June 10, 2016

Consolidated Financial Results
For the Three Months Ended April 30, 2016
(Japanese Accounting Standards)

Name of the Listed Company: **Poletowin Pitcrew Holdings, Inc.**
Listing: First Section of Tokyo Stock Exchange
Stock code: 3657
URL: http://www.poletowin-pitcrew-holdings.co.jp
Representative: Naoto Konishi, President
Contact Person: Joji Yamauchi, Chief Financial Officer
Tel: +81-3-5909-7911

Scheduled date to file Securities Report: June 13, 2016
Scheduled date to commence dividend payments: －
Supplementary explanatory materials prepared: Yes
Explanatory meeting: No

(Millions of yen with fractional amounts discarded, unless otherwise noted.)

1. Consolidated financial results for the three months ended April 30, 2016 (from February 1, 2016 to April 30, 2016)

(1) Consolidated operating results (Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
April 30, 2016	4,268	(5.9)	286	(54.4)	224	(63.9)	40	(88.6)
April 30, 2015	4,536	29.2	627	26.7	621	25.7	357	35.4

(Note) Comprehensive income
Three months ended April 30, 2016: - ¥238 million (- %)
Three months ended April 30, 2015: ¥297 million (26.0%)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
April 30, 2016	2.17	2.14
April 30, 2015	18.75	18.50

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
April 30, 2016	11,444	8,203	70.1
January 31, 2016	12,317	9,517	75.6

(Reference) Equity
As of April 30, 2016: ¥8,026 million
As of January 31, 2016: ¥9,316 million

2. Cash dividends

	Cash dividends per share				
	First quarter	Second quarter	Third quarter	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended January 31, 2016	–	0.00	–	18.00	18.00
Fiscal year ending January 31, 2017	–				
Fiscal year ending January 31, 2017(Forecasts)		0.00	–	19.00	19.00

(Notes)
Change in dividend forecasts for the fiscal year ending January 31, 2017 during the three months ended April 30, 2016: No

3. Consolidated financial forecasts for the fiscal year ending January 31, 2017 (from February 1, 2016 to January 31, 2017)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2016	9,335	1.0	689	(47.5)	597	(54.1)	202	(73.7)	10.61
Fiscal year ending January 31, 2017	20,531	13.3	2,466	4.5	2,386	7.1	1,378	7.1	72.40

(Note) Change in financial forecasts for the fiscal year ending January 31, 2017 during the three months ended April 30, 2016: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended April 30, 2016 (changes in specified subsidiaries resulting in a change in the scope of consolidation): No

(2) Use of particular accounting treatments in preparation of quarterly consolidated financial statements: Yes

(Note) For details, please refer to (2) Use of particular accounting treatments in preparation of quarterly consolidated financial statements, under 2. Notes to the Summary Information, on page 7 of the attachment materials to this report.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

a. Changes in accounting standards due to revisions to accounting standards and other guidelines: Yes
b. Changes in accounting policies due to reasons other than a. above: No
c. Changes in accounting estimates: No
d. Restatement of revisions: No

(Note) For details, please refer to (3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions, under 2. Notes to the Summary Information, on page 7 of the attachment materials to this report.

(4) Number of common shares issued

a. Total number of issued shares at the end of the period (including treasury stock)
As of April 30, 2016 19,044,400 shares
As of January 31, 2016 19,043,200 shares

b. Number of shares of treasury stock at the end of the period
As of April 30, 2016 740,000 shares
As of January 31, 2016 － shares

c. Average number of shares (Cumulative)
For the three months ended April 30, 2016 18,788,724 shares
For the three months ended April 30, 2015 19,041,200 shares

* Disclosure of status of quarterly review procedures

This report falls outside the scope of quarterly review procedures as laid out in the Financial Instruments and Exchange Act. As of the time of the release of this report, the review procedures of the consolidated financial statements outlined in the Act had not been concluded.

* Proper use of earnings forecasts, and other special matters

(Disclaimer to forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to various factors. For details on the conditions assumed and the cautionary notes and items in the financial forecasts, please refer to (3) Qualitative Information on Consolidated Earnings Forecasts on page 6 of the Attachment Materials to this report.

(How to obtain supplementary materials explaining earnings for the quarter)

The Company discloses the Supplementary Information to the Financial Results on the TDnet on the same day.

1. Qualitative Information on Financial Results

(1) Analysis of Operating Results

During the three months ended April 30, 2016, the Japanese economy looked set for a mild recovery owing to an ongoing improvement in the employment outlook, income climates and government policies. At the same time, with the weakness in overseas economies, the nation faced such downward risks as slowdowns in economies in China, developing countries and resource-rich counties. Under these circumstances, uncertainties about overseas economies, impact of financial and capital market fluctuations and economic impact of Kumamoto earthquake in 2016 warrant close attention.

It was against that backdrop the Poletowin Pitcrew Holdings Group's core Testing/Verification & Evaluation Business experienced ongoing growth in the social games market, which major developers of software for consumer electronic game consoles also entered, amid the rising popularity of smartphones and tablet PCs. To increase opportunities to steadily recoup their development expenses, social game developers increasingly deployed their offerings globally, just as has happened with consumer electronic game software. As a result, demand expanded for localization in multiple languages and for user support, augmenting services in detecting defects (bugs). At the same time, sales were favorable in the consumer electronic game market for new next-generation game consoles and virtual reality system launched around the world.

In markets related to the Group's Internet Monitoring Business, online shopping, flea market apps, video, e-book, and other forms of e-commerce are catching on. This, in turn, is pushing up demand for monitoring postings and other types of user support services to make safe and reliable Internet access ubiquitous. In the e-commerce market, there is growing demand for handling merchandise checks, the review of Internet advertising based on the Pharmaceuticals and Medical Devices Act (formerly the Pharmaceutical Affairs Act), the Act against Unjustifiable Premiums and Misleading Representations, and other laws and regulations, and for handling the rights infringement investigations and end-user inquiries and so forth. A recent rise in the incidence of Internet usage problems among the young has prompted municipal boards of education to put efforts into monitoring youth Internet usage and providing Internet literacy education for students, parents and guardians. As a result, monitoring work has increased, as have educational activities, including through leaflets and seminar lecturers.

The Group provides checking, testing, monitoring and inspection services that require human input on a contractual basis to corporate clients. The demand for such services has been growing as these clients have diversified and expanded overseas, and as business processes have become more advanced and sophisticated. During the year under review, The Group made Entalize Co., Ltd., which provides localization (translation) services for consumer electronic game software, its consolidated subsidiary in March to prepare for globalization of software for consumer electronic game consoles. PITCREW CO., LTD increased floor space at the Sapporo Support Center and PITCREW COREOPS CO., LTD opened the Gifu BCP Center in February to accommodate order expansion. Collaboration has stepped up between eleven delivery centers in six countries and Japanese Group companies to provide a one-stop, full service platform in such areas as defect detection (finding bugs), localization, Internet monitoring, and user support.

As a result of these factors, consolidated net sales for the term were ¥4,268,110 thousand (down 5.9%). Operating income was ¥286,246 thousand (down 54.4%). Ordinary income was ¥224,461 thousand (down 63.9%) and Profit attributable to owners of parent was ¥40,790 thousand (down 88.6%).

Results by segment were as follows.

Testing/Verification & Evaluation Business

Reflecting collaboration between eleven delivery centers in six countries and Japanese Group companies in supporting the global deployments of domestic and foreign game makers, outsourcing services including defect detection, localization, and user support (overseas) expanded. Side UK Limited, which became a consolidated subsidiary in the previous fiscal year, QaaS Co., Ltd., and Entalize Co., Ltd., which became a consolidated subsidiary at this term, contributed to revenues and earnings from the current fiscal year. However, owing to the impact of strong yen and decrease in orders for outsourcing services for the amusement equipment, Testing/Verification & Evaluation Business sales decreased 7.1% year on year, to ¥3,442,914 thousand. Operating income also fell 39.7%, to ¥404,328 thousand.

Internet Monitoring Business

In the Internet Monitoring Business, the Group received orders for outsourcing services including user support (domestic) from Internet companies, reflecting their vigorous efforts to cultivate business in the e-commerce market. The orders were for merchandise check services for Internet shopping, auction sites, and free market apps and for reviews of advertisements based on the Pharmaceuticals and Medical Devices Act, the Act against Unjustifiable Premiums and Misleading Representations, and other laws and regulations, and also reflected increased demand for handling charges and product arrival inquiries from end-users. However, owing to downsizing among some client companies, Monitoring Business sales decreased 3.4%, to ¥785,089 thousand. There was an operating loss of ¥49,333thousand, up from ¥17,415 thousand a year earlier.

Others

Palabra Inc. provide services to produce barrier-free subtitles audio guides for television program to prepare for the advent of barrier-free motion pictures. IMAid Inc. offers medical staffing services. Sales of this segment increased 129.5%, to ¥40,107 thousand. There was an operating loss of ¥54,346 thousand, up from ¥28,658 thousand a year earlier.

(2) Analysis of Financial Position

Total Assets

Current assets decreased ¥1,004,586 thousand or 11.2% from January 31, 2016, to ¥7,931,544 thousand. This was mainly attributable to a ¥1,081,098 thousand decrease in cash and deposits.

Noncurrent assets stood at ¥3,512,881 thousand, ¥131,378 thousand or 3.9% higher than at January 31, 2016. This reflected increase of ¥108,387 thousand in goodwill and ¥55,683 thousand in lease and guarantee deposits, which offset a decrease of ¥80,658 thousand in intangible assets.

As a result, total assets decreased ¥873,207 thousand or 7.1% year on year, to ¥11,444,426 thousand.

Liabilities

Current liabilities stood at ¥3,008,469 thousand, up ¥469,843 thousand or up 18.5% from January 31, 2016. The prime factors in this change were rises of ¥745,088 thousand in short-term loans payable, ¥199,281 thousand in accrued expenses and ¥92,274 thousand in provision for bonuses, which offset a decrease of ¥245,650 thousand in income taxes payable and ¥303,022 thousand in accounts payable-other.

Noncurrent liabilities decreased ¥29,162 thousand or 11.2%, to ¥232,220 thousand. This was mainly due to a ¥23,499 thousand decrease in deferred tax liabilities.

As a result, total liabilities increased ¥440,681 thousand or 15.7% year on year, to ¥3,240,689 thousand.

Net assets

Net assets decreased ¥1,313,888 thousand or 13.8%, to ¥8,203,737 thousand. This was because although profit attributable to owners of parent added ¥40,790 to retained earnings, dividend payments detracted ¥342,777 thousand from retained earnings, while foreign currency translation adjustments declined ¥256,364 thousand and a treasury shares purchase detracted retained earnings by ¥732,600 thousand there was a ¥732,600 thousand of treasury shares repurchase.

(3) Qualitative Information on Consolidated Earnings Forecasts

Both revenues and earnings were broadly on target in the period under review. In the Testing/Verification & Evaluation segment, software testing services for the PlayStation 4 is gradually increasing. Trends in the amusement equipment market and rate of exchange continue to warrant close attention.

In the Internet Monitoring Business, although the Group has increased outsourcing services for the e-commerce market, rapid changes in competition environment also warrant close attention. In the second quarter, therefore, management expects to generally remain on target, and has therefore retained the consolidated earnings forecasts that it disclosed on March 8, 2016.

Note, however, that the earnings forecasts are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not guarantee that the Company will achieve its earnings forecasts. In addition, actual business and other results may differ substantially due to various factors.

2. Notes to the Summary Information

(1) Changes in significant subsidiaries during the three months ended April 30, 2016

Not applicable

Although there were no such changes, during the period under review, the Group acquired entire stake in Entalize Co., Ltd. and its subsidiary CrossFunction Co., Ltd., so the both is included in the scope of consolidation.

(2) Use of particular accounting treatments in preparation of quarterly consolidated financial statements

(Calculation of income taxes payable)

The tax expenses of the Company and certain consolidated subsidiaries are estimated reasonably based on effective tax rates after applying tax effect accounting for income before income taxes and minority interests for the consolidated fiscal year, including the first quarter under review, multiplying quarterly income before income taxes and minority interests by the relevant estimated effective tax rate.

(3) Changes in accounting policies, changes in accounting estimates, and restatement of revisions

Change in accounting policy

(Change in depreciation method)

Upon revision of the Corporation Tax Act of Japan, from the three months ended April 30, 2016, the depreciation method based on the revised Act was applied to the property, plant and equipment acquired on or after April 1, 2016 by the Company and its domestic consolidated subsidiaries.

The effect of this change on operating income, ordinary income and income before income taxes and minority interests was immaterial for the three months ended April 30, 2016.

(4) Additional information

The Group adopted Section 39 of the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013). In addition, the Group has changed the presentation of net income and other related items, and the presentation of “minority interests” to “non- controlling interests”. To reflect these changes in presentation, the consolidated financial statements for the three months ended April 30, 2015 and the previous consolidated fiscal year have been reclassified.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	Fiscal 2016 (As of January 31, 2016)	1Q Fiscal 2017 (As of April 30, 2016)
Assets		
Current assets		
Cash and deposits	5,636,472	4,555,374
Notes and accounts receivable-trade	2,485,451	2,412,647
Deferred tax assets	72,058	71,584
Other	752,409	900,926
Allowance for doubtful accounts	(10,261)	(8,987)
Total current assets	8,936,130	7,931,544
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	485,032	552,660
Accumulated depreciation	(191,461)	(232,026)
Buildings and structures, net	293,571	320,633
Machinery, equipment and vehicles	840	13,644
Accumulated depreciation	(840)	(9,760)
Machinery, equipment and vehicles, net	0	3,883
Tools, furniture and fixtures	858,933	863,736
Accumulated depreciation	(660,693)	(642,597)
Tools, furniture and fixtures, net	198,239	221,139
Total property, plant and equipment	491,810	545,656
Intangible assets		
Goodwill	1,514,355	1,622,743
Software	66,926	63,016
Other intangible assets	561,265	480,607
Other	2,244	2,244
Total intangible assets	2,144,792	2,168,612
Investments and other assets		
Investment securities	203,471	203,670
Lease and guarantee deposits	406,915	462,598
Deferred tax assets	44,401	45,929
Other	102,091	98,733
Allowance for doubtful accounts	(11,979)	(12,319)
Total investments and other assets	744,899	798,612
Total noncurrent assets	3,381,502	3,512,881
Total assets	12,317,633	11,444,426

(Thousands of yen)

	Fiscal 2016 (As of January 31, 2016)	1Q Fiscal 2017 (As of April 30, 2016)
Liabilities		
Current liabilities		
Short-term loans	—	745,088
Accounts payable-other	1,321,708	1,018,686
Accrued expenses	93,306	292,588
Income taxes payable	522,983	277,333
Provision for bonuses	30,515	122,789
Other	570,110	551,984
Total current liabilities	2,538,625	3,008,469
Noncurrent liabilities		
Provision for retirement benefits	56,686	57,110
Deferred tax liabilities	130,106	106,607
Other	74,589	68,502
Total noncurrent liabilities	261,382	232,220
Total liabilities	2,800,007	3,240,689
Net Assets		
Shareholders' equity		
Capital stock	1,236,323	1,236,418
Capital surplus	1,282,778	1,282,872
Retained earnings	6,258,446	5,956,460
Treasury shares	—	△732,600
Total shareholders’ equity	8,777,548	7,743,150
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,356	12,982
Foreign currency translation adjustments	527,066	270,701
Total accumulated other comprehensive income	539,422	283,684
Non-controlling interests	200,654	176,902
Total net assets	9,517,625	8,203,737
Total liabilities and net assets	12,317,633	11,444,426

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

(Three-month period ended April 30, 2016)

(Thousands of yen)

	Three months ended April 30, 2015 (From February 1, 2015 to April 30, 2015)	Three months ended April 30, 2016 (From February 1, 2016 to April 30, 2016)
Net sales	4,536,028	4,268,110
Cost of sales	3,059,306	2,934,037
Gross profit	1,476,722	1,334,073
Selling, general and administrative expenses	849,201	1,047,826
Operating income	627,520	286,246
Non-operating income		
Interest income	593	511
Subsidy income	1,132	3,025
Insurance premiums refunded cancellation	—	7,200
Commission fees	979	979
Other	1,837	3,338
Total non-operating income	4,542	15,055
Non-operating expenses		
Interest expenses	—	464
Foreign exchange losses	9,177	74,532
Compensation expenses	1,282	626
Commission for purchase of treasury shares	—	1,140
Other	216	75
Total non-operating expenses	10,675	76,840
Ordinary income	621,387	224,461
Extraordinary losses		
Loss on retirement of noncurrent assets	433	1,423
Loss on sales of noncurrent assets	—	26
Total extraordinary losses	433	1,449
Income before income taxes and minority interests	620,953	223,011
Income taxes	263,952	188,771
Net income	357,001	34,240
Profit attributable to non-controlling interests	—	(6,550)
Profit attributable to owners of parent	357,001	40,790

Consolidated Statement of Comprehensive Income
(Three-month period ended April 30, 2016)

(Thousands of yen)

	Three months ended April 30, 2015 (From February 1, 2015 to April 30, 2015)	Three months ended April 30, 2016 (From February 1, 2016 to April 30, 2016)
Profit	357,001	34,240
Other comprehensive income		
Valuation difference on available-for-sale securities	1,004	625
Foreign currency translation adjustments	(60,450)	(273,565)
Total other comprehensive income	(59,445)	(272,940)
Total comprehensive income	297,555	(238,699)
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	297,555	(214,948)
Comprehensive income attributable to non-controlling interests	—	(23,751)

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

The Group repurchased 740,000 shares in accordance with the resolution made at the meeting of its board of directors held on March 8, 2016.

As a result, treasury shares increased ¥732,600 thousand for the three months ended April 30, 2016 and the amount of treasury shares was ¥732,600 thousand as of the end of this term.

(Segment Information)

1. Three months ended April 30, 2015 (from February 1, 2015 to April 30, 2015)

(1) Net sales and income (loss) by reporting segment

(Thousands of yen)

	Reporting segment			Others*1	Total	Adjustments*2	Amounts in the consolidated statements of income*3
	Testing/ Verification & Evaluation Business	Internet Monitoring Business	Total				
Net sales Sales to third parties	3,706,028	812,520	4,518,549	17,478	4,536,028	—	4,536,028
Inter-segment sales and transfers	4,562	8,580	13,142	—	13,142	(13,142)	—
Total	3,710,590	821,101	4,531,692	17,478	4,549,170	(13,142)	4,536,028
Segment income (loss)	670,501	(17,415)	653,085	(28,658)	624,427	3,093	627,520

*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing, and media businesses.

2. Adjustment for segment income (loss) of ¥3,093 thousand comprises elimination of intersegment transactions of ¥125,195 thousand and unallocated corporate expenses of -¥122,102 thousand. Unallocated corporate expenses are mainly general administrative expenses.

3. Segment income (loss) is adjusted against the operating income recorded in the consolidated statements of income.

(2) Information regarding impairment losses on fixed assets and goodwill by reporting segment

Not applicable

2. Three months ended April 30, 2016 (from February 1, 2016 to April 30, 2016)

(1) Net sales and income (loss) by reporting segment

(Thousands of yen)

	Reporting segment			Others*1	Total	Adjustments*2	Amounts in the consolidated statements of income*3
	Testing/ Verification & Evaluation Business	Internet Monitoring Business	Total				
Net sales Sales to third parties	3,442,914	785,089	4,228,003	40,107	4,268,110	—	4,268,110
Inter-segment sales and transfers	7,630	2,789	10,420	—	10,420	(10,420)	—
Total	3,450,544	787,878	4,238,423	40,107	4,278,531	(10,420)	4,268,110
Segment income (loss)	404,328	(49,333)	354,995	(54,346)	300,649	(14,402)	286,246

*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing, media businesses and medical staffing services.

2. Adjustment for segment income (loss) of -¥14,402 thousand comprises elimination of intersegment transactions of ¥122,728 thousand and unallocated corporate expenses of -¥137,130 thousand. Unallocated corporate expenses are mainly general administrative expenses.

3. Segment income (loss) is adjusted against the operating income recorded in the consolidated statements of income.

(2) Information regarding impairment losses on fixed assets and goodwill by reporting segment

(Material changes in goodwill)

In the Testing/Verification & Evaluation Business segment, Entalize Co., Ltd. became a consolidated subsidiary following the acquisition of its stock during the period under review, increasing goodwill by ¥291,865 thousand for the term.