



September 4, 2015

## Consolidated Financial Results For the Six Months Ended July 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: September 11, 2015  
 Scheduled date to commence dividend payments: –  
 Supplementary explanatory materials prepared: Yes  
 Explanatory meeting: Yes

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

### 1. Consolidated financial results for the six months ended July 31, 2015 (from February 1, 2015 to July 31, 2015)

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

Six months ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
July 31, 2015	9,243	26.7	1,311	34.2	1,301	33.4	769	55.2
July 31, 2014	7,293	5.7	977	(13.2)	975	(20.7)	495	(28.5)

(Note) Comprehensive income

Six months ended July 31, 2015: ¥788 million (68.9%)

Six months ended July 31, 2014: ¥466 million (-27.8%)

	Net income per share	Diluted net income per share
Six months ended	Yen	Yen
July 31, 2015	40.40	39.84
July 31, 2014	26.07	25.67

### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
July 31, 2015	11,287	8,905	78.9
January 31, 2015	10,518	8,421	80.1

(Reference) Equity

As of July 31, 2015: ¥8,905 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 six months ended July 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 six months ended July 31, 2015: No

\* Notes:

(1) Changes in significant subsidiaries during the three months ended April 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 8 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: No

c. Changes in accounting estimates: No

d. Restatement of revisions: No

(4) Number of common shares issued

a. Total number of issued shares at the end of the period (including treasury stock)

As of July 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 July 31, 2015 — shares

As of January 31, 2015 — shares

c. Average number of shares (Cumulative)

For the six months ended July 31, 2015 19,041,211 shares

For the six months ended July 31, 2014 19,018,161 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. The Company plans to hold an earnings results briefing for institutional investors and analysts on Tuesday, September 8, 2015. Along with the earnings presentation materials, streaming video of the briefing session and content are scheduled to be promptly posted on the Company's website following the briefing.

## 1. Qualitative Information on Financial Results

### (1) Analysis of Operating Results

During the six months ended July 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, the nation faced such downward risks as slowdowns in economies in China and overseas.

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 six months ended July 31, 2015, Pole To Win America, Inc. opened new office in Seattle, Washington in June to expand services. Collaboration has stepped up between ten 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 ¥9,243,898 thousand (up 26.7%). Operating income was ¥1,311,561 thousand (up 34.2%). Ordinary income was ¥1,301,745 thousand (up 33.4%) and net income was ¥769,241 thousand (up 55.2%).

Results by segment were as follows.

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

Domestic and overseas revenues increased, reflecting collaboration between ten 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, 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 34.4% year on year, to ¥7,544,763 thousand. Operating income also rose 40.9%, to ¥1,372,237 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. However operating rates decreased owing to downsizing among some client companies, Internet Monitoring Business sales therefore decreased 0.5%, to ¥1,637,991 thousand. There was an operating loss of ¥15,984 thousand, compared with operating income of ¥43,552 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 78.6%, to ¥61,144 thousand. There was an operating loss of ¥56,916 thousand, up from ¥43,268 thousand a year earlier.

## **(2) Qualitative information concerning consolidated financial position**

### **Total Assets**

Current assets rose ¥772,727 thousand or 9.7% from January 31, 2015, to ¥8,733,463 thousand. This reflected increases of ¥696,564 thousand in notes and accounts receivable-trade.

Noncurrent assets stood at ¥2,553,979 thousand, ¥3,698 thousand or 0.1% lower than on January 31, 2015. This was due largely to a ¥115,398 thousand decrease in goodwill, which offset a ¥21,279 thousand increase in software and a ¥51,388 thousand increase in investment securities.

Total assets therefore increased by ¥769,028 thousand or 7.3% to ¥11,287,443 thousand.

### **Liabilities**

Current liabilities stood at ¥2,303,000 thousand, up ¥266,261 thousand or up 13.1% from January 31, 2015. The prime factors in this change were rises of ¥154,001 thousand in accounts payable-other and ¥136,985 thousand in income taxes payable-other, which offset a ¥129,248 thousand decrease in consumption taxes payable.

Noncurrent liabilities increased ¥18,884 thousand or 31.3% to ¥79,185 thousand. This was due mainly to a ¥11,021 thousand increase in other (long-term accrued expenses).

As a result, total liabilities increased by ¥285,145 thousand or 13.6% to ¥2,382,186 thousand.

### **Net assets**

Net assets increased ¥483,882 thousand or 5.7% to ¥8,905,256 thousand. This was because although dividend payments detracted ¥304,659 thousand from retained earnings, net income added ¥769,241 thousand.

## **(3) Qualitative Information on Consolidated Earnings Forecasts**

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, 2015**

Not applicable

### **(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**

Not applicable

### 3. Consolidated Financial Statements

#### (1) Consolidated Balance Sheets

(Thousands of yen)

	Fiscal 2015 (As of January 31, 2015)	2Q Fiscal 2016 (As of July 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	5,343,681	5,376,385
Notes and accounts receivable-trade	2,128,288	2,824,853
Deferred tax assets	63,529	58,873
Other	429,387	483,632
Allowance for doubtful accounts	(4,150)	(10,280)
Total current assets	7,960,736	8,733,463
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	379,283	386,086
Accumulated depreciation	(137,942)	(134,772)
Buildings and structures, net	241,340	251,314
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	756,388
Accumulated depreciation	(474,587)	(559,899)
Tools, furniture and fixtures, net	183,125	196,489
Total property, plant and equipment	424,465	447,803
Intangible assets		
Goodwill	1,506,095	1,390,696
Software	33,163	54,442
Software in progress	12,549	16,300
Other	2,244	2,244
Total intangible assets	1,554,052	1,463,684
Investments and other assets		
Investment securities	157,112	208,500
Lease and guarantee deposits	370,924	372,338
Deferred tax assets	42,486	47,678
Other	20,596	25,934
Allowance for doubtful accounts	(11,961)	(11,961)
Total investments and other assets	579,159	642,491
Total noncurrent assets	2,557,677	2,553,979
<b>Total assets</b>	<b>10,518,414</b>	<b>11,287,443</b>

(Thousands of yen)

	Fiscal 2015 (As of January 31, 2015)	2Q Fiscal 2016 (As of July 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-other	1,115,323	1,269,324
Accrued expenses	68,918	121,487
Income taxes payable	363,164	500,149
Provision for bonuses	34,651	79,520
Other	454,681	332,518
Total current liabilities	2,036,738	2,303,000
Noncurrent liabilities		
Provision for retirement benefits	51,278	54,613
Deferred tax liabilities	6,894	8,363
Other	2,128	16,208
Total noncurrent liabilities	60,301	79,185
Total liabilities	2,097,040	2,382,186
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	1,236,166	1,236,323
Capital surplus	1,282,621	1,282,778
Retained earnings	5,276,191	5,740,774
Total shareholders' equity	7,794,979	8,259,876
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	15,052	15,549
Foreign currency translation adjustments	611,342	629,830
Total accumulated other comprehensive income	626,394	645,380
Total net assets	8,421,373	8,905,256
Total liabilities and net assets	10,518,414	11,287,443

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**  
**Consolidated Statements of Income**  
**(Six-month period ended July 31, 2015)**

(Thousands of yen)

	Six months ended July 31, 2014 (From February 1, 2014 to July 31, 2014)	Six months ended July 31, 2015 (From February 1, 2015 To July 31, 2015)
Net sales	7,293,525	9,243,898
Cost of sales	4,905,395	6,201,631
Gross profit	2,388,130	3,042,267
Selling, general and administrative expenses	1,410,790	1,730,706
Operating income	977,339	1,311,561
Non-operating income		
Interest income	760	700
Dividends income	185	704
Subsidy income	680	3,749
Insurance premiums refunded cancellation	2,827	4,452
Commission fees	1,959	1,959
Other	2,589	4,040
Total non-operating income	9,002	15,606
Non-operating expenses		
Foreign exchange losses	5,099	23,984
Compensation losses	5,761	1,342
Other	11	96
Total non-operating expenses	10,871	25,422
Ordinary income	975,469	1,301,745
Extraordinary gains		
Gain on donation of non-current assets	4,543	—
Loss on retirement of noncurrent assets	—	100
Other	—	16
Total extraordinary gains	4,543	116
Extraordinary losses		
Loss on retirement of noncurrent assets	7,329	5,473
Office transfer expenses	16,198	—
Directors' retirement benefits	—	59,644
Other	1,130	1,276
Total extraordinary losses	24,658	66,394
Income before income taxes and minority interests	955,354	1,235,467
Income taxes	459,637	466,226
Income before minority interests	495,717	769,241
Net income	495,717	769,241

**Consolidated Statement of Comprehensive Income**  
**(Six-month period ended July 31, 2015)**

(Thousands of yen)

	Six months ended July 31, 2014 (From February 1, 2014 to July 31, 2014)	Six months ended July 31, 2015 (From February 1, 2015 to July 31, 2015)
Income before minority interests	495,717	769,241
Other comprehensive income		
Valuation difference on available-for-sale securities	1,322	497
Foreign currency translation adjustments	(30,273)	18,488
Total other comprehensive income	(28,951)	18,986
Total comprehensive income	466,765	788,228
Comprehensive income attributable to:		
Owners of the parent	466,765	788,228

### (3) Consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended July 31, 2014 (From February 1, 2014, to July 31, 2014)	Six months ended July 31, 2015 (From February 1, 2015, to July 31, 2015)
<b>Cash flows from operating activities</b>		
Income before income taxes and minority interests	955,354	1,235,467
Depreciation and amortization	79,629	84,586
Amortization of goodwill	80,446	103,805
Increase in allowance for doubtful accounts	5,523	6,129
Increase in provision for bonuses	51,962	44,869
Increase in provision for retirement benefits	5,116	3,334
Increase in net defined benefit liability	—	3,334
Interest and dividends income	(945)	(1,405)
Foreign exchange (gains) losses	(75)	20,886
Loss on retirement of noncurrent assets	7,329	5,473
Increase in notes and accounts receivable-trade	469,114	654,272
Decrease in accounts receivable-other	5,221	9,590
Increase in accounts payable-other	160,636	105,065
Increase in accrued expenses	20,637	52,191
Increase (decrease) in accrued consumption taxes	46,735	(129,891)
Increase (decrease) in deposits received	25,691	(11,141)
Other, net	(6,182)	(27,636)
Subtotal	967,967	847,053
Interest and dividends income received	945	2,301
Income taxes paid	(539,133)	(330,052)
Net cash provided by operating activities	429,779	519,301
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(109,595)	(93,769)
Purchase of intangible assets	(6,127)	(29,329)
Purchase of investment securities	(100,185)	(50,596)
Payments of loans receivable	(1,462)	(327)
Collection of loans receivable	1,440	792
Payments for lease and guarantee deposits	(37,608)	(18,660)
Proceeds from collection of lease and guarantee deposits	18,555	14,268
Net cash used in investing activities	(234,984)	(177,622)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of common stock	5,024	314
Cash dividends paid	(304,115)	(304,659)
Net cash used in financing activities	(299,091)	(304,345)
Effect of exchange rate change on cash of cash equivalents	(5,981)	(4,630)
Net increase (decrease) in cash and cash equivalents	(110,277)	32,703
Cash and cash equivalents at beginning of period	4,959,929	5,343,681
Cash and cash equivalents at end of period	4,849,651	5,376,385

**(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. Six months ended July 31, 2014 (from February 1, 2014 to July 31, 2014)

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

(Thousands of yen)

Reporting segment				Others* <sup>1</sup>	Total	Adjustments* <sup>2</sup>	Amounts in the consolidated statements of income* <sup>3</sup>
	Testing/ Verification & Evaluation Business	Internet Monitoring Business	Total				
Net sales							
Sales to third parties	5,613,244	1,646,045	7,259,290	34,235	7,293,525	—	7,293,525
Inter-segment sales and transfers	8,835	11,125	19,961	—	19,961	(19,961)	—
Total	5,622,080	1,657,171	7,279,251	34,235	7,313,487	(19,961)	7,293,525
Segment income (loss)	973,954	43,552	1,017,506	(43,268)	974,238	3,101	977,339

- \*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing, and media businesses.  
2. Adjustment for segment income of ¥3,101 thousand comprises elimination of intersegment transactions of ¥214,870 thousand and unallocated corporate expenses of ¥211,769 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. Six months ended July 31, 2015 (from February 1, 2015 to July 31, 2015)

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

(Thousands of yen)

Reporting segment				Others* <sup>1</sup>	Total	Adjustments* <sup>2</sup>	Amounts in the consolidated statements of income* <sup>3</sup>
	Testing/ Verification & Evaluation Business	Internet Monitoring Business	Total				
Net sales							
Sales to third parties	7,544,763	1,637,991	9,182,754	61,144	9,243,898	—	9,243,898
Inter-segment sales and transfers	3,659	22,193	25,853	—	25,853	(25,853)	—
Total	7,548,423	1,660,184	9,208,607	61,144	9,269,752	(25,853)	9,243,898
Segment income (loss)	1,372,237	(15,984)	1,356,253	(56,916)	1,299,336	12,224	1,311,561

- \*Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing, and media businesses.  
2. Adjustment for segment income of ¥12,224 thousand comprises elimination of intersegment transactions of ¥260,094 thousand and unallocated corporate expenses of ¥247,869 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

## (Significant Subsequent Events)

### (Subsidiary resulting from acquisition of shares)

The Board of Directors of consolidated subsidiary Pole To Win Europe Limited resolved on August 10, 2015, to acquire shares in Side UK Limited and make it a subsidiary, concluding a share transfer agreement that day.

#### 1. Share Acquisition Purpose

The Group's Testing/Verification & Evaluation Business provides defect detection (finding bugs) services to support software and hardware quality improvements. The Group's Internet Monitoring Business contributes to the healthy growth of the Internet by providing checking, monitoring and inspection services to detect fraudulent information and improper contents usage. The Testing/Verification & Evaluation Business offers defect detection services to developers of software for consumer electronic game consoles and native applications for smartphones. With the globalization of game software, localization (translation), user support in multiple languages after release and game manual services has recently expanded to become a one-stop, full-service platform for the game market.

Side UK Limited is a voice production studio established in London in 1997.

Pole To Win Europe and Side UK both provide business process outsourcing services to game software developers. We will solidify our position as a comprehensive business process outsourcing provider for game businesses by combining the core services of both entities. We will also endeavor to expand orders through mutual client introductions and improve corporate value.

#### 2. Acquiree Profile

Company name	Side UK Limited
Head office	Great Titchfield House, 14-18 Great Titchfield Street, London W1W 8BD, United Kingdom
Major businesses	Voice production for video game market and performance capture
Capitalization	£47 thousand (¥9,249 thousand)

Note: Reference rate is £1.00 = ¥193.44

(Average Bank of Tokyo-Mitsubishi UFJ trailing twelve month quotation as of July 31, 2015)

#### 3. Number of Shares to be Acquired and Ownership Before and After Acquisition

Number of shares owned before Acquisition	Number of shares	0
	Number of voting rights	0
	Ratio of voting rights owned	0%
Number of shares to be acquired	Number of shares	33,471
	(Acquirer: Pole To Win Europe Limited)	
	Number of voting rights	33,471
Number of shares owned after acquisition	Number of shares	33,471
	(Pole To Win Europe Limited)	
	Number of voting rights	33,471
Acquisition price	Side UK Limited ordinary shares	£4,211 thousand
		(¥814,660 thousand)
Share transfer date	August 10, 2015	

Note: Reference rate is £1.00 = ¥93.44

(Average Bank of Tokyo-Mitsubishi UFJ trailing twelve month quotation as of July 31, 2015)