December 4, 2015

Consolidated Financial Results
For the Nine Months Ended October 31, 2015
(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: December 11, 2015
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 nine months ended October 31, 2015 (from February 1, 2015 to October 31, 2015)

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

	Net sales		Operating income		Ordinary income		Net income	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
October 31, 2015	13,716	24.5	1,929	38.7	1,869	32.5	1,117	52.5
October 31, 2014	11,015	5.1	1,391	(21.4)	1,411	(25.8)	732	(31.2)

(Note) Comprehensive income
Nine months ended October 31, 2015: ¥918 million (14.1%)
Nine months ended October 31, 2014: ¥805 million (-21.0%)

	Net income per share	Diluted net income per share
Nine months ended	Yen	Yen
October 31, 2015	58.66	57.85
October 31, 2014	38.49	37.92

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
October 31, 2015	11,825	9,259	76.5
January 31, 2015	10,518	8,421	80.1

(Reference) Equity
As of October 31, 2015: ¥9,046 million
As of January 31, 2015: ¥8,421 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, 2015	–	0.00	–	16.00	16.00
Fiscal year ending January 31, 2016	–	0.00	–		
Fiscal year ending January 31, 2016(Forecasts)			–	18.00	18.00

(Notes)
Change in dividend forecasts for the fiscal year ending January 31, 2016 during the nine months ended October 31, 2015: No

3. Consolidated financial forecasts for the fiscal year ending January 31, 2016 (from February 1, 2015 to January 31, 2016)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending January 31, 2016	17,881	21.2	2,293	23.2	2,304	22.6	1,387	38.6	72.85

(Note) Change in financial forecasts for the fiscal year ending January 31, 2016 during the nine months ended October 31, 2015: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended October 30, 2015 (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: No
b. Changes in accounting policies due to reasons other than a. above: Yes
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 3. 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 October 31, 2015 19,043,200 shares
As of January 31, 2015 19,041,200 shares

b. Number of shares of treasury stock at the end of the period
As of October 31, 2015 ー shares
As of January 31, 2015 ー shares

c. Average number of shares (Cumulative)
For the nine months ended October 31, 2015 19,041,881 shares
For the nine months ended October 31, 2014 19,025,469 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 5 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 nine months ended October 31, 2015, the Japanese economy looked set for a mild recovery owing to an ongoing improvement in the employment and income climates and government policies. At the same time, with the US financial policies normalized, the nation faced such downward risks as slowdowns in economies in China and developing countries.

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 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 nine months ended October 31, 2015, Pole To Win America, Inc. opened new office in Seattle, Washington in June and Pole To Win Europe Limited acquired shares in Side UK Limited, a voice production studio in August to expand services. 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 (translation), Internet monitoring, and user support.

As a result of these factors, consolidated net sales for the term were ¥13,716,521 thousand (up 24.5%). Operating income was ¥1,929,849 thousand (up 38.7%). Ordinary income was ¥1,869,980 thousand (up 32.5%) and net income was ¥1,117,037 thousand (up 52.5%).

Results by segment were as follows.

Testing/Verification & Evaluation Business

Domestic and overseas revenues increased, reflecting collaboration between eleven delivery centers in six countries and Japanese Group companies in supporting the global deployments of domestic and foreign game makers. QBIST Inc., which became a consolidated subsidiary at the end of the previous fiscal year, and Side UK Limited, which became a consolidated subsidiary at this term, contributed to revenues and earnings from the current fiscal year, sharing its clients within the Group. As a result, Testing/Verification & Evaluation Business sales increased 31.2% year on year, to ¥11,130,069 thousand. Operating income also rose 44.0%, to ¥1,978,324 thousand.

Internet Monitoring Business

In the Internet Monitoring Business, the Group received increased orders for e-commerce support services 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. As a result, Monitoring Business sales increases 0.6%, to ¥2,473,093 thousand. However operating rates decreased owing to downsizing among some client companies, operating income also decreased 87.4% to ¥7,625 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 56.7%, to ¥113,358 thousand. There was an operating loss of ¥78,147 thousand, up from ¥48,028 thousand a year earlier.

(2) Qualitative information concerning consolidated financial position

Total Assets

Current assets rose ¥550,314 thousand or 6.9% from January 31, 2015, to ¥8,511,051 thousand. This reflected increases of ¥421,787 thousand in notes and accounts receivable-trade.

Noncurrent assets stood at ¥3,314,084 thousand, ¥756,406 thousand or up 29.6% from January 31, 2015. This was due largely to a ¥602,077 thousand increase in intangible assets.

Total assets therefore increased by ¥1,306,721 thousand or 12.4% to ¥11,825,135 thousand.

Liabilities

Current liabilities stood at ¥2,304,401 thousand, up ¥267,662 thousand or up 13.1% from January 31, 2015. The prime factors in this change were rises of ¥156,023 thousand in accounts payable-other and ¥123,832 thousand in provision for bonuses, which offset a ¥118,941 thousand decrease in consumption taxes payable.

Noncurrent liabilities increased ¥200,754 thousand or 332.9% to ¥261,056 thousand. This was due mainly to a ¥122,981 thousand increase in deferred tax liabilities and a ¥65,919 thousand increase in other (long-term accrued expenses).

As a result, total liabilities increased by ¥468,417 thousand or 22.3% to ¥2,565,458 thousand.

Net assets

Net assets increased ¥838,303 thousand or 10.0% to ¥9,259,677 thousand. This was because although dividend payments detracted ¥304,659 thousand from retained earnings, net income added ¥1,117,037 thousand.

(3) Qualitative Information on Consolidated Earnings Forecasts

Both revenues and earnings were broadly on target in the period under review. Management expects to generally remain on target and has therefore retained the consolidated earnings forecasts that it disclosed on March 9, 2015.

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 October 31, 2015

Not applicable

Although there were no such changes, during the period under review, consolidated subsidiary Pole To Win Europe Limited acquired a 70% stake in Side UK Limited, so the latter 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

Changes in accounting policies

(Application of accounting standards for business combinations)

Effective from the first quarter of the consolidated fiscal year under review, we began applying standards such as the “Accounting Standard for Business Combinations” (ASBJ Statement No.21, September 13, 2013, hereinafter, “Business Combinations Accounting Standard”), the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013, hereinafter, “Consolidated Accounting Standard”), and the “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013, hereinafter, “Business Divestitures Accounting Standard"). The purpose of applying these standards was to adopt a method in which the difference made by changes in our ownership interest in subsidiaries in which we retain a controlling interest is recorded as capital surplus, and acquisition-related costs are treated as expenses in the consolidated fiscal year in which they are incurred. In addition, for business combinations carried out at or after the beginning of the first quarter of the fiscal year under review, we adopted a method in which the reallocation of acquisition costs, as determined after reviewing provisional accounting treatment, is reflected in the quarterly consolidated financial statements for the period in which the business combination took place.

We applied these standards in accordance with the transitional treatment specified in Section 58-2 of the Business Combinations Accounting Standard, Section 44-5 (4) of the Consolidated Accounting Standard, and Section 57-4 (4) of the Business Divestitures Accounting Standard. We began applying them from the beginning of the first quarter of the consolidated fiscal year under review, and will continue to do so in future periods.

The effect of the said change on the consolidated financial statements is, however, immaterial.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	Fiscal 2015 (As of January 31, 2015)	3Q Fiscal 2016 (As of October 31, 2015)
Assets		
Current assets		
Cash and deposits	5,343,681	5,297,272
Notes and accounts receivable-trade	2,128,288	2,550,075
Deferred tax assets	63,529	58,706
Other	429,387	615,429
Allowance for doubtful accounts	(4,150)	(10,433)
Total current assets	7,960,736	8,511,051
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	379,283	444,988
Accumulated depreciation	(137,942)	(183,788)
Buildings and structures, net	241,340	261,199
Machinery, equipment and vehicles	3,065	840
Accumulated depreciation	(3,065)	(840)
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	657,713	830,730
Accumulated depreciation	(474,587)	(636,571)
Tools, furniture and fixtures, net	183,125	194,159
Total property, plant and equipment	424,465	455,359
Intangible assets		
Goodwill	1,506,095	1,454,885
Software	33,163	70,562
Software in progress	12,549	－
Other intangible assets	－	602,077
Other	2,244	2,244
Total intangible assets	1,554,052	2,129,769
Investments and other assets		
Investment securities	157,112	206,767
Lease and guarantee deposits	370,924	404,414
Deferred tax assets	42,486	49,023
Other	20,596	80,712
Allowance for doubtful accounts	(11,961)	(11,961)
Total investments and other assets	579,159	728,955
Total noncurrent assets	2,557,677	3,314,084
Total assets	10,518,414	11,825,135

(Thousands of yen)

	Fiscal 2015 (As of January 31, 2015)	3Q Fiscal 2016 (As of October 31, 2015)
Liabilities		
Current liabilities		
Accounts payable-other	1,115,323	1,271,346
Accrued expenses	68,918	141,943
Income taxes payable	363,164	374,666
Provision for bonuses	34,651	158,483
Other	454,681	357,961
Total current liabilities	2,036,738	2,304,401
Noncurrent liabilities		
Provision for retirement benefits	51,278	55,976
Deferred tax liabilities	6,894	129,875
Other	2,128	75,204
Total noncurrent liabilities	60,301	261,056
Total liabilities	2,097,040	2,565,458
Net Assets		
Shareholders' equity		
Capital stock	1,236,166	1,236,323
Capital surplus	1,282,621	1,282,778
Retained earnings	5,276,191	6,088,570
Total shareholders’ equity	7,794,979	8,607,672
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,052	14,459
Foreign currency translation adjustments	611,342	424,205
Total accumulated other comprehensive income	626,394	438,664
Minority interests	—	213,340
Total net assets	8,421,373	9,259,677
Total liabilities and net assets	10,518,414	11,825,135

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

Consolidated Statements of Income

(Nine-month period ended October 31, 2015)

(Thousands of yen)

	Nine months ended October 31, 2014 (From February 1, 2014 to October 31, 2014)	Nine months ended October 31, 2015 (From February 1, 2015 to October 31, 2015)
Net sales	11,015,905	13,716,521
Cost of sales	7,425,881	9,108,570
Gross profit	3,590,024	4,607,950
Selling, general and administrative expenses	2,198,769	2,678,100
Operating income	1,391,254	1,929,849
Non-operating income		
Interest income	1,209	2,587
Dividends income	185	2,304
Foreign exchange losses	15,410	—
Subsidy income	2,176	8,900
Insurance premiums refunded cancellation	3,613	4,452
Commission fees	2,938	2,938
Other	3,357	3,925
Total non-operating income	28,891	25,109
Non-operating expenses		
Foreign exchange losses	—	83,227
Compensation losses	8,775	1,655
Other	11	96
Total non-operating expenses	8,786	84,979
Ordinary income	1,411,358	1,869,980
Extraordinary gains		
Gain on donation of non-current assets	4,543	—
Loss on retirement of noncurrent assets	—	94
Other	—	15
Total extraordinary gains	4,543	110
Extraordinary losses		
Loss on retirement of noncurrent assets	7,329	5,910
Office transfer expenses	17,225	—
Directors' retirement benefits	—	59,644
Other	1,008	1,276
Total extraordinary losses	25,562	66,831
Income before income taxes and minority interests	1,390,339	1,803,258
Income taxes	658,043	683,239
Income before minority interests	732,296	1,120,019
Minority interests in income	—	2,981
Net income	732,296	1,117,037

Consolidated Statement of Comprehensive Income
(Nine-month period ended October 31, 2015)

(Thousands of yen)

	Nine months ended October 31, 2014 (From February 1, 2014 to October 31, 2014)	Nine months ended October 31, 2015 (From February 1, 2015 to October 31, 2015)
Income before minority interests	732,296	1,120,019
Other comprehensive income		
Valuation difference on available-for-sale securities	2,110	(592)
Foreign currency translation adjustments	70,950	(200,531)
Total other comprehensive income	73,060	(201,123)
Total comprehensive income	805,356	918,895
Comprehensive income attributable to:		
Owners of the parent	805,356	929,308
Comprehensive income attributable to minority interests	–	(10,412)

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders’ Equity)

Not applicable

(Segment Information)

1. Nine months ended October 31, 2014 (from February 1, 2014 to October 31, 2014)

(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	8,484,864	2,458,698	10,943,562	72,343	11,015,905	—	11,015,905
Inter-segment sales and transfers	14,224	17,117	31,341	—	31,341	(31,341)	—
Total	8,499,088	2,475,815	10,974,904	72,343	11,047,247	(31,341)	11,015,905
Segment income (loss)	1,373,752	60,500	1,434,252	(48,028)	1,386,224	5,030	1,391,254

*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing, and media businesses.
2. Adjustment for segment income of -¥5,030 thousand comprises elimination of intersegment transactions of ¥318,316 thousand and unallocated corporate expenses of ¥313,286 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. Nine months ended October 31, 2015 (from February 1, 2015 to October 31, 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	11,130,069	2,473,093	13,603,162	113,358	13,716,521	—	13,716,521
Inter-segment sales and transfers	7,303	36,235	43,539	—	43,539	(43,539)	—
Total	11,137,373	2,509,328	13,646,702	113,358	13,760,060	(43,539)	13,716,521
Segment income (loss)	1,978,324	7,625	1,985,950	(78,147)	1,907,803	22,046	1,929,849

*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing, and media businesses.
2. Adjustment for segment income of -¥22,046 thousand comprises elimination of intersegment transactions of ¥393,579 thousand and unallocated corporate expenses of ¥371,533 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, Side UK Limited became a consolidated subsidiary following the acquisition of its stock during the period under review, increasing goodwill by ¥292,569 thousand for the term.