

---

## Poletowin Pitcrew Holdings, Inc.

### Supplementary Information to the Financial Results for the Six Months Ended July 31, 2020

---

#### 【Summary】

<b>Net sales:</b>	<b>¥12,399 million</b>	<b>( 0.0% decrease QoQ / -9.9% compared to forecast)</b>
<b>Operating profit:</b>	<b>¥1,276 million</b>	<b>(20.8% decrease QoQ / -17.9% compared to forecast)</b>
<b>Net profit:</b>	<b>¥903 million</b>	<b>( 5.3% decrease QoQ / -9.7% compared to forecast)</b>

- <Internet Supporting Business>
  - Net sales increased 4.7% QoQ. Operating profit increased 96.4% QoQ.
  - Profitability improved. Orders for EC and QR code settlement related services increased.
- <Testing/Verification & Evaluation Business >
  - Net sales decreased 1.3% QoQ. Operating profit decreased 25.2% QoQ.
  - Third party verification service for non-games market and orders for overseas client increased.
  - A subsidiary, CREST Inc., released a game “ARIA CHRONICLE” on Steam.
  - Due to COVID-19, some business saw suspension or delay.
  - Due to changes in the accounting periods for two subsidiaries, the financial results reflects five months for these companies.
- <Others>
  - Please refer to (3) Qualitative Information on Consolidated Earnings Forecasts of Consolidated Financial Results for further information on impact of COVID-19.

<b>1. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2020</b>	<b>2</b>
<b>2. Consolidated Forecasts for the Year Ending January 31, 2021</b>	<b>8</b>
<b>3. Reference: Corporate Profile/Our Business</b>	<b>12</b>

# 1-1. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2020

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

	FY2021.1 Six Months Ended July 31, 2020		FY2020.1 Six Months Ended July 31, 2019		Change QoQ	
	Results	Margin	Results	Margin	Results	Margin
Net sales	<b>12,399</b>	- %	<b>12,402</b>	- %	<b>(2)</b>	<b>(0.0%)</b>
Operating profit	<b>1,276</b>	10.3%	<b>1,612</b>	13.0%	<b>(335)</b>	<b>(20.8%)</b>
Ordinary profit	<b>1,474</b>	11.9%	<b>1,542</b>	12.4%	<b>(67)</b>	<b>(4.4%)</b>
Profit attributable to owners of parent	<b>903</b>	7.3%	<b>954</b>	7.7%	<b>(50)</b>	<b>(5.3%)</b>

\*Percentages rounded down to one decimal place

## 1-2. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2020

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

	Results For the Six Months Ended July 31, 2020		Forecasts For the Six Months Ended July 31, 2020		Results vs Forecasts	
	Results	Margin	Forecasts	Margin	Change	Progress
Net sales	<b>12,399</b>	- %	<b>13,768</b>	- %	<b>(1,368)</b>	<b>90.1%</b>
Operating income	<b>1,276</b>	10.3%	<b>1,554</b>	11.3%	<b>(278)</b>	<b>82.1%</b>
Ordinary income	<b>1,474</b>	11.9%	<b>1,560</b>	11.3%	<b>(86)</b>	<b>94.5%</b>
Profit attributable to owners of parent	<b>903</b>	7.3%	<b>1,000</b>	7.3%	<b>(96)</b>	<b>90.3%</b>

\*Percentages rounded down to one decimal place

## 1-3. Segment Overviews for the Six Months Ended July 31, 2020

## Testing/Verification &amp; Evaluation Business

Net Sales ¥9,243 million (74.5% of net sales)

	FY2021.1 2Q	FY2020.1 2Q	Change YoY	
			Change	Margin
Net sales	<b>9,243</b>	<b>9,365</b>	<b>(122)</b>	<b>(1.3%)</b>
Operating profit	<b>1,090</b>	<b>1,459</b>	<b>(368)</b>	<b>(25.2%)</b>
Operating margin	<b>11.8%</b>	<b>15.6%</b>	<b>(3.8%)</b>	<b>-</b>

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

\*Percentages rounded down to one decimal place

## Internet Supporting Business

Net Sales ¥3,055 million (24.6% of net sales)

	FY2021.1 2Q	FY2020.1 2Q	Change YoY	
			Change	Margin
Net sales	<b>3,055</b>	<b>2,918</b>	<b>+136</b>	<b>+4.7%</b>
Operating profit	<b>227</b>	<b>116</b>	<b>+111</b>	<b>+96.4%</b>
Operating margin	<b>7.5%</b>	<b>4.0%</b>	<b>+3.5%</b>	<b>-</b>

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

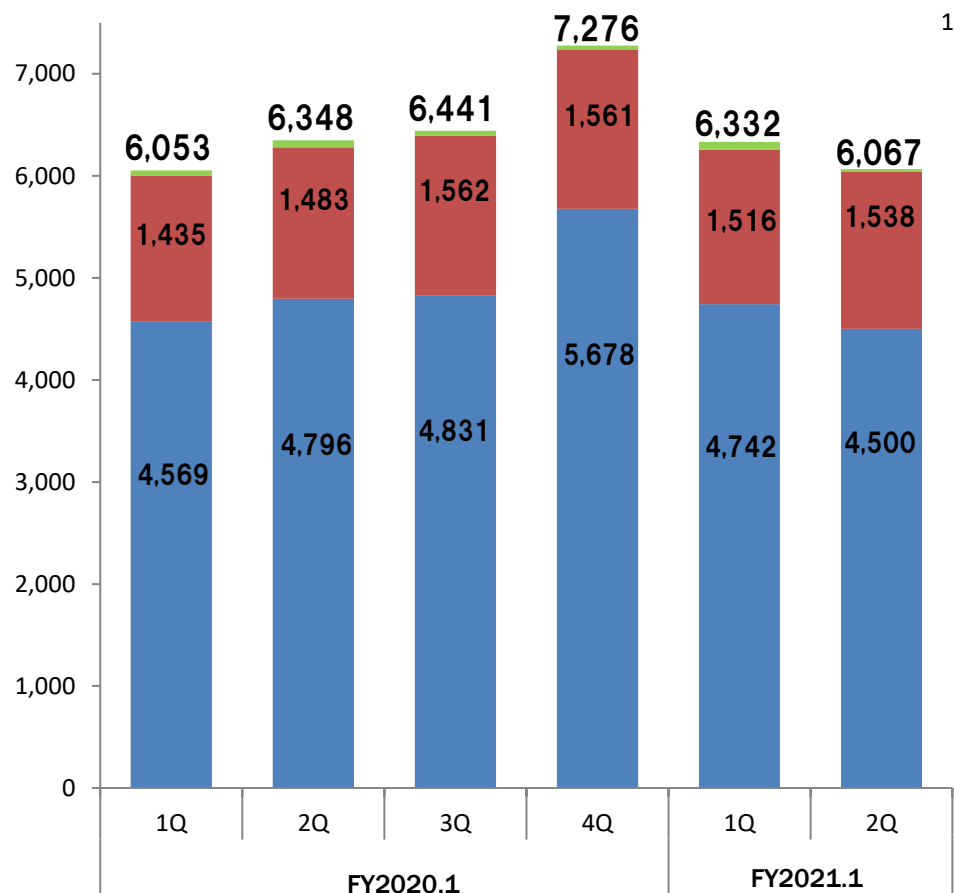
\*Percentages rounded down to one decimal place

# 1-4. Quarterly Net Sales and Operating Profit

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

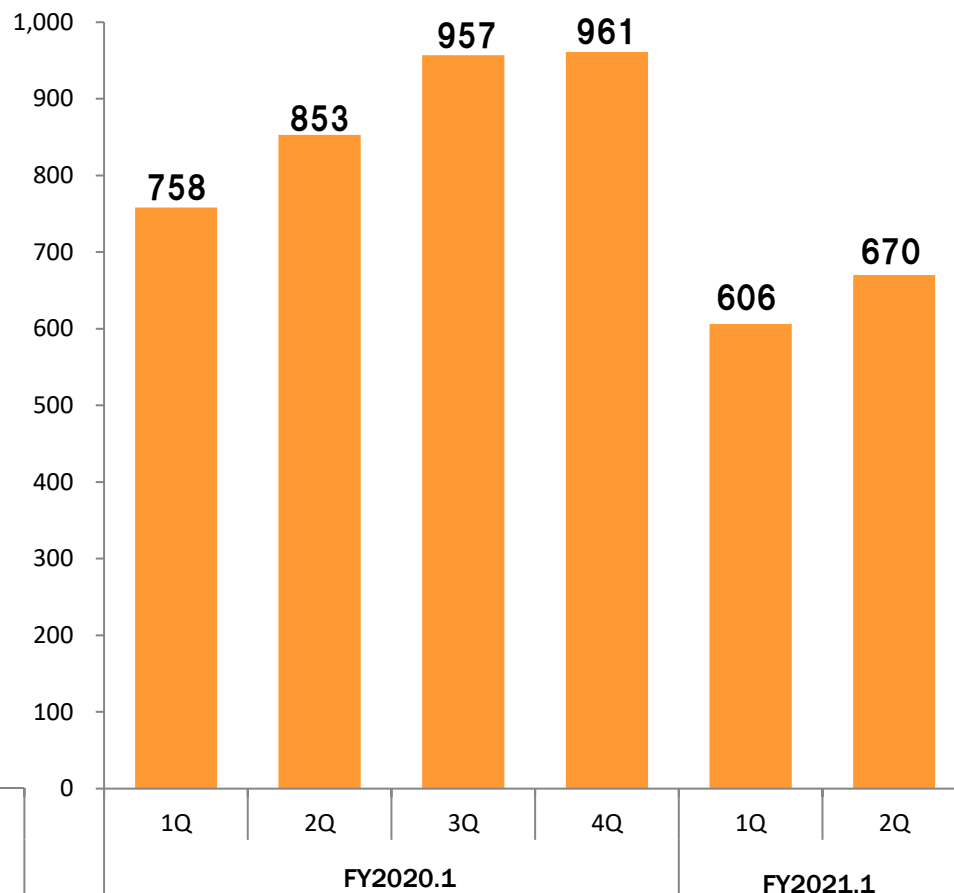
- Testing/Verification & Evaluation Business
- Internet Monitoring Business
- Others

### Quarterly Net Sales



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

### Quarterly Operating Profit



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

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

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

	As of July 31, 2020	As of Jan. 31, 2020	Change
Total current assets	15,641	14,705	+935
Cash and deposits	10,949	10,514	+434
Total property, plant and equipment	709	718	(8)
Total intangible assets	951	908	+43
Investments and other assets	1,457	1,431	+26
Total non-current assets	3,118	3,058	+60
<b>Total assets</b>	<b>18,759</b>	<b>17,763</b>	<b>+996</b>
Total current liabilities	4,048	3,146	+901
Total non-current liabilities	249	296	(46)
<b>Total liabilities</b>	<b>4,298</b>	<b>3,443</b>	<b>+855</b>
<b>Total net assets</b>	<b>14,461</b>	<b>14,320</b>	<b>+140</b>
Capital stock	1,237	1,237	+0
Capital surplus	2,378	2,377	+0
Retained earnings	11,156	10,706	+449
Treasury shares	(167)	(169)	+1
<b>Total liabilities and net assets</b>	<b>18,759</b>	<b>17,763</b>	<b>+996</b>

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

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

	Six Months Ended July 31, 2020	Six Months Ended July 31, 2019	YoY Change
Net Cash provided by operating activities	<b>823</b>	<b>1,005</b>	<b>(182)</b>
Net cash used in investing activities	<b>(402)</b>	<b>(237)</b>	<b>(164)</b>
Net cash used in financing activities	<b>38</b>	<b>(416)</b>	<b>+454</b>
Effect of exchange rate change on cash and cash equivalents	<b>(23)</b>	<b>(57)</b>	<b>+33</b>
<b>Net increase in cash and cash equivalents</b>	<b>434</b>	<b>294</b>	<b>+140</b>
Cash and cash equivalents at beginning of period	<b>10,514</b>	<b>9,345</b>	<b>+1,168</b>
<b>Cash and cash equivalents at end of period</b>	<b>10,949</b>	<b>9,640</b>	<b>+1,308</b>



## 2-1. Consolidated Forecasts for the Year Ending January 31, 2021

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

	Fiscal 2021.1 Forecasts	Fiscal 2020.1 Results	YoY change	
			Amount	%
Net sales	<b>28,744</b>	<b>26,120</b>	<b>+2,624</b>	<b>+10.0%</b>
Operating profit	<b>3,587</b>	<b>3,531</b>	<b>+56</b>	<b>+1.6%</b>
Ordinary profit	<b>3,576</b>	<b>3,473</b>	<b>+103</b>	<b>+2.9%</b>
Profit attributable to owners of parent	<b>2,341</b>	<b>1,787</b>	<b>+554</b>	<b>+30.9%</b>
Net profit per share	<b>¥61.41</b>	<b>¥47.24</b>	<b>¥+14.17</b>	<b>—</b>
Cash dividends per share	<b>¥13</b>	<b>¥12</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, 2021

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

	Results For the Six months Ended July 31, 2020	FY2021.1	
		Forecast	Progress
Net sales	<b>12,399</b>	<b>28,744</b>	43.1%
Operating profit	<b>1,276</b>	<b>3,587</b>	35.6%
Ordinary profit	<b>1,474</b>	<b>3,576</b>	41.2%
Profit attributable to owners of parent	<b>903</b>	<b>2,341</b>	38.6%

Percentages rounded down to one decimal place

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

### Dividend policy

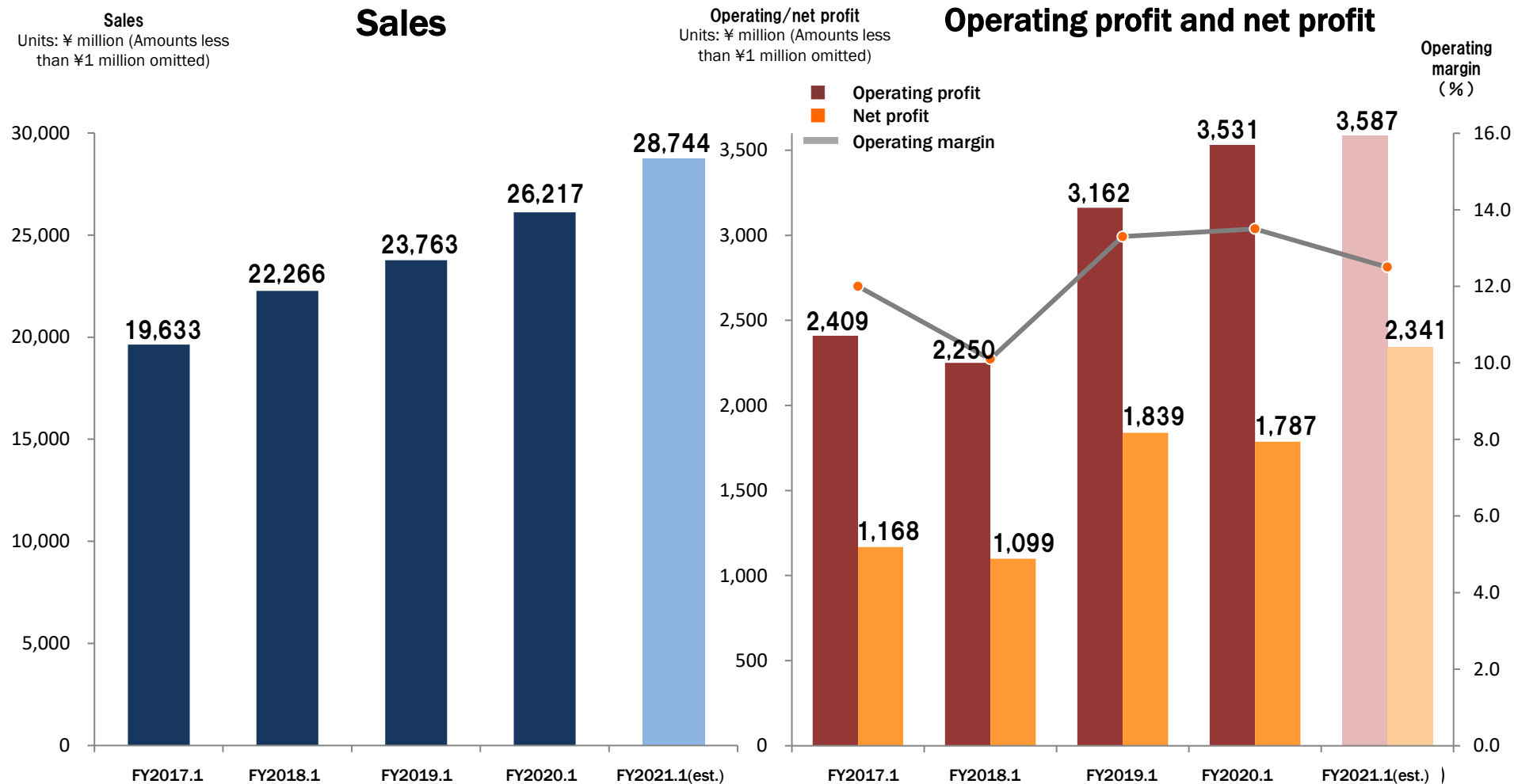
**Target payout ratio of 25% to consolidated net profit**

### Yearly dividends per share

Fiscal 2018	Fiscal 2019	Fiscal 2020	Fiscal 2021 Forecast
¥9.5/share	¥11/share	¥12/share	¥13/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: FY2021.1 estimates are forecasts disclosed on March 12, 2020.

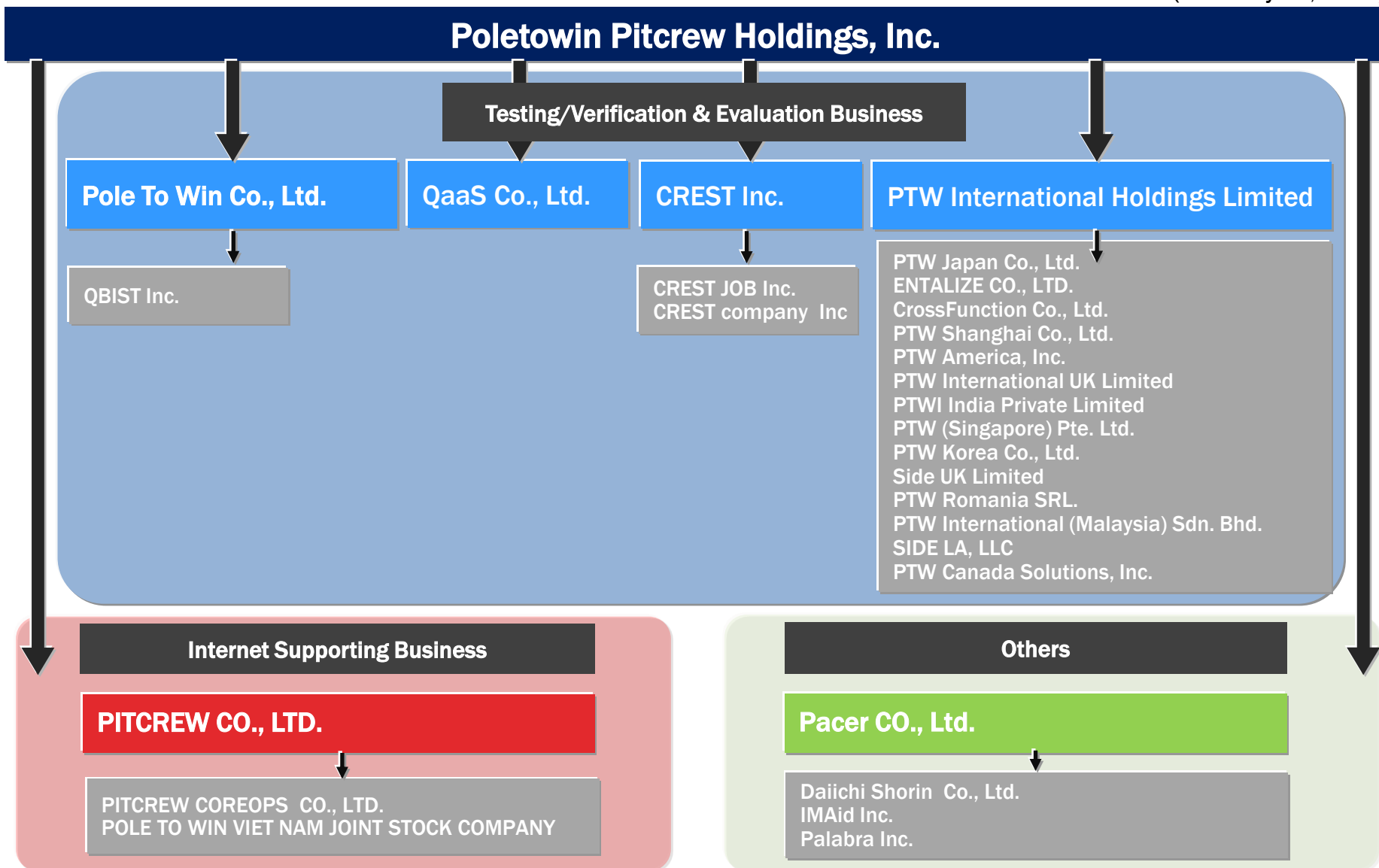
## 3-1. Corporate Profile

( As of July 31, 2020 )

Company Name	Poletowin Pitcrew Holdings, Inc.	
Representatives	Tamiyoshi Tachibana, Chairman Teppei Tachibana, President & CEO	
Head Office	11th Floor, Shinjuku NS Building, 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo 163-0811, Japan	
Date Established	February 2, 2009	
Capital	¥1,237 Million (As of January 31, 2020)	
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 28 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. Others Including medical related service, publishing and media businesses</li> </ol>	
Consolidated Financial Results (Fiscal 2020)	Net Sales: ¥26,120 Million Ordinary Profit: ¥ 3,473 Million Net profit: ¥ 1,787 Million	No. of Employees on Consolidated Basis: 4,708 (including 1,813 full-time employees as of January 31, 2020)

## 3-2. Group Composition

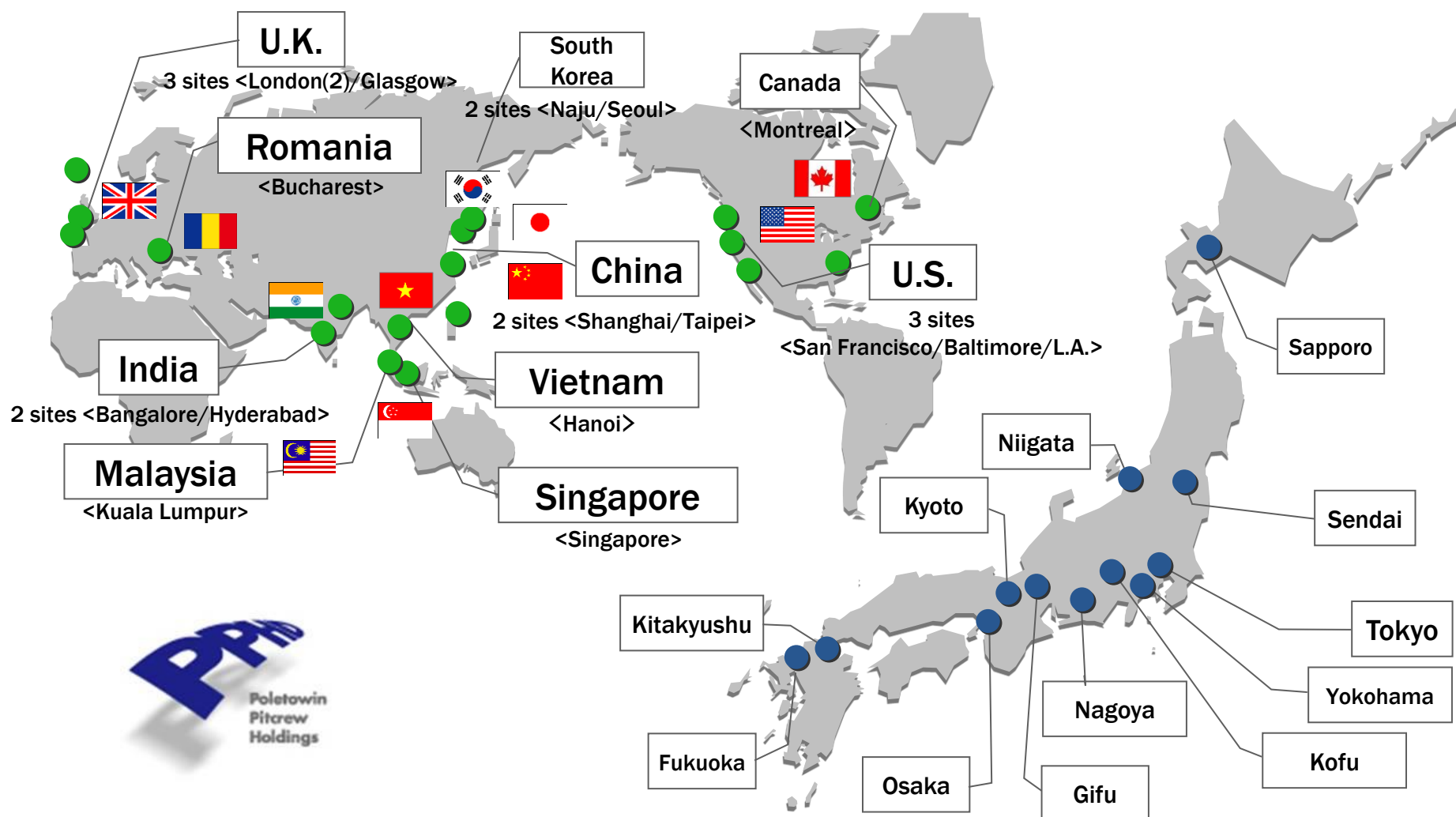
(As of July 31, 2020)



## 3-3. Business Sites

■ Operating in 12 cities in Japan and 17 sites in 10 overseas countries

(As of July 31, 2020)



- 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.