



**Securities code: 3657**  
**Abbreviation: Pole HD**  
**March 12, 2020**

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

### **Supplementary Information to the Financial Results**

### **for the Year Ended January 31, 2020**

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#### **【Summary】**

Net sales:	¥ 26,120 million	( 9.9% increase YoY)
Operating profit:	¥ 3,531 million	(11.7% increase YoY)
Net profit:	¥ 1,787 million	( 2.8% decrease YoY)

#### **<Overall>**

Both Testing/Verification & Evaluation Business and Internet Supporting Business saw balanced growth.

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

- Domestic sales increased orders for defect detection for amusement equipment. Localization and customer support for domestic clients expanding business overseas also increased.

#### **<Internet Supporting Business>**

- Orders for services related to infringement measures for QR code settlement, AI data recognition evaluation, and customer support for game makers increased as a result of cross-selling between Testing/Verification.

**<Others>** Currently, coronavirus is not expected to have significant impact as the Group is mainly BPO business towards game and internet business.

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# 1-1. Overview of Consolidated Financial Results for the Year Ended January 31, 2020 (Change YoY)

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

	FY2020.1 Fiscal Year Ended January 31, 2020		FY2019.1 Fiscal Year Ended January 31, 2019		Change YoY	
	Results	Margin	Results	Margin	Results	Margin
Net sales	<b>26,120</b>	- %	<b>23,763</b>	- %	<b>+2,356</b>	<b>+9.9%</b>
Operating profit	<b>3,531</b>	13.5%	<b>3,162</b>	13.3%	<b>+368</b>	<b>+11.7%</b>
Ordinary profit	<b>3,473</b>	13.3%	<b>3,082</b>	13.0%	<b>+391</b>	<b>+12.7%</b>
Profit attributable to owners of parent	<b>1,787</b>	6.8%	<b>1,839</b>	7.7%	<b>(51)</b>	<b>(2.8%)</b>

\*Percentages rounded down to one decimal place

## 1-2. Overview of Consolidated Financial Results for the Year Ended January 31, 2020 (vs. Forecast)

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

	FY2020.1 Results		FY2020.1 Forecast		Comparison to Forecast	
	Results	Margin	Initial forecast	Margin	Change amount	Attainment rate
Net sales	<b>26,120</b>	- %	<b>26,217</b>	- %	<b>(97)</b>	<b>99.6%</b>
Operating profit	<b>3,531</b>	13.5%	<b>3,179</b>	12.1%	<b>+352</b>	<b>111.1%</b>
Ordinary profit	<b>3,473</b>	13.3%	<b>3,150</b>	12.0%	<b>+322</b>	<b>110.2%</b>
Profit attributable to owners of parent	<b>1,787</b>	6.8%	<b>2,045</b>	7.8%	<b>(257)</b>	<b>87.4%</b>

\*Percentages rounded down to one decimal place

# 1-3. Segment Overviews for the Year Ended January 31, 2020

## Testing/Verification & Evaluation Business

**Net Sales 19,874 million (76.1% of net sales)**

	FY2020.1	FY2019.1	Change YoY	
			Change	Margin
Net sales	<b>19,874</b>	<b>18,309</b>	<b>+1,564</b>	<b>+8.5%</b>
Operating profit	<b>3,216</b>	<b>3,071</b>	<b>+144</b>	<b>+4.7%</b>
Operating margin	<b>16.2%</b>	<b>16.8%</b>	<b>(0.6%)</b>	<b>—</b>

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

Percentages rounded down to one decimal place

## Internet Supporting Business

**Net Sales 6,043 million (23.1% of net sales)**

	FY2020.1	FY2019.1	Change YoY	
			Change	Margin
Net sales	<b>6,043</b>	<b>5,175</b>	<b>+867</b>	<b>+16.8%</b>
Operating profit	<b>292</b>	<b>266</b>	<b>+26</b>	<b>+10.0%</b>
Operating margin	<b>4.8%</b>	<b>5.1%</b>	<b>(0.3%)</b>	<b>—</b>

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

Percentages rounded down to one decimal place

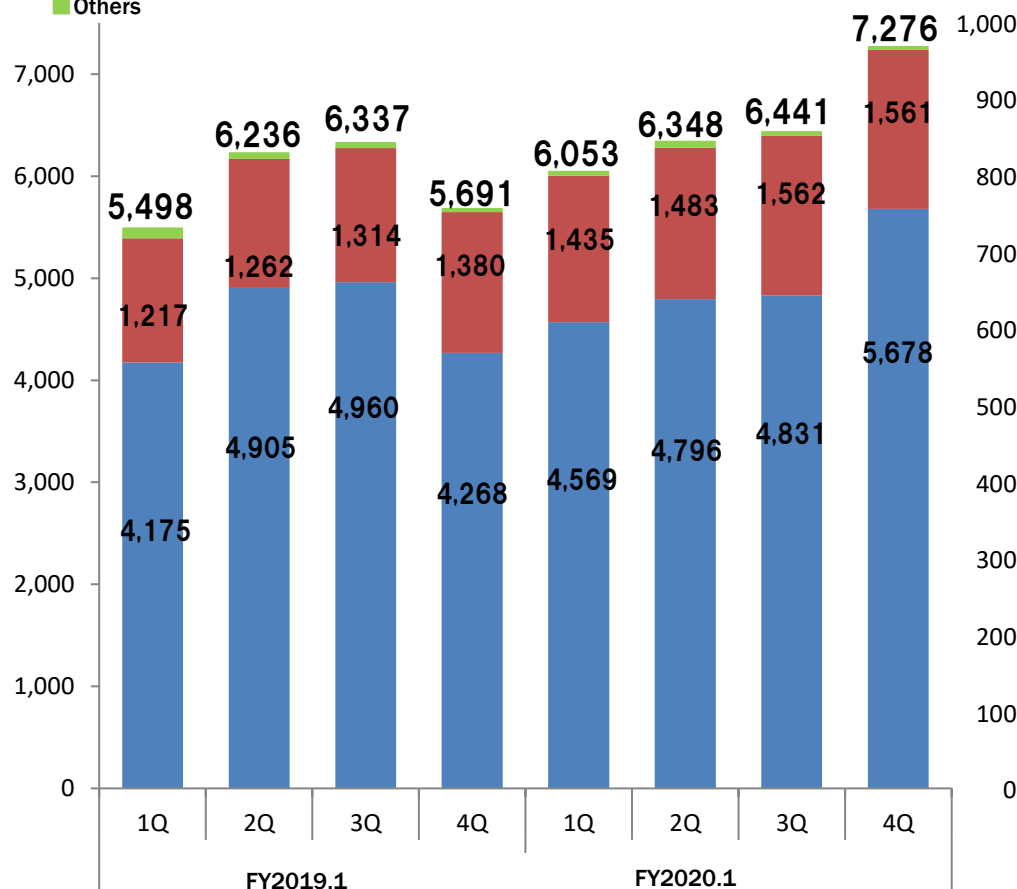
# 1-4. Quarterly Net Sales and Operating Profit

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

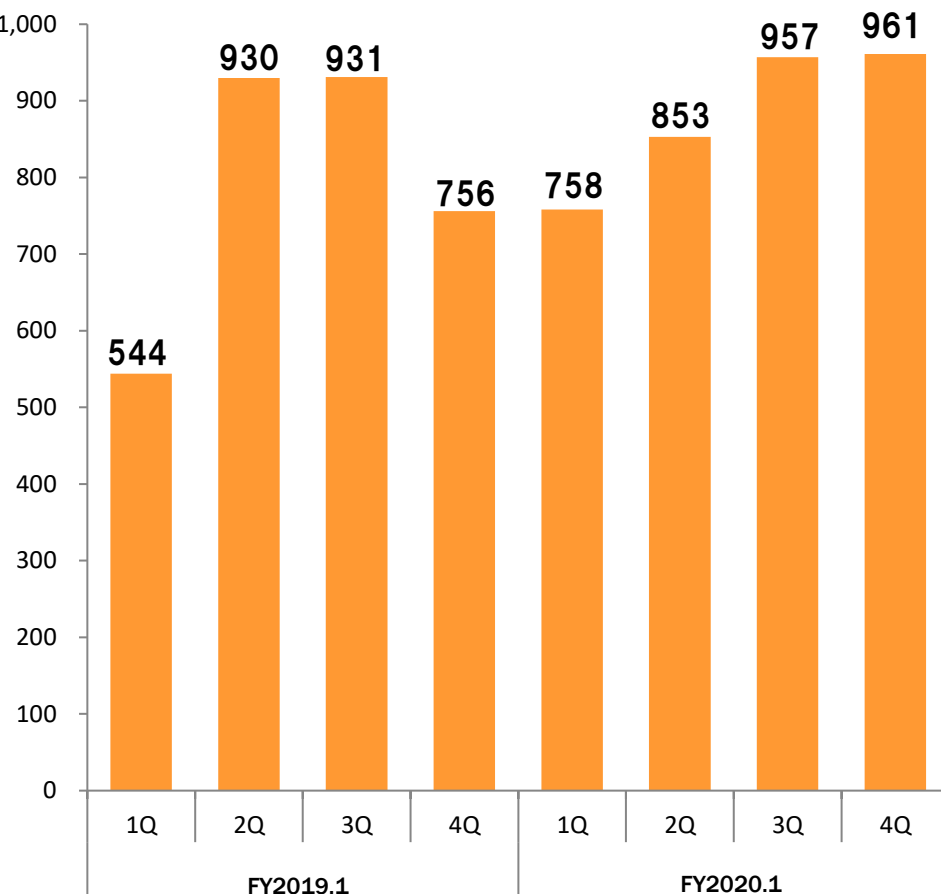
Units: ¥ million (Amounts less than ¥1 million omitted)

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

### Quarterly sales



### Quarterly operating profit



Note: Quarterly 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 Jan. 31, 2020	As of Jan. 31, 2019	Change
<b>Total current assets</b>	<b>14,705</b>	<b>12,863</b>	<b>+1,841</b>
<b>Cash and deposits</b>	<b>10,514</b>	<b>9,345</b>	<b>+1,168</b>
<b>Total property, plant and equipment</b>	<b>718</b>	<b>650</b>	<b>+68</b>
<b>Total intangible assets</b>	<b>908</b>	<b>998</b>	<b>(89)</b>
<b>Investments and other assets</b>	<b>1,431</b>	<b>1,030</b>	<b>+401</b>
<b>Total non-current assets</b>	<b>3,058</b>	<b>2,678</b>	<b>+379</b>
<b>Total assets</b>	<b>17,763</b>	<b>15,542</b>	<b>+2,221</b>
<b>Total current liabilities</b>	<b>3,146</b>	<b>2,670</b>	<b>+476</b>
<b>Total non-current liabilities</b>	<b>296</b>	<b>173</b>	<b>+122</b>
<b>Total liabilities</b>	<b>3,443</b>	<b>2,844</b>	<b>+598</b>
<b>Total net assets</b>	<b>14,320</b>	<b>12,697</b>	<b>+1,622</b>
<b>Capital stock</b>	<b>1,237</b>	<b>1,237</b>	<b>+0</b>
<b>Capital surplus</b>	<b>2,377</b>	<b>2,377</b>	<b>+0</b>
<b>Retained earnings</b>	<b>10,706</b>	<b>9,334</b>	<b>+1,371</b>
<b>Treasury shares</b>	<b>(169)</b>	<b>(170)</b>	<b>+0</b>
<b>Total liabilities and net assets</b>	<b>17,763</b>	<b>15,542</b>	<b>+2,221</b>

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

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

	<b>FY2020.1</b> (2019.2-2020.1)	<b>FY2019.1</b> (2018.2-2019.1)	<b>Change</b> <b>YoY</b>
<b>Operating cash flows</b>	<b>2,402</b>	<b>2,346</b>	<b>+55</b>
<b>Investing cash flows</b>	<b>(850)</b>	<b>(240)</b>	<b>(609)</b>
<b>Financing cash flows</b>	<b>(416)</b>	<b>1,587</b>	<b>(2,003)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>32</b>	<b>(93)</b>	<b>+126</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,168</b>	<b>3,599</b>	<b>(2,430)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>9,345</b>	<b>5,746</b>	<b>+3,599</b>
<b>Cash and cash equivalents at end of year</b>	<b>10,514</b>	<b>9,345</b>	<b>+1,168</b>



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

### Dividend policy

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

### Yearly dividends per share

Fiscal 2017	→	Fiscal 2018	→	Fiscal 2019	→	Fiscal 2020 Forecast
<b>¥9.5/share</b>		<b>¥9.5/share</b>		<b>¥11/share</b>		<b>¥12/share</b>

(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

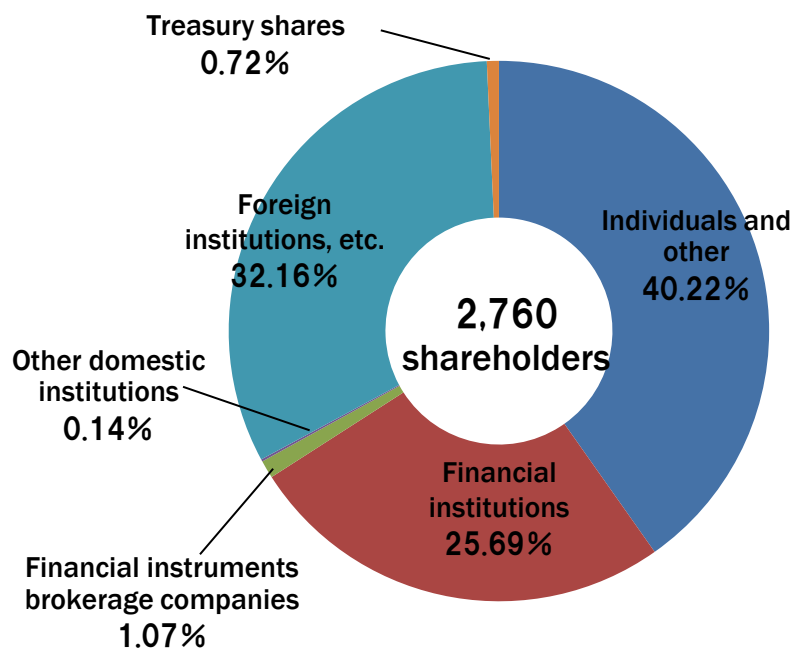
### Number of Shares Issued

As of January 31, 2019	38,120,000
As of January 31, 2020	38,120,800

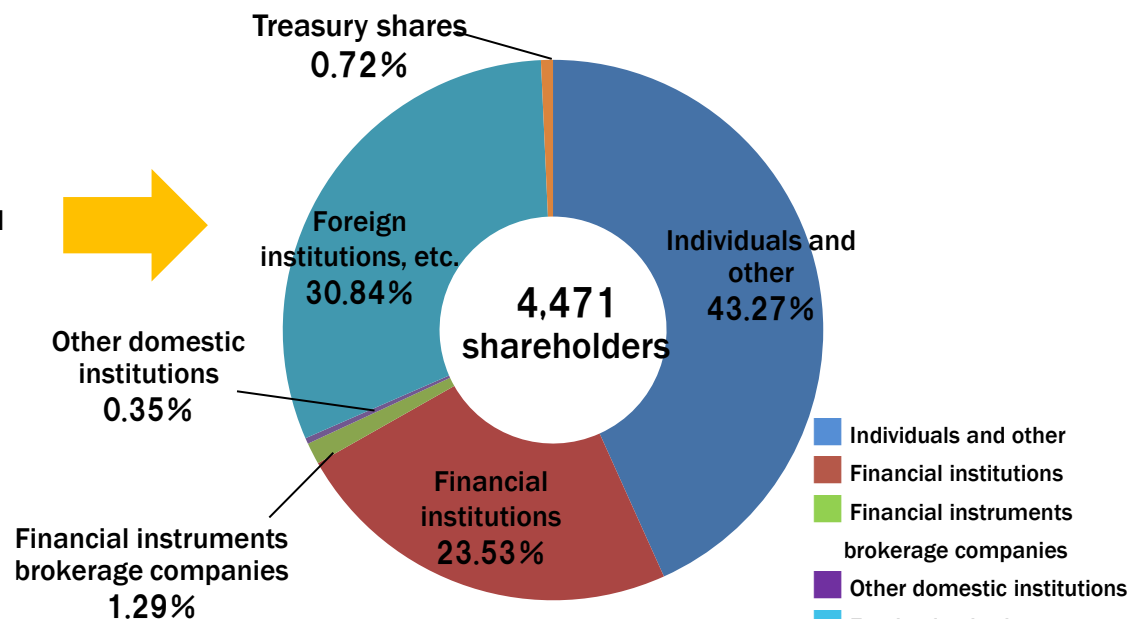
(Note) The Group conducted a two-for-one split of its common shares effective as of January 1, 2019.

### Stock Distribution by Shareholder

**Fiscal 2019 (As of January 31, 2019)**



**Fiscal 2020 (As of January 31, 2020)**



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

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

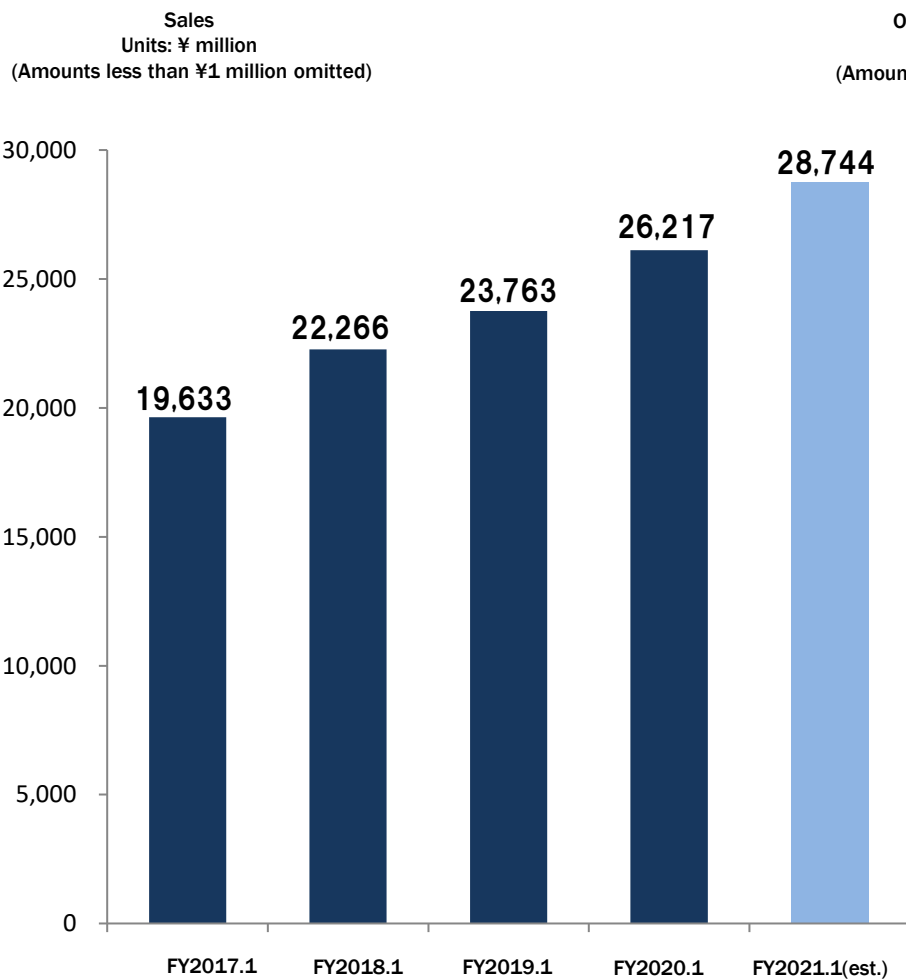
Units (except for per-share figures): ¥ million (Amounts less than ¥1 million omitted)

	FY2021.1 Forecasts	FY2020.1 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>

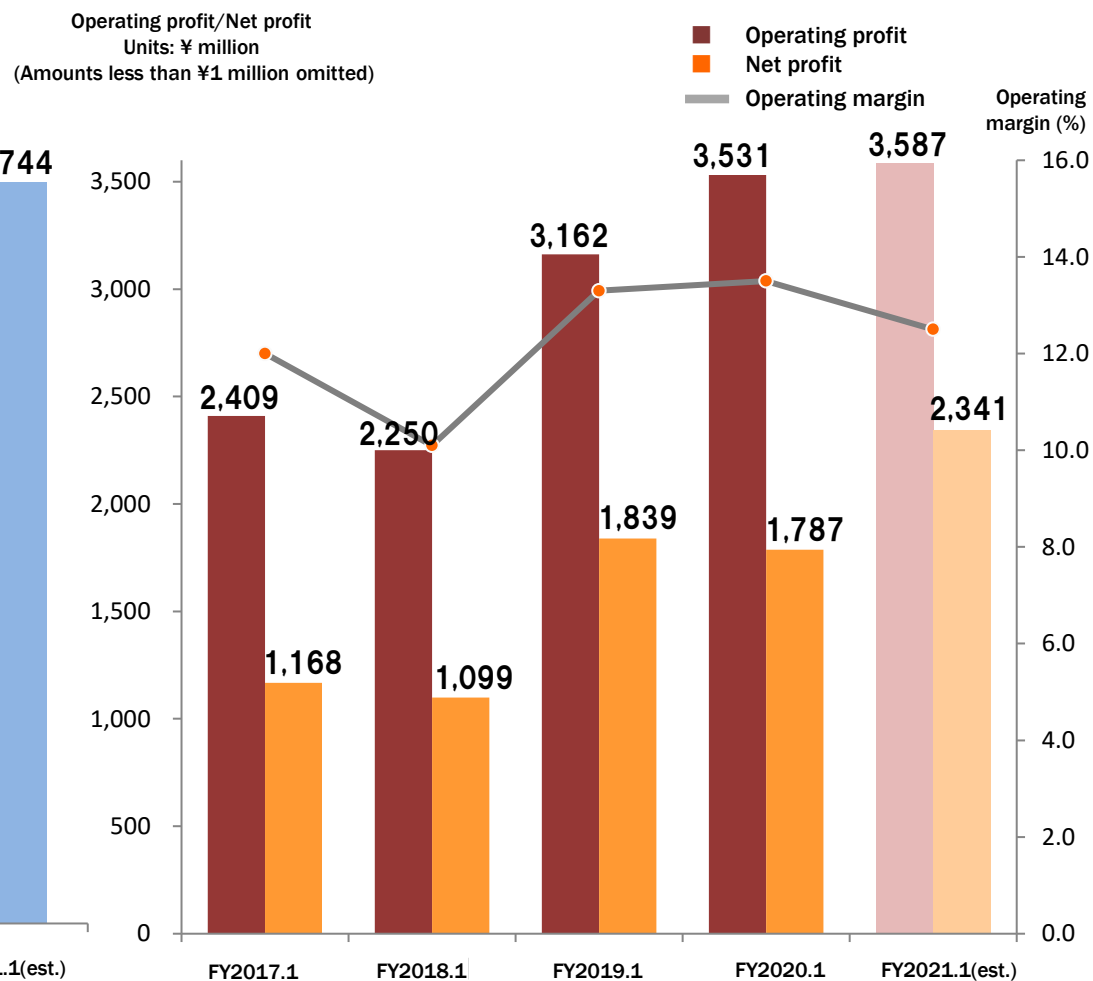
Percentages rounded down to one decimal place

## 2-2. Consolidated Fiscal Performance and Plan

### Sales



### Operating profit and net profit



Note: FY2021.1 estimates are forecasts disclosed on March 12, 2020.

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

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### <Game Market>

**1**

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

### <Non-Game Market>

**2**

Promote third-party evaluation and expand existing service know-how to create new pillar of business.

### <Corporate Structure>

**3**

Enhance unified group management with the holdings company posted as the foremost component to improve management efficiency and further synergistic effects. Also, enhance dissolution of holding company board members who are concurrent as subsidiary president.

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

### <Game Market>

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

### <Non-Game Market>

Promote third party evaluation and expand existing service know-how to create new pillar of business.

Testing/Verification & Evaluation Business

Domestic

Cooperate with capital and business alliance partners and expand service range in game market such as localization in embedded environment.



Embedded Localization

Expand local business by strengthening sales and marketing activities

Overseas

Promote cross sales of customer support and server monitoring as well as defect detection.



Support for phone, email and chat

Server monitoring  
Data center operation



Internet Supporting Business

Aggregate non-game market business within the Group and promote third party evaluation business such as 5G, AI, MaaS, and xTech.



Settlement system verification

Verification stress test  
Vulnerability diagnosis



Expand defect detection, localization and audio recording service know-how to non-game market.



Authentication check  
Infringement monitoring

Merchandise Checking  
Server Monitoring  
Customer Support



Expand know-how to new service needs such as QR code settlement, infringement measures, anti-money laundering, KYC (Know Your Customer) procedure and spoofing.

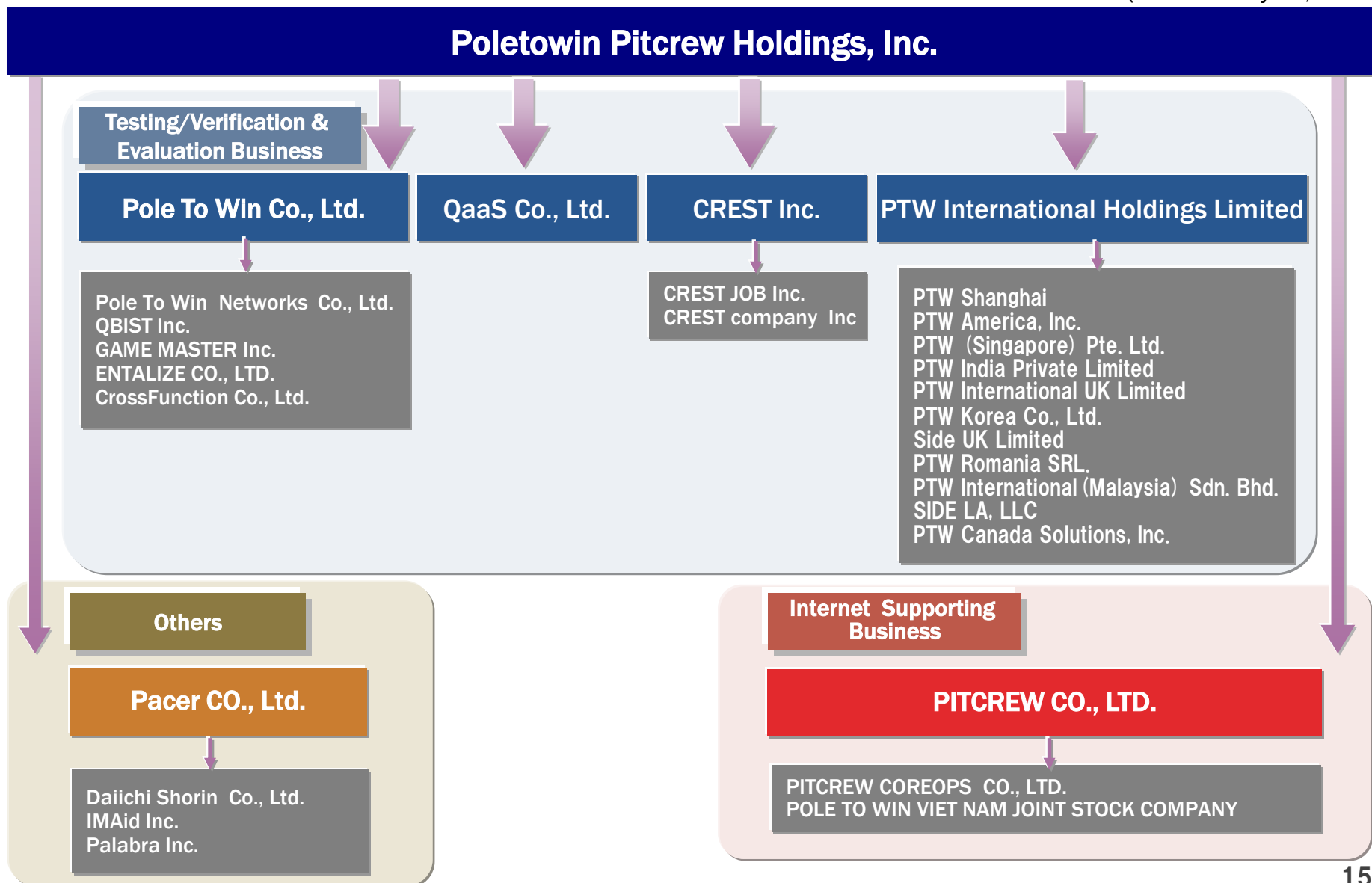
## 4-1. Corporate Profile

( As of January 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 29 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 Staffing Services, publishing/media businesses</li> </ol>		
Consolidated Financial Results (Fiscal 2020)	Net Sales:	¥26,120 Million	No. of Employees on Consolidated Basis: 4,708
	Ordinary Profit:	¥3,473 Million	(including 1,813 full-time employees as of January 31, 2020)
	Net Profit:	¥1,787 Million	

## 4-2. Group Composition (29 Consolidated Subsidiaries)

(As of January 31, 2020)

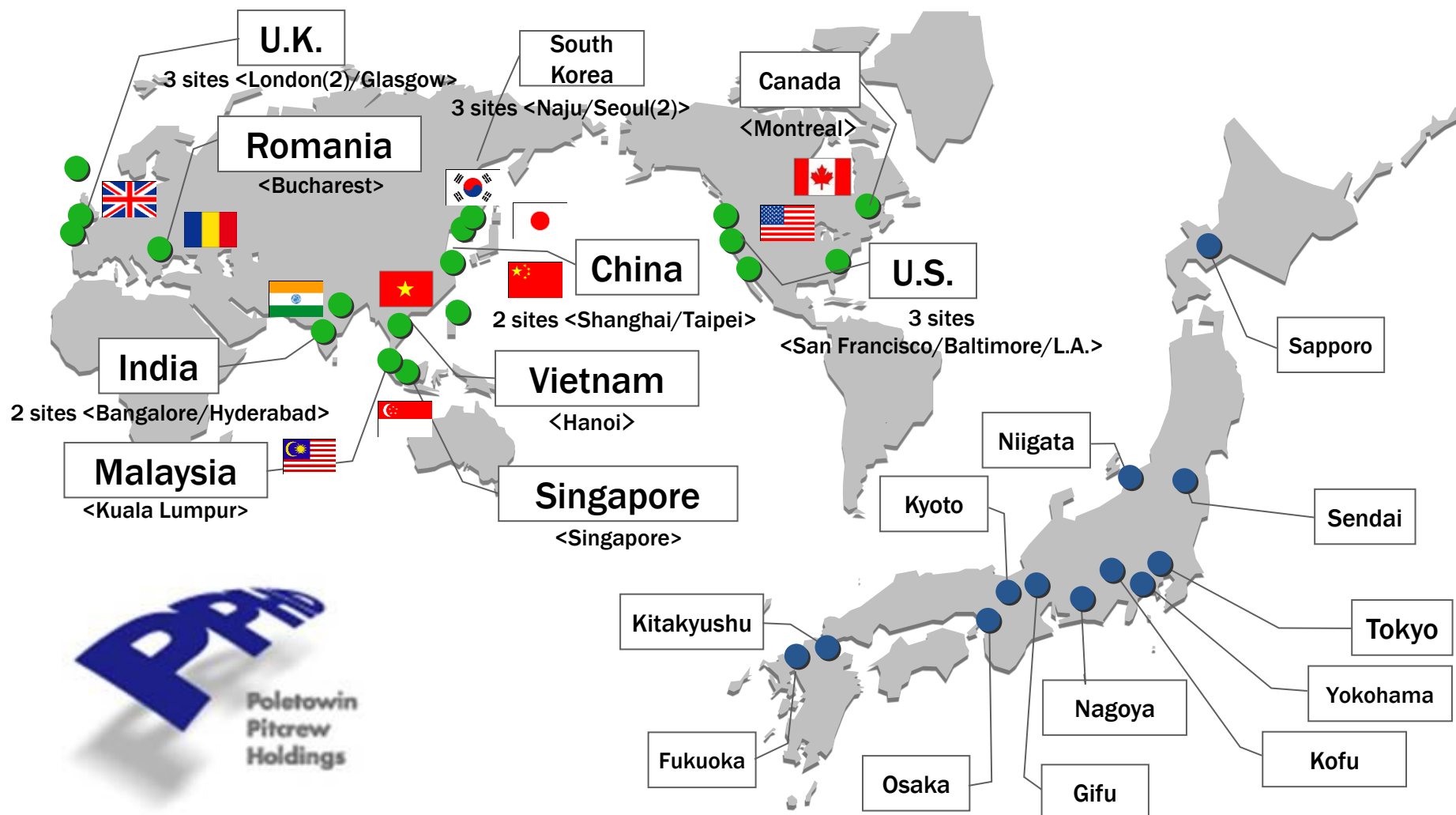




## 4-3. Business Sites

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

(As of January 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.**