



Securities code: 3657
Abbreviation: Pole HD
March 11, 2019

Poletowin Pitcrew Holdings, Inc.

Supplementary Information to the Financial Results for the Year Ended January 31, 2019

【Summary】

Net sales: ¥ 23,763 million (6.7% increase YoY)

Operating income: ¥ 3,162 million (40.5% increase YoY)

Net income: ¥ 1,839 million (67.2% increase YoY)

- **<Internet Supporting Business> Net sales increased by +40% YoY. Operating income increased by +70% YoY**
 - **Services started for AI(ex. data recognition evaluation) & FinTech (ex. monitoring)**
- **<Testing/Verification & Evaluation Business > Overseas subsidiaries operation ratio improved.**
 - **Decrease in net sales compared with the previous year, but as profitability improved in overseas business, operation income increased.**
 - **Business for localization and voice recording is increasing for non-game markets.**
- **Withdrawal from medical related business as profitability didn't improve.**
 - **Turned profitable in consolidated fourth quarter, ¥200 million deficit reduced compared with the previous year.**

1. Overview of Financial Results for Year Ended January 31, 2019	••• 2
2. Forecasts for Year Ending January 31, 2020	••• 10
3. Future Business Strategies	••• 12
4. Reference: Corporate Profile/Our Business	••• 14

1-1. Overview of Consolidated Financial Results for Year Ended January 31, 2019(Change YoY) (1)

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

	FY2019.1		FY2018.1		Change YoY	
	Results	Margin	Results	Margin	Change	Margin
Net sales	23,763	- %	22,266	- %	+1,497	+6.7%
Operating income	3,162	13.3%	2,250	10.1%	+912	+40.5%
Ordinary income	3,082	13.0%	2,351	10.6%	+731	+31.1%
Net income attributable to owners of parent	1,839	7.7%	1,099	4.9%	+739	+67.2%

*Percentages rounded down to one decimal place

1-2. Overview of Consolidated Financial Results for Year Ended January 31, 2019(vs. Forecast) (2)

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

	FY2019.1		Forecast		Comparison with Forecast	
	Results	Margin	Initial forecast	Margin	Change	Attainment rate
Net sales	23,763	- %	25,108	- %	(1,344)	94.6%
Operating income	3,162	13.3%	2,612	10.4%	+549	121.0%
Ordinary income	3,082	13.0%	2,624	10.5%	+457	117.4%
Net income attributable to owners of parent	1,839	7.7%	1,614	6.4%	+224	113.9%

*Percentages rounded down to one decimal place

1-3. Segment Performances

Testing/Verification & Evaluation Business

Net sales **18,309 million** (77.0% of net sales)

	FY2019.1	FY2018.1	Change YoY	
			Change	Margin
Net sales	18,309	18,367	(57)	(0.3%)
Operating income	3,071	2,480	+591	+23.9%
Operating margin	16.8%	13.5%	+3.3%	—

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

Percentages rounded down to one decimal place

Internet Supporting Business

Net sales **5,175 million** (21.8% of net sales)

	FY2019.1	FY2018.1	Change YoY	
			Change	Margin
Net sales	5,175	3,678	+1,497	+40.7%
Operating income	266	155	+110	+70.7%
Operating margin	5.1%	4.2%	+0.9%	—

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

Percentages rounded down to one decimal place

1-4. Quarterly Net Sales and Operating Income

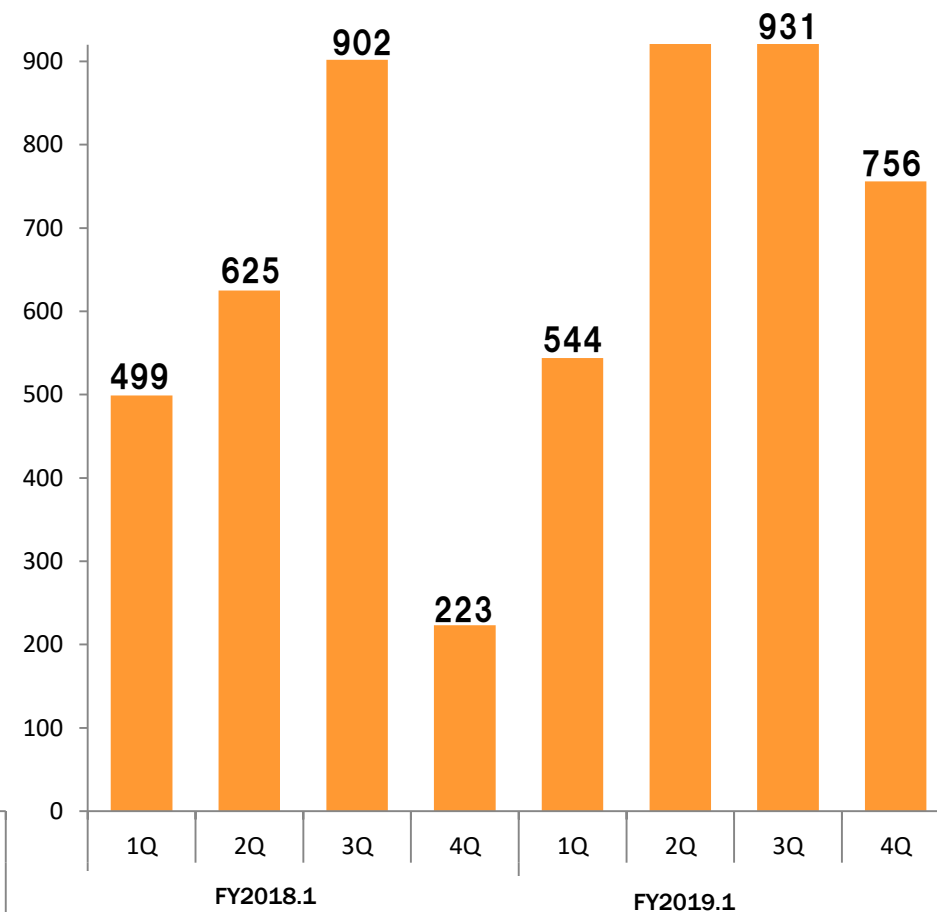
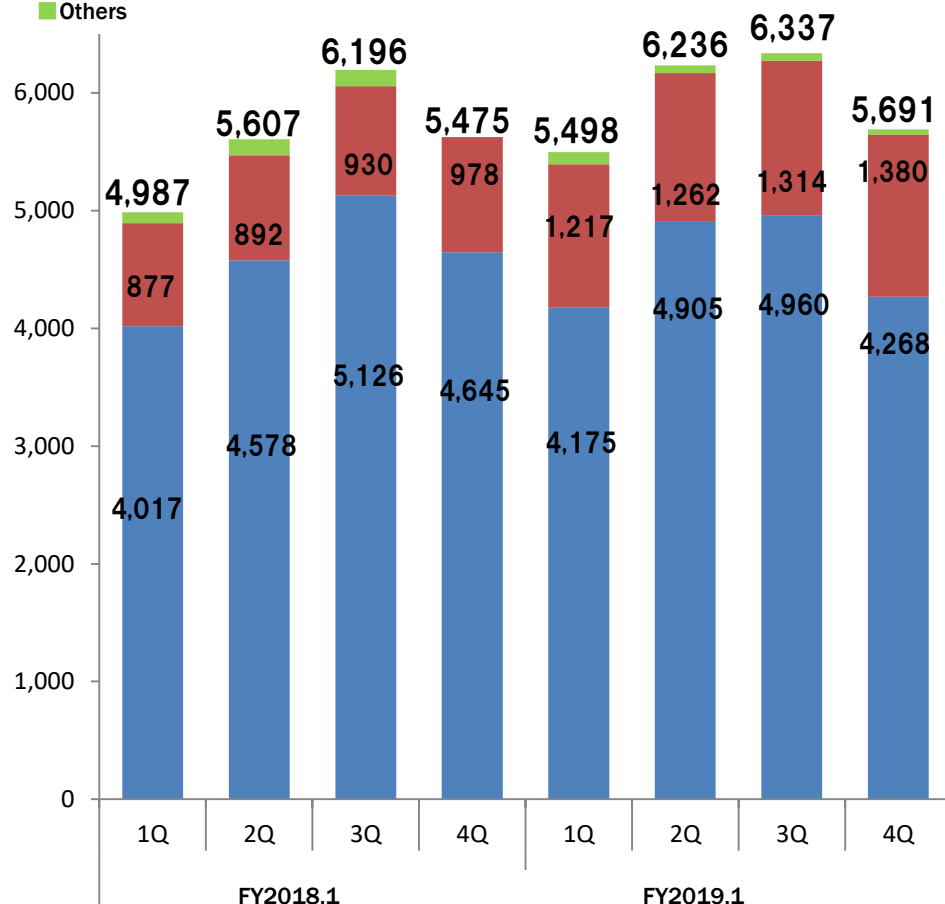
Units: ¥ million (Amounts less than ¥1 million omitted)

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

■ Testing/Verification & Evaluation Business
 ■ Internet Supporting Business
 ■ Others

Quarterly sales

Quarterly operating income



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

1-5. Financial Position: Consolidated Balance Sheets

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

	Jan. 31, 2019	Jan. 31, 2018	Change
Total current assets	12,988	9,398	+3,589
Cash and deposits	9,345	5,746	+3,599
Total property, plant and equipment	650	749	(98)
Total intangible assets	998	1,160	(162)
Investments and other assets	905	984	(78)
Total non-current assets	2,553	2,893	(339)
Total assets	15,542	12,291	+3,250
Total current liabilities	2,670	3,052	(382)
Total non-current liabilities	173	185	(11)
Total liabilities	2,844	3,238	(393)
Total net assets	12,697	9,053	+3,643
Capital stock	1,237	1,237	+0
Capital surplus	2,377	1,283	+1,093
Retained earnings	9,334	7,836	+1,498
Treasury shares	(170)	(1,412)	+1,242
Total liabilities and net assets	15,542	12,291	+3,250

1-6. Financial Position: Consolidated Statements of Cash Flows

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

	FY2019.1 (2018.2-2019.1)	FY2018.1 (2017.2-2018.1)	Change YoY
Operating cash flows	2,346	2,434	(87)
Investing cash flows	(240)	(734)	+493
Financing cash flows	1,587	(1,034)	+2,621
Effect of exchange rate changes on cash and cash equivalents	(93)	5	(99)
Net increase in cash and cash equivalents	3,599	671	+2,927
Cash and cash equivalents at beginning of year	5,746	5,075	+671
Cash and cash equivalents at end of year	9,345	5,746	+3,599

1-7. Shareholder Returns (Forecast of Cash Dividends per Share)

Dividend policy

Target payout ratio of 25% to consolidated net income

Yearly dividends per share

Fiscal 2016

¥9/share



Fiscal 2017

¥9.5/share



Fiscal 2018

¥9.5/share



Fiscal 2019
Forecast

¥11/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.

1-8. Stock Information

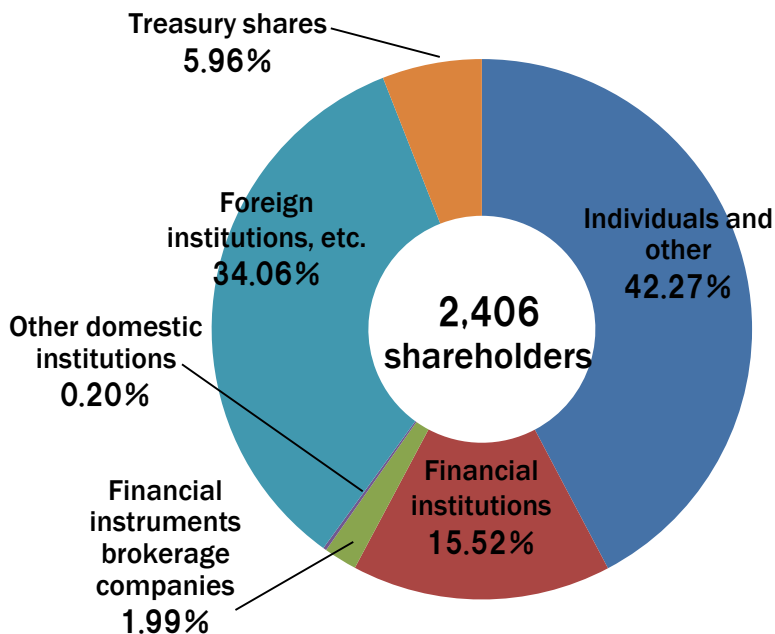
Number of Shares Issued

As of January 31, 2018	19,058,400
As of January 31, 2019	38,120,000

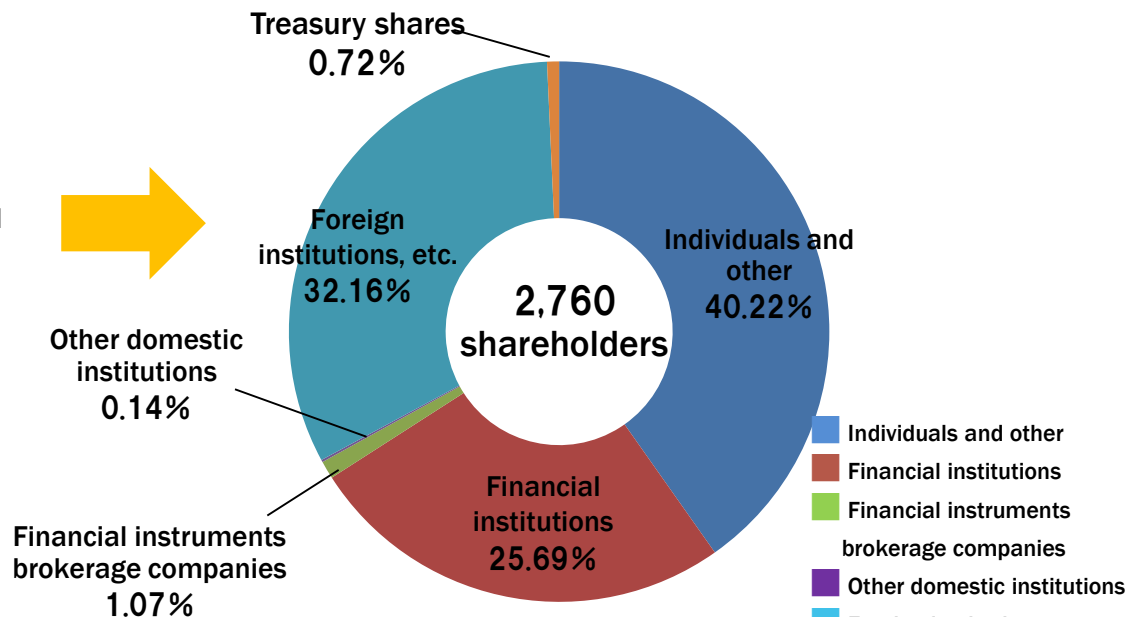
(Note) The Group conducted a two-for-one split of its common shares effective as of January 1, 2019.

Stock Distribution by Shareholder

As of January 31, 2018



As of January 31, 2019



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

2-1. Consolidated Forecasts for 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	26,217	23,763	+2,454	+10.3%
Operating income	3,179	3,162	+17	+0.5%
Ordinary income	3,150	3,082	+68	+2.2%
Net income attributable to owners of parent	2,045	1,839	+206	+11.2%
Net income per share	¥ 53.65	¥ 49.97	¥ +3.68	—
Cash dividends per share	¥ 12	¥ 11	¥ +1	—

Percentages rounded down to one decimal place

2-2. Consolidated Fiscal Performance and Plan

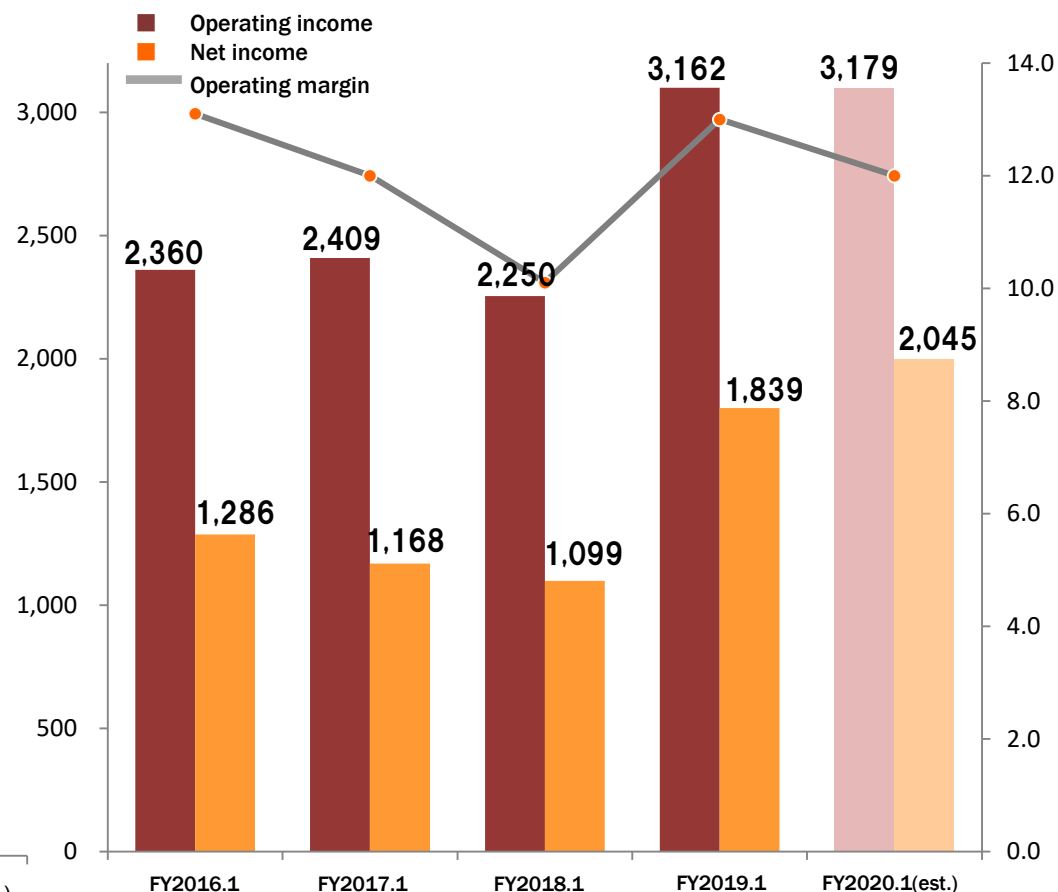
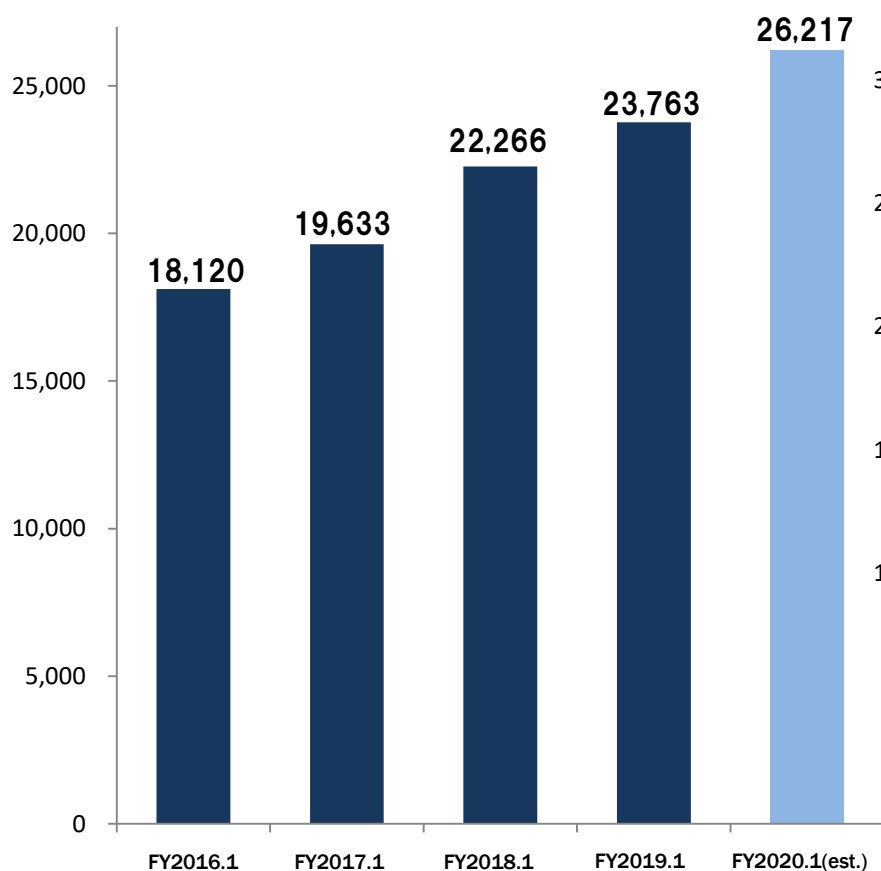
Sales

Operating and net income

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

Operating income/Net income
Units: ¥ million
(Amounts less than ¥1 million omitted)

Operating margin (%)



Note: FY2020.1 estimates are forecasts disclosed on March 11, 2019.

3-1. Future Business Strategy Approaches (1)

<Game Market>

1

In accordance with globalization of game market, the Group will expand market shares in multilingual business process outsourcing services and develop this to become core business.

<Non-Game Market>

2

Expand existing service know-how to EC/Web services, AI and FinTech markets and create new pillar of business.

<Corporate Structure>

3

The Group will consolidate subsidiaries and various functions to improve management efficiency and promote personnel reshuffle to improve further synergistic effects

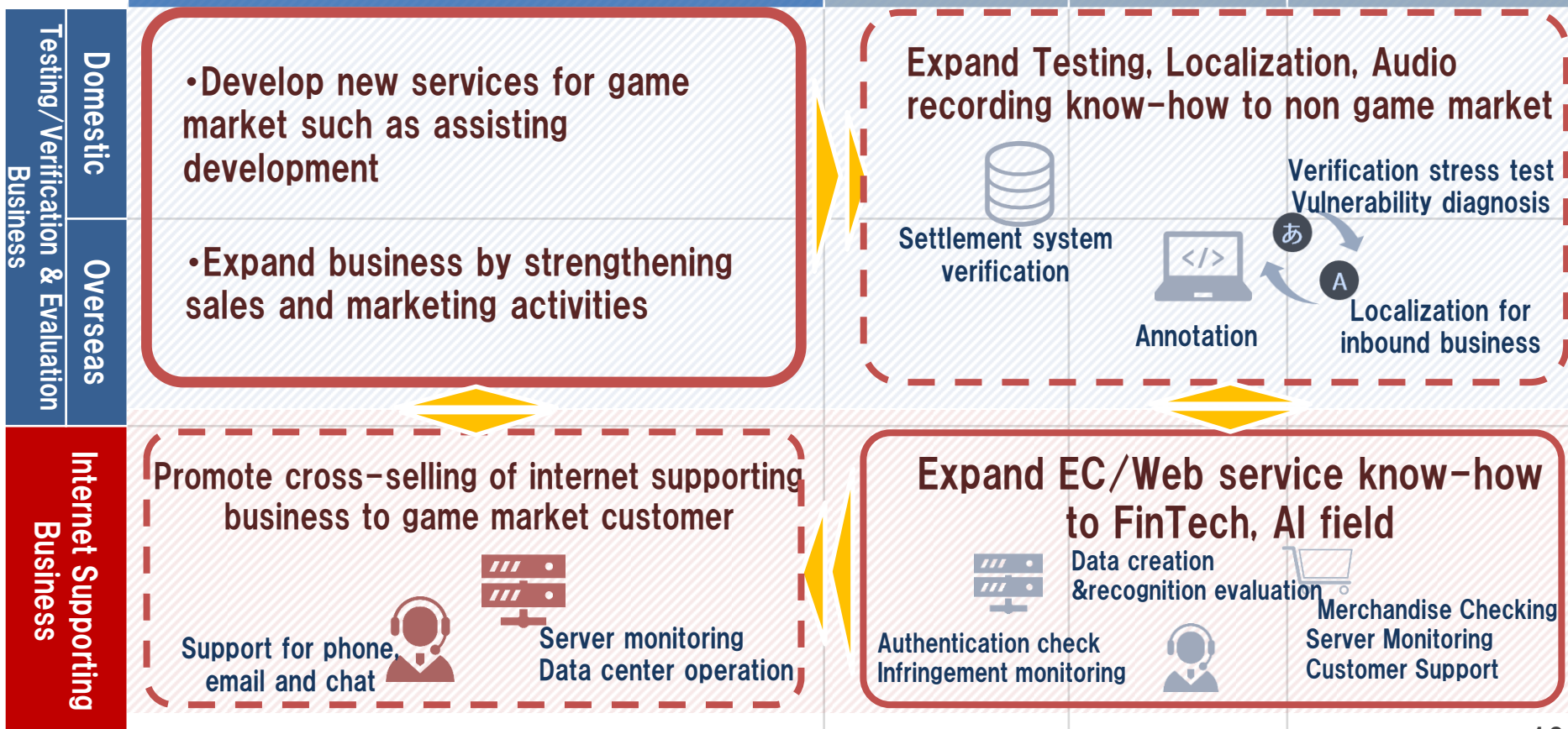
3-2. Future Business Strategy Approaches (2)

<Game Market>

In accordance with globalization of game market, the Group will expand market shares in multilingual business process outsourcing services to become core business.

<Non Game Market>

Expand existing service know-how to EC/Web services, AI and FinTech markets and create new pillar of business.



4-1. Corporate Profile

(As of January 31, 2019)

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, 2019)	
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"> 1. Testing/Verification & Evaluation Business Detecting defects (finding bugs) in support of enhancing the quality of software and hardware 2. Internet Supporting Business Detecting fraud and illegal or harmful information on the Internet to help websites operate soundly 3. Others Including Medical Staffing Services, publishing/media businesses 	
Consolidated Financial Results (Fiscal 2019)	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)

4-2. Group Composition (28 Consolidated Subsidiaries)

(As of January 31, 2019)

Poletowin Pitcrew Holdings, Inc.

Testing/Verification & Evaluation Business

Pole To Win Co., Ltd.

SARUGAKUCHO Inc.
Pole To Win Networks Co., Ltd.
QBIST Inc.
GAME MASTER Inc.
ENTALIZE CO., LTD.
CrossFunction Co., Ltd.

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

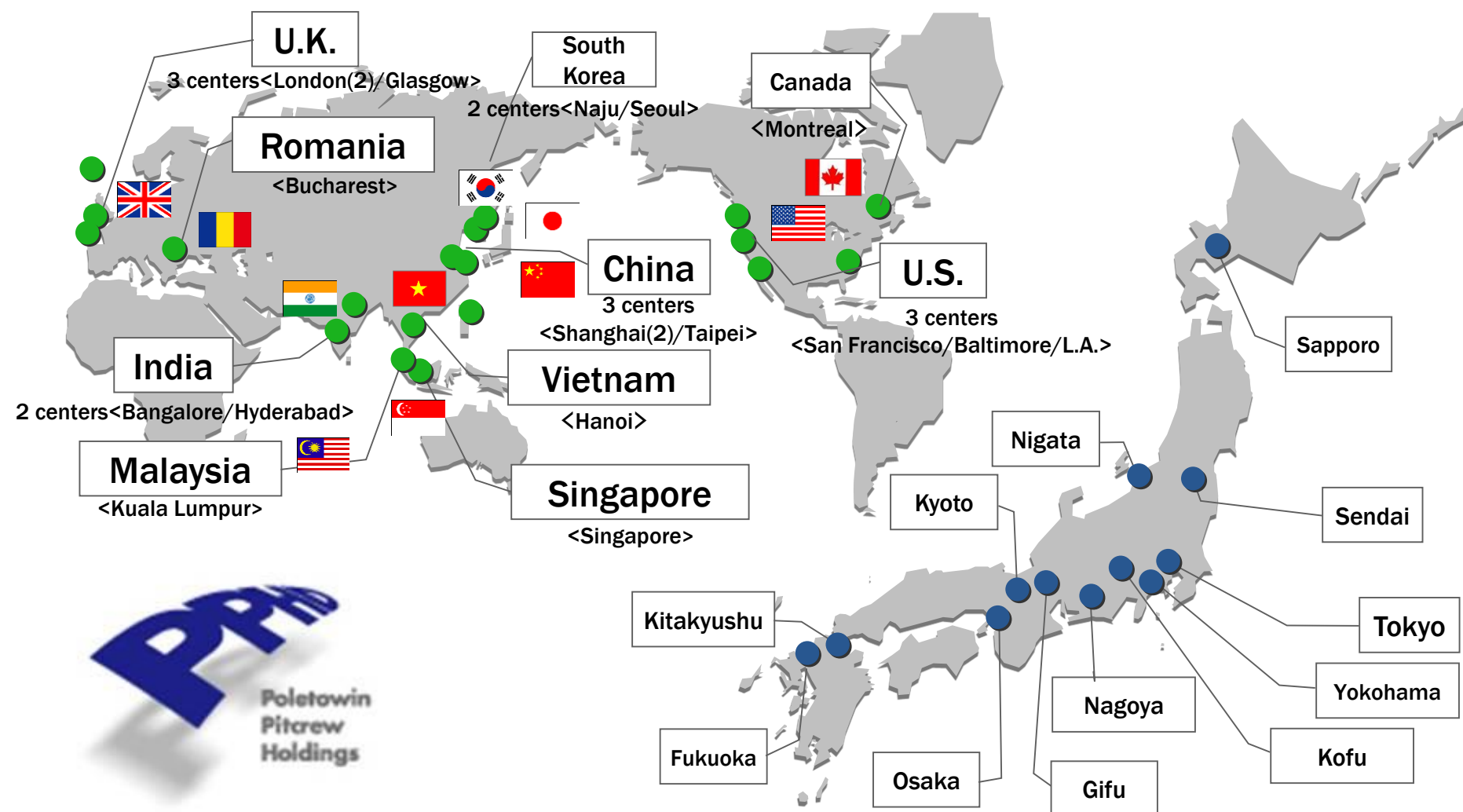
PITCREW CO., LTD.

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

4-3. Business Sites

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

(As of January 31, 2018)



- 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.