



Poletowin Pitcrew Holdings, Inc.

Supplementary Information to the Financial Results for the Six Months Ended July 31, 2021

Securities code: 3657
Abbreviation: Pole HD
September 3, 2021

【Summary】

Net sales:	¥15,484 million	(24.9% increase QoQ / +7.3% compared to forecast)
Operating profit:	¥1,512 million	(18.5% increase QoQ / +8.9% compared to forecast)
Net profit:	¥908 million	(0.5% increase QoQ / +14.7% compared to forecast)

➤ <Testing/Verification & Evaluation Business >

- Net sales increased 27.3% QoQ. Operating profit increased 6.4% QoQ.
- Sales for overseas clients increased. Orders for audio and art creation increased.
- For subsidiary companies, QBIST Inc. and CREST Inc., sales for media & content related business increased.
- Temporary rise in advisory & due diligence fees due to M&A.

➤ <Internet Supporting Business >

- Net sales increased 16.5% QoQ. Operating profit increased 59.9% QoQ.
- Orders for EC and QR code settlement related services, anti-fraud services, and customer support increased.
- Order for AI related data recognition evaluation & game customer support increased.

* The Company decided & announced upward revision for its consolidated forecasts for the fiscal year ending January 31, 2022.

* The Company decided & announced to merge three consolidated subsidiaries, Pole To Win Co., Ltd., PITCREW CO., LTD., & QaaS Co.,Ltd. in February 2022.

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1-1. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2021

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

	FY2022.1 Six Months Ended July 31, 2021		FY2021.1 Six Months Ended July 31, 2020		Change QoQ	
	Results	Margin	Results	Margin	Results	Margin
Net sales	15,484	- %	12,399	- %	+3,085	+24.9%
Operating profit	1,512	9.8%	1,276	10.3%	+235	+18.5%
Ordinary profit	1,549	10.0%	1,474	11.9%	+74	+5.0%
Profit attributable to owners of parent	908	5.9%	903	7.3%	+4	+0.5%

*Percentages rounded down to one decimal place

1-2. Overview of Consolidated Financial Results for the Six Months Ended July 31, 2021

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

	Results For the Six Months Ended July 31, 2021		Forecasts For the Six Months Ended July 31, 2021		Results vs Forecasts	
	Results	Margin	Forecasts	Margin	Change	Progress
Net sales	15,484	- %	14,426	- %	+1,058	107.3%
Operating profit	1,512	9.8%	1,388	9.6%	+123	108.9%
Ordinary profit	1,549	10.0%	1,359	9.4%	+189	113.9%
Profit attributable to owners of parent	908	5.9%	791	5.5%	+116	114.7%

*Percentages rounded down to one decimal place

1-3. Segment Overviews for the Six Months Ended July 31, 2021

Testing/Verification & Evaluation Business

Net Sales ¥11,764 million (76.0% of net sales)

	FY2022.1 2Q	FY2021.1 2Q	Change YoY	
			Change	Margin
Net sales	11,764	9,243	+2,521	+27.3%
Operating profit	1,160	1,090	+69	+6.4%
Operating margin	9.9%	11.8%	-1.9%pt	-

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

*Percentages rounded down to one decimal place

Internet Supporting Business

Net Sales ¥3,560 million (23.0% of net sales)

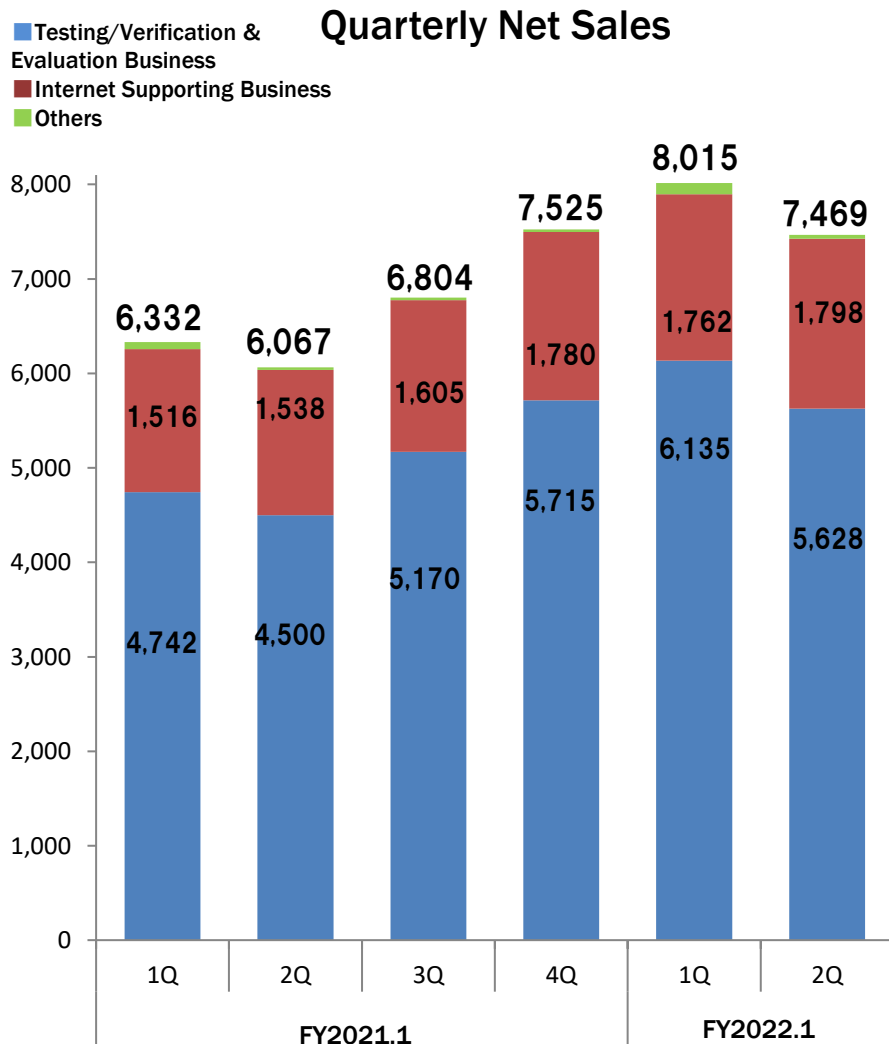
	FY2022.1 2Q	FY2021.1 2Q	Change YoY	
			Change	Margin
Net sales	3,560	3,055	+505	+16.5%
Operating profit	364	227	+136	+59.9%
Operating margin	10.2%	7.5%	+2.7%pt	-

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

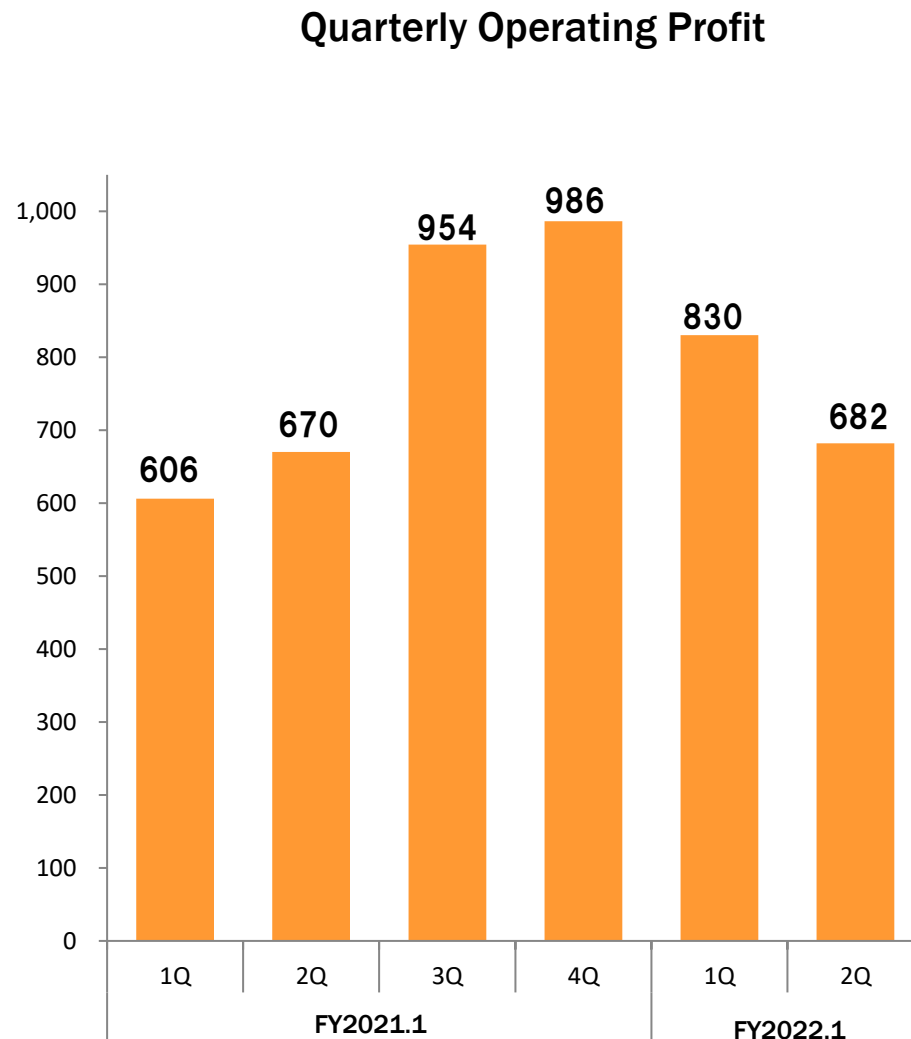
*Percentages rounded down to one decimal place

1-4. Quarterly Net Sales and Operating Profit

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



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



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, 2021	As of Jan. 31, 2021	Change
Total current assets	16,175	17,102	(927)
Cash and deposits	9,628	11,158	(1,529)
Total property, plant and equipment	795	694	+101
Total intangible assets	2,939	940	+1,999
Investments and other assets	1,741	1,652	+89
Total non-current assets	5,476	3,286	+2,190
Total assets	21,652	20,389	+1,262
Total current liabilities	4,780	4,454	+326
Total non-current liabilities	526	260	+266
Total liabilities	5,307	4,714	+593
Total net assets	16,344	15,675	+669
Capital stock	1,239	1,239	—
Capital surplus	2,379	2,379	—
Retained earnings	12,787	12,372	+415
Treasury shares	(167)	(167)	(0)
Total liabilities and net assets	21,652	20,389	+1,262

1-6. Financial Position: Consolidated Cash Flows

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

	Six Months Ended July 31, 2021	Six Months Ended July 31, 2020	YoY Change
Net Cash provided by operating activities	772	823	(50)
Net cash used in investing activities	(1,920)	(402)	(1,518)
Net cash used in financing activities	(500)	38	(538)
Effect of exchange rate change on cash and cash equivalents	120	(23)	143
Net increase in cash and cash equivalents	(1,529)	434	(1,964)
Cash and cash equivalents at beginning of period	11,158	10,514	+644
Cash and cash equivalents at end of period	9,628	10,949	(1,320)

2-1. Consolidated Forecasts for the Year Ending January 31, 2022

Percentages rounded down to one decimal place

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

	Fiscal 2022.1 Forecasts		Fiscal 2021.1 Results	YoY change	
	Initial Forecast (Announced March 15.2021)	Revised Forecast (Announced Sep.3.2021)		Amount	%
Net sales	30,077	33,224	26,729	+6,495	+24.3%
Operating profit	3,452	3,535	3,217	+317	+9.9%
Ordinary profit	3,392	3,539	3,595	(56)	(1.6%)
Profit attributable to owners of parent	2,123	2,157	2,119	+37	+1.7%
Net profit per share	¥ 55.66	¥ 56.53	¥ 55.99	+ ¥ 0.54	—
Cash dividends per share	¥ 14	¥ 14	¥ 13	+ ¥ 1	—

2-2. Progress of Consolidated Forecasts for the Year Ending January 31, 2022

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

	Results For the Six months Ended July 31, 2021	FY2022.1	
		Forecast	Progress
Net sales	15,484	33,224	46.6%
Operating profit	1,512	3,535	42.8%
Ordinary profit	1,549	3,539	43.8%
Profit attributable to owners of parent	908	2,157	42.1%

Percentages rounded down to one decimal place

2-3. Regarding M&A

In order to expand domestic BPO business, the Company's core business companies, Pole To Win Co., Ltd., PITCREW CO., LTD., & QaaS Co.,Ltd. will merge in February 2022

- In recent years, business collaboration among the three companies has been increasing.
- Centralize the experience and know-how cultivated in each company to provide efficient & flexible service
- After merger, company name will be Pole To Win Co., Ltd. and the company will aim to expand domestic BPO business.

Improving synergy with newly consolidated subsidiaries acquired thru acquisition

- Five acquisitions in the past year. Promoting to improve synergy within the Group.
 - colorful Inc.: Collaboration with QBIST Inc., received graphic development co-orders
 - 1518 Studios, Inc.: Established Russian office. Seeing favorable order increase for art creation
 - MSD Holdings Inc.: Collaborating with QaaS Co.,Ltd. to cross-sell development and testing
 - Panda Graphics Inc.: Collaborating with QBIST Inc. to promote graphic development orders
 - Delfi Sound Inc.: Receiving audio recording orders, utilizing in-house game & animation development

2-4. Shareholder Returns (Forecast of Cash Dividends per Share)

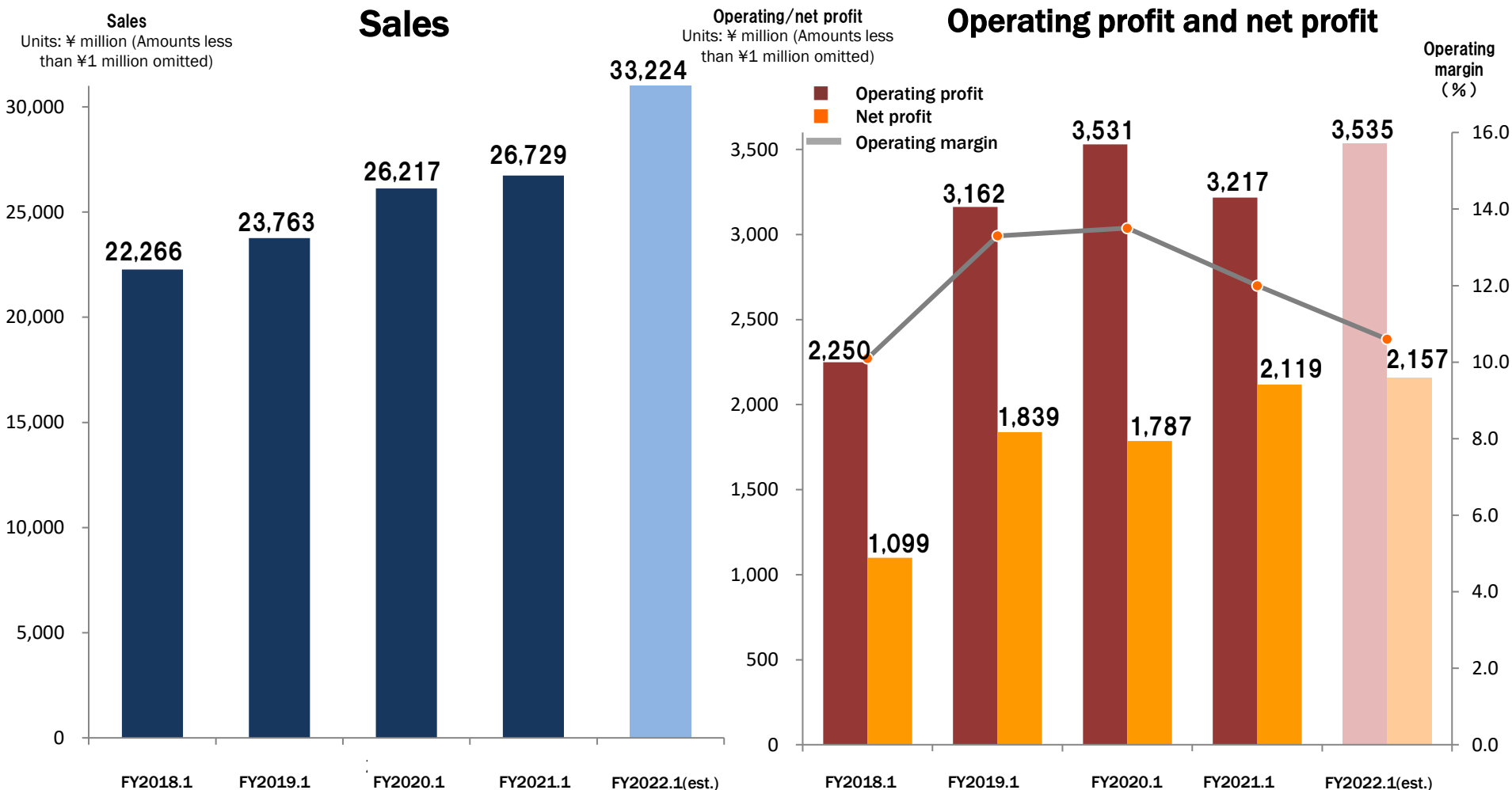
Dividend policy

Target payout ratio of 25% to consolidated net profit

Yearly dividends per share

Fiscal 2019	Fiscal 2020	Fiscal 2021	Fiscal 2022 Forecast
¥11/share	¥12/share	¥13/share	¥14/share

2-5. Consolidated Fiscal Performance and Plan



Note: FY2022.1 estimates are forecasts disclosed on March 12, 2021.

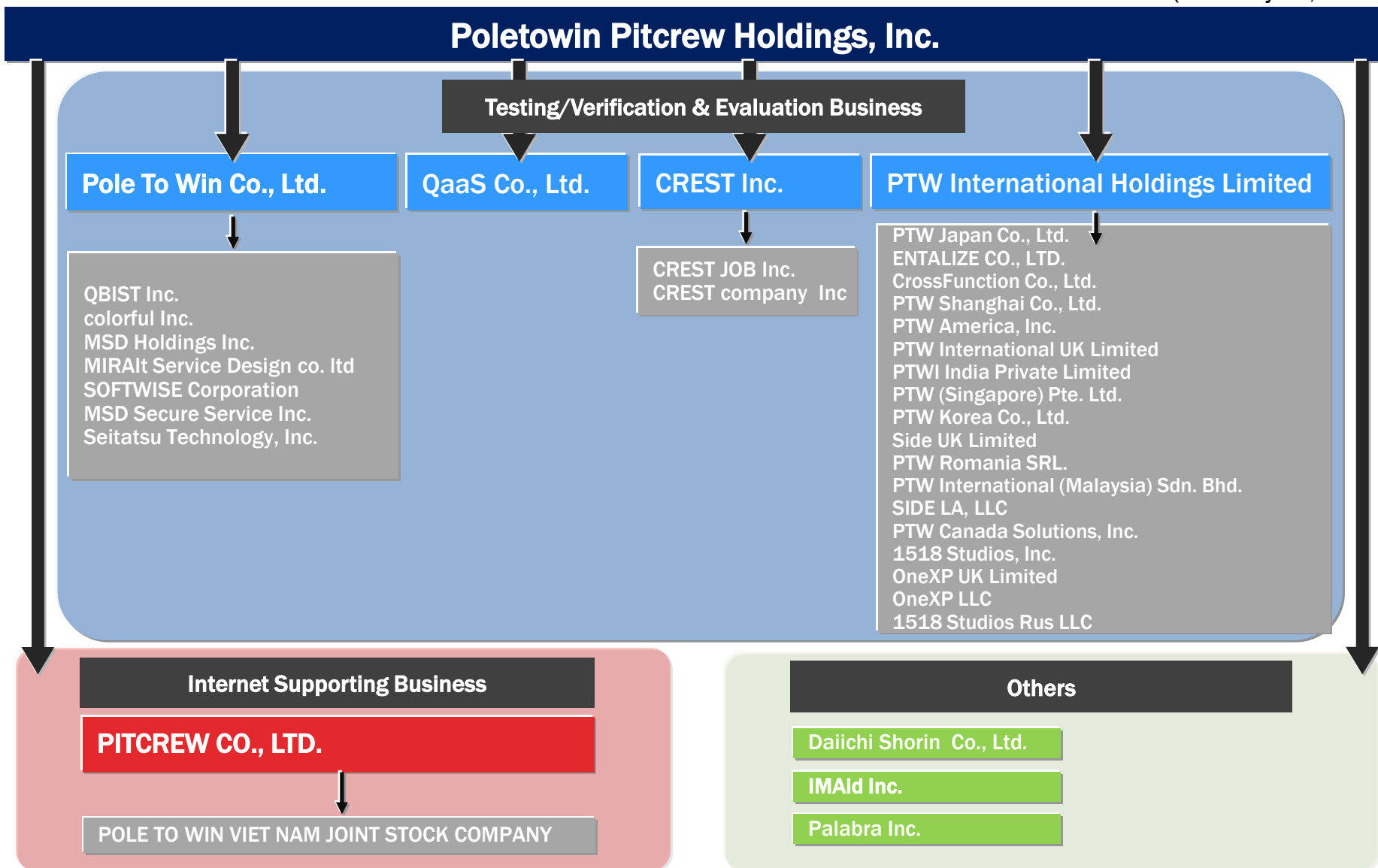
3-1. Corporate Profile

(As of July 31, 2021)

Company Name	Poletowin Pitcrew Holdings, Inc.	
Representatives	Tamiyoshi Tachibana, Chairman Teppei Tachibana, President & CEO	
Head Office	Shinjuku NS Building, 2-4-1, Nishi-Shinjuku, Shinjuku-ku, Tokyo, Japan	
Date Established	February 2, 2009	
Capital	¥1,239 Million (As of January 31, 2021)	
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 36 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 related service, publishing and media businesses 	
Consolidated Financial Results (Fiscal 2021)	Net Sales: ¥26,729 Million Ordinary Profit: ¥ 3,595 Million Net profit: ¥ 2,190 Million	No. of Employees on Consolidated Basis: 5,693 (including 2,276 full-time employees as of January 31, 2021)

3-2. Group Composition

(As of July 31, 2021)



3-3. Business Sites

■ Operating in 11 cities in Japan and 18 sites in 11 overseas countries

(As of July 31, 2021)



- **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.**