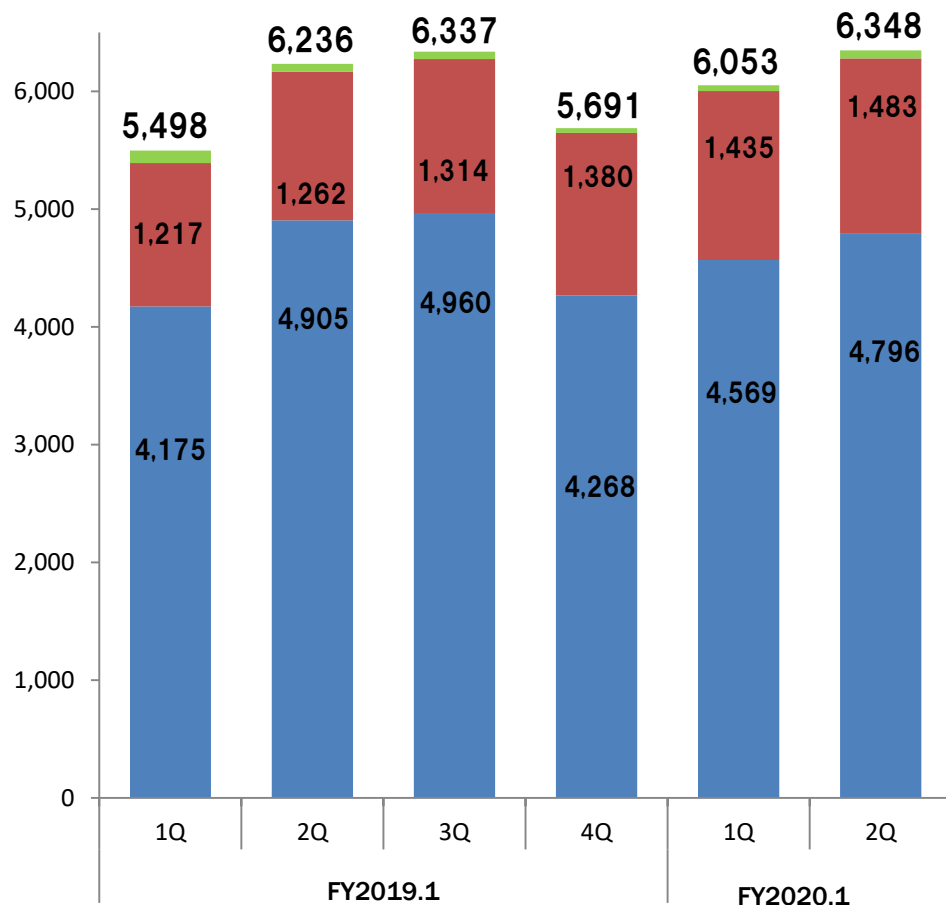
Units: ¥ million (Amounts less than ¥1 million omitted)

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

## Quarterly sales

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

## Quarterly operating profit



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

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

	July 31, 2019	Jan. 31, 2019	Change
<b>Total current assets</b>	<b>13,903</b>	<b>12,863</b>	<b>+1,040</b>
<b>Cash and deposits</b>	<b>9,640</b>	<b>9,345</b>	<b>+294</b>
<b>Total property, plant and equipment</b>	<b>624</b>	<b>650</b>	<b>(25)</b>
<b>Total intangible assets</b>	<b>830</b>	<b>998</b>	<b>(167)</b>
<b>Investments and other assets</b>	<b>1,144</b>	<b>1,030</b>	<b>+114</b>
<b>Total non-current assets</b>	<b>2,599</b>	<b>2,678</b>	<b>(78)</b>
<b>Total assets</b>	<b>16,503</b>	<b>15,542</b>	<b>+961</b>
<b>Total current liabilities</b>	<b>3,111</b>	<b>2,670</b>	<b>+441</b>
<b>Total non-current liabilities</b>	<b>194</b>	<b>173</b>	<b>+20</b>
<b>Total liabilities</b>	<b>3,305</b>	<b>2,844</b>	<b>+461</b>
<b>Total net assets</b>	<b>13,197</b>	<b>12,697</b>	<b>+499</b>
<b>Capital stock</b>	<b>1,237</b>	<b>1,237</b>	<b>-</b>
<b>Capital surplus</b>	<b>2,377</b>	<b>2,377</b>	<b>+0</b>
<b>Retained earnings</b>	<b>9,873</b>	<b>9,334</b>	<b>+538</b>
<b>Treasury shares</b>	<b>(169)</b>	<b>(170)</b>	<b>+0</b>
<b>Total liabilities and net assets</b>	<b>16,503</b>	<b>15,542</b>	<b>+961</b>

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

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

	Six Months Ended July 31, 2019	Six Months Ended July 31, 2018	YoY Change
Net Cash provided by operating activities	<b>1,005</b>	<b>979</b>	<b>+25</b>
Net cash used in investing activities	<b>(237)</b>	<b>(419)</b>	<b>+181</b>
Net cash used in financing activities	<b>(416)</b>	<b>396</b>	<b>(812)</b>
Effect of exchange rate change on cash and cash equivalents	<b>(57)</b>	<b>(91)</b>	<b>+34</b>
Net increase in cash and cash equivalents	<b>294</b>	<b>865</b>	<b>(571)</b>
Cash and cash equivalents at beginning of period	<b>9,345</b>	<b>5,746</b>	<b>+3,599</b>
Cash and cash equivalents at end of period	<b>9,640</b>	<b>6,612</b>	<b>+3,027</b>



## 2-1. Consolidated Forecasts for the Year Ending January 31, 2020

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

	Fiscal 2020 Forecasts	Fiscal 2019 Results	YoY change	
			Amount	%
Net sales	<b>26,217</b>	<b>23,763</b>	<b>+2,454</b>	<b>+10.3%</b>
Operating profit	<b>3,179</b>	<b>3,162</b>	<b>+17</b>	<b>+0.5%</b>
Ordinary profit	<b>3,150</b>	<b>3,082</b>	<b>+68</b>	<b>+2.2%</b>
Profit attributable to owners of parent	<b>2,045</b>	<b>1,839</b>	<b>+206</b>	<b>+11.2%</b>
Net income per share	<b>¥53.65</b>	<b>¥49.97</b>	<b>¥+3.68</b>	<b>—</b>
Cash dividends per share	<b>¥12</b>	<b>¥11</b>	<b>¥+1</b>	<b>—</b>

Percentages rounded down to one decimal place

## 2-2. Progress of Consolidated Forecasts for the Year Ending January 31, 2020

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

	Results For the Six months Ended July 31, 2019	FY2020.1	
		Forecast	Progress
Net sales	<b>12,402</b>	<b>26,217</b>	47.3%
Operating profit	<b>1,612</b>	<b>3,179</b>	50.7%
Ordinary profit	<b>1,542</b>	<b>3,150</b>	48.9%
Profit attributable to owners of parent	<b>954</b>	<b>2,045</b>	46.7%

Percentages rounded down to one decimal place

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

### Dividend policy

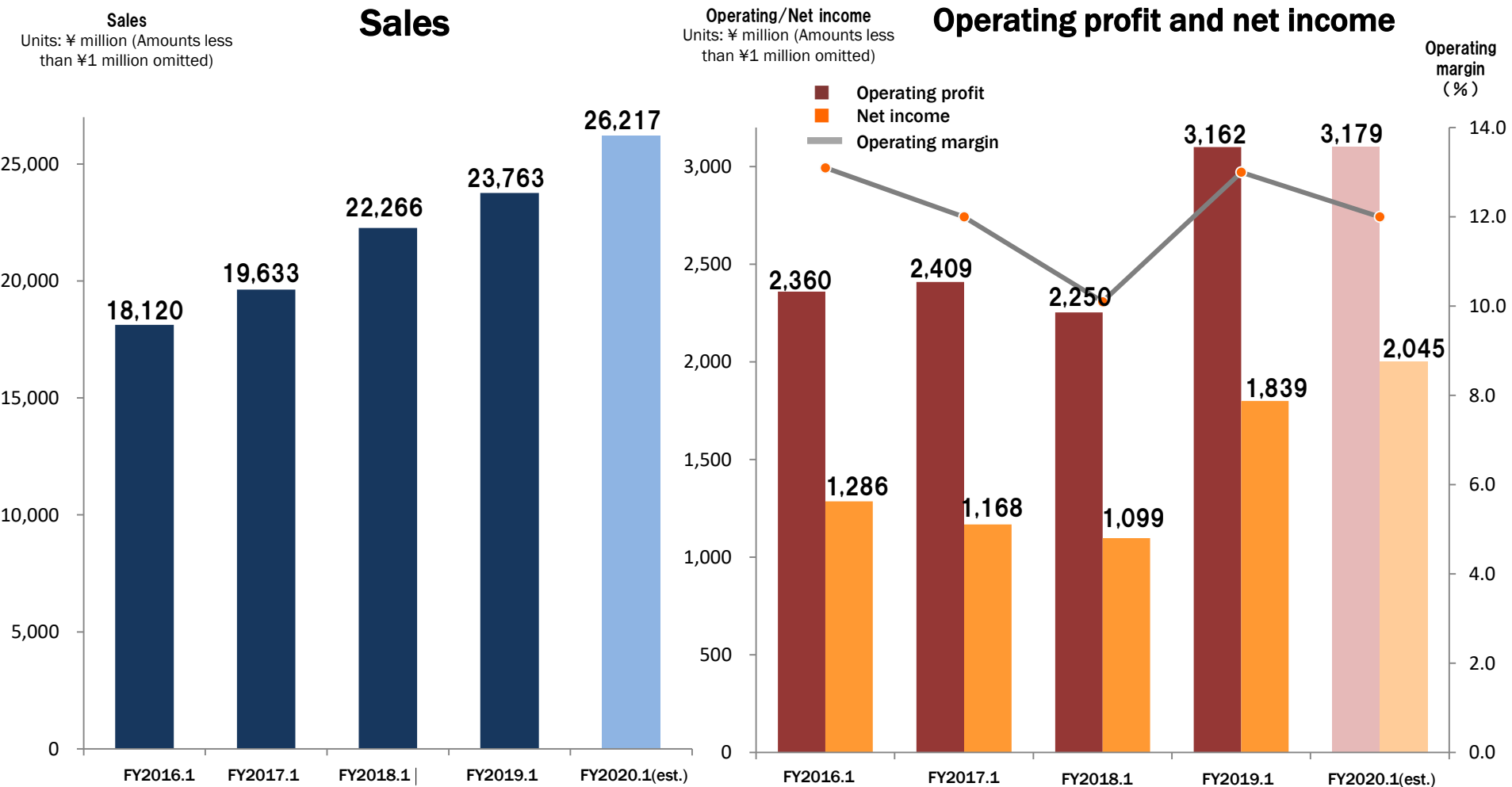
**Target payout ratio of 25%** to consolidated net income

### Yearly dividends per share

FY2017.1	→	FY2018.1	→	FY2019.1	→	FY2020.1 Forecast
¥9.5/share		¥9.5/share		¥11/share		¥12/share

(Note) The Group conducted a two-for-one split of its common shares effective as of January 1, 2019. For the dividend amount for fiscal year ended before January 31, 2018, the amount is displayed with retroactive adjustments made reflecting the two-for-one share split.

## 2-4. Consolidated Fiscal Performance and Plan



Note: FY2020.1 estimates are forecasts disclosed on March 12, 2019.

## 3-1. Corporate Profile

( As of July 31, 2019 )

<b>Company Name</b>	Poletowin Pitcrew Holdings, Inc.	
<b>Representatives</b>	Tamiyoshi Tachibana, Chairman Teppei Tachibana, President & CEO	
<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, 2019)	
<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 27 consolidated subsidiaries and 1 affiliated company accounted for by the equity-method.</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. Others Including medical related service, publishing and media businesses</li> </ol>	
<b>Consolidated Financial Results (Fiscal 2019)</b>	Net Sales: ¥23,763 Million Ordinary Income: ¥3,082 Million Net Income: ¥1,839 Million	No. of Employees on Consolidated Basis: 3,793 (including 1,575 full-time employees as of January 31, 2019)

## 3-2. Group Composition

(As of July 31, 2019)

### Poletowin Pitcrew Holdings, Inc.

Testing/Verification & Evaluation Business

Pole To Win Co., Ltd.

Pole To Win Networks Co., Ltd.  
 QBIST Inc.  
 GAME MASTER Inc.  
 ENTALIZE CO., LTD.  
 CrossFunction Co., Ltd.  
 CREST JOB Inc (affiliated company accounted by the equity-method)

QaaS Co., Ltd.

Pole To Win International Limited

Pole To Win Shanghai Co., Ltd.  
 Pole To Win America, Inc.  
 Pole To Win Singapore Pte. Ltd.  
 Pole To Win Europe Glasgow Limited  
 Pole To Win India Private Limited  
 Pole To Win UK Limited  
 Pole To Win Korea Co., Ltd.  
 Side UK Limited  
 Pole To Win Romania SRL.  
 Pole To Win (Malaysia) Sdn. Bhd.  
 SIDE LA, LLC  
 Pole To Win Canada, Inc.

Others

Pacer CO., Ltd.

Daiichi Shorin Co., Ltd.  
 IMAid Inc.  
 Palabra Inc.

Internet Supporting Business

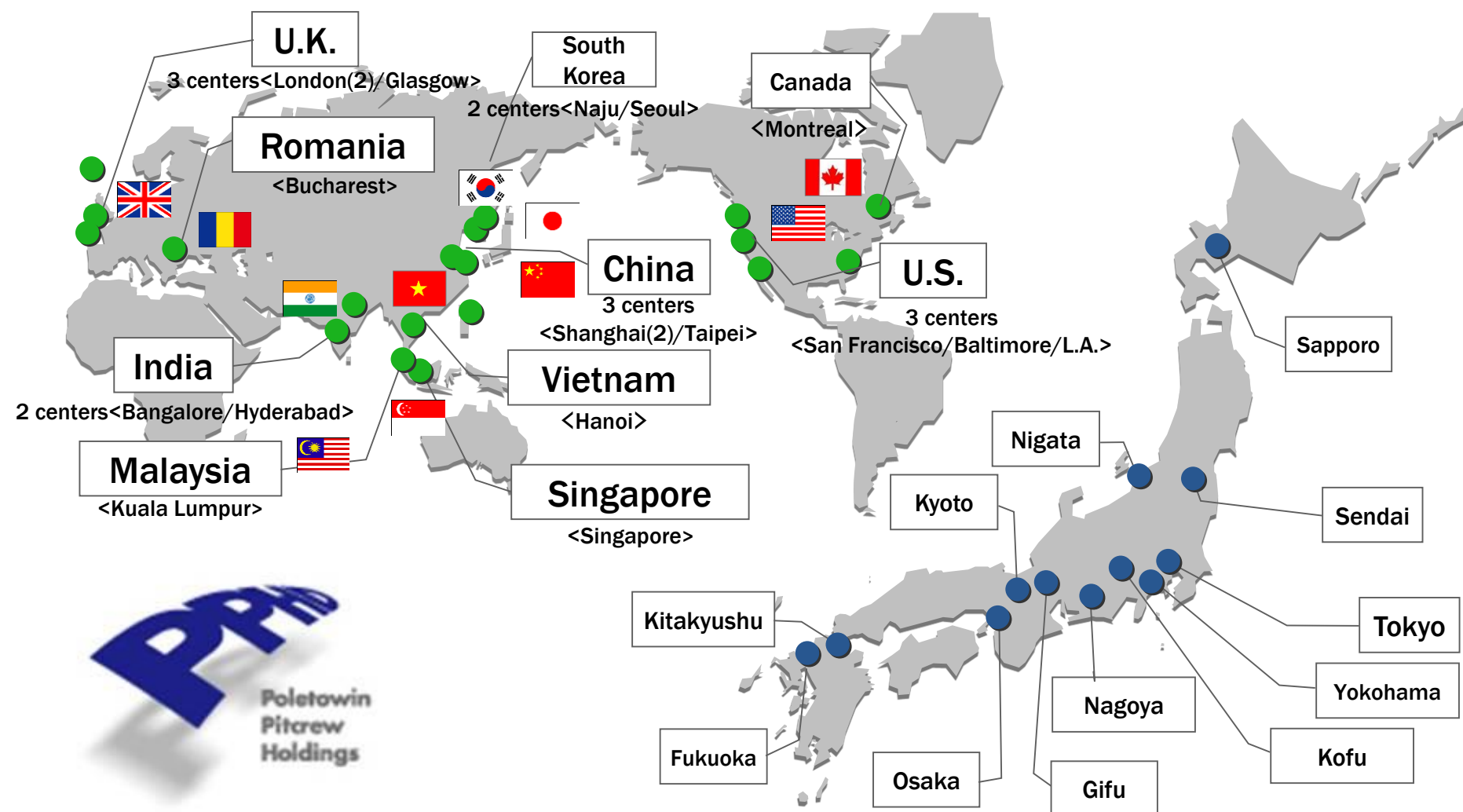
PITCREW CO., LTD.

PITCREW COREOPS CO., LTD.  
 POLE TO WIN VIET NAM JOINT STOCK COMPANY

## 3-3. Business Sites

■ Operating in 12 cities in Japan and 18 centers in 10 overseas countries

(As of July 31, 2019)



- 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.