



June 6, 2014

Consolidated Financial Results For the Three Months Ended April 30, 2014 (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
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Scheduled date to file Securities Report: June 12, 2014
 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, 2014 (from February 1, 2014 to April 30, 2014)

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

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
April 30, 2014	3,510	8.0	495	(2.5)	494	(13.8)	263	(19.3)
April 30, 2013	3,251	38.9	507	24.9	573	30.6	326	43.3

(Note) Comprehensive income

Three months ended April 30, 2014: ¥236 million (-20.1%)
 Three months ended April 30, 2013: ¥295 million (32.6%)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
April 30, 2014	13.87	13.65
April 30, 2013	17.24	16.75

(Note) The Company conducted stock splits on January 9, 2014, at a ratio of two shares of common stock per share of common stock. However, the figures for net income per share and diluted net income per share have been calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
April 30, 2014	9,134	7,426	81.3
January 31, 2014	9,228	7,494	81.2

(Reference) Equity

As of April 30, 2014: ¥7,426 million
 As of January 31, 2014: ¥7,494 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, 2014	–	0.00	–	16.00	16.00
Fiscal year ending January 31, 2015	–				
Fiscal year ending January 31, 2015 (Forecasts)		0.00	–	16.00	16.00

(Notes) Change in dividend forecasts for the fiscal year ending January 31, 2015 during the three months ended April 30, 2014: No

3. Consolidated financial forecasts for the fiscal year ending January 31, 2015

(from February 1, 2014 to January 31, 2015)

(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
Six months ending July 31, 2014	7,162	3.8	974	(13.5)	977	(20.5)	490	(29.2)	25.82
Fiscal year ending January 31, 2015	14,961	7.8	2,183	1.8	2,186	(4.5)	1,211	0.5	63.74

(Note) Change in financial forecasts for the fiscal year ending January 31, 2015 during the three months ended April 30, 2014: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended April 30, 2014 (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 April 30, 2014 19,007,200 shares

As of January 31, 2014 19,007,200 shares

b. Number of shares of treasury stock at the end of the period

As of April 30, 2014 – shares

As of January 31, 2014 – shares

c. Average number of shares (Cumulative)

For the three months ended April 30, 2014 19,007,200 shares

For the three months ended April 30, 2013 18,953,470 shares

(Note) The Company conducted stock splits on January 9, 2014, at a ratio of two shares of common stock per share of common stock. However, the figures for the number of shares issued have been calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.

* 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, 2014, the Japanese economy continued to gradually recover amid the government's economic policies and financial measures and a turnaround in personal consumption. Nonetheless, there remain risks of downward pressure on the economy because of concerns that an April 2014 consumption tax will dampen consumption and because of slowdowns in economies overseas.

Under those economic circumstances, the Poletowin Pitcrew Holdings Group saw rapid growth in the market for Web browser-based social games, native applications and other mobile game content undergirding its Testing/Verification & Evaluation Business, in step with the rising popularity of smartphones and tablet PCs. Furthermore, this application content is expected to grow progressively richer and more sophisticated, and the march of globalization should continue apace. These factors are anticipated to drive continued market expansion going forward. Frequent events and updates are essential after social games and native applications are launched. As a result, the importance of ongoing services in detecting defects (finding bugs) should rise. At the same time, sales have been favorable in the consumer electronic game market for new next-generation game consoles launched around the world. Looking ahead, the launch of new content for each platform is expected to expand globally as game platforms diversify, as exemplified by the distribution of games using game consoles, smartphones and tablet PCs, as well as via the cloud.

In online markets related to the Group's Internet Monitoring Business, online shopping, video, e-book, and other forms of e-commerce are catching on against the backdrop of the growing popularity of smartphones and tablet PCs. 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 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.

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 period under review, PITCREW CO., LTD., took advantage of rising e-commerce orders by setting up the Sendai Support Center in April, its first operation in northeastern Japan. PITCREW COREOPS CO., LTD, opened the Sendai BCP Center in April and relocated and increased floor space at the Okinawa BCP Center in May to secure more people and accommodate operational growth. The Group thereby expanded the number of domestic business units to 25. Overseas, Pole To Win America, Inc., moved its Hunt Valley studio to Baltimore in April. Also that month, Pole To Wine India Private Limited increased floor space. One of the Company's business strategies is to expand overseas sales by accelerating its global deployment. Collaboration has thus stepped up between nine business units 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 ¥3,510,276 thousand (up 8.0%). Operating income was ¥495,327 thousand (down 2.5%), however, reflecting increased

personnel spending and the establishment of new business units. Ordinary income was ¥494,336 thousand (down 13.8%), a key factor being lower foreign exchange gains, while net income was ¥263,638 thousand (down 19.3%).

Results by segment were as follows.

Testing/Verification & Evaluation Business

In the Testing/Verification & Evaluation Business, the growing popularity of smartphones has resulted in a sharp increase in the social games that users download directly as native applications, in addition to social games accessed using conventional Web browsers. The game content of native applications has become more complex owing to the high image quality of portable game consoles. Combined with growth in the scope of defect detection work for finding bugs per title, and in the numbers of titles, these trends led to the Group securing solid orders for mobile content defect detection (finding bugs) services. The Group has received defect detection orders for game software for consumer electronic game consoles centered on titles for the Nintendo 3DS and PlayStation 3, and has gradually secured more orders for PlayStation 4 titles. In defect detection work for finding bugs in amusement (pachinko and pachislot) equipment, makers have been eagerly working on new models with enhanced entertainment features to win the support of end users, generating stable orders. Overseas revenues exceeded 20% of segment sales during the quarter, reflecting a solid contribution to performance of overseas testing/verification operations. Hirings of very experienced salespeople in the United States and Europe have bolstered marketing capabilities in this business segment. We have received more inquiries and orders for multilingual user support from Japanese game makers as they globalize their businesses.

As a result, Testing/Verification & Evaluation Business sales increased 6.0% year on year, to ¥2,658,853 thousand. Operating income rose 3.5% to ¥480,896 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 and auction sites and for reviews of advertisements based on the Pharmaceutical Affairs 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. Demand grew for running legal and compliance checks of the proper operation of the broker websites of insurance companies in light of laws and regulations. Through a proposal-based bidding process, including for new municipal governments, the Group has received steady orders for the online patrol of youth Internet usage, which it is providing to various municipal boards of education and private schools on a contract basis. In the period under review, the Group received orders from 20 municipal governments, as well as several orders from private schools. The Group pressed ahead with vigorous planning- and proposal-driven sales activities and deepened collaboration between Group companies, thereby capturing complex orders for several projects from corporate clients.

Internet Monitoring Business sales therefore rose 13.9%, to ¥830,902 thousand. Operating income was down 14.1%, however, to ¥42,180 thousand, as the Company extensively opened, relocated, or added floor space at business sites and trained personnel to handle work transfers between sites.

Others

In this segment, Palabra Inc. instituted a subtitle training curriculum to prepare for the advent of barrier-free motion pictures, producing barrier-free subtitles for television program and video production firms on contract. IMAid Inc. offers medical staffing services.

Segment sales increased 48.0%, to ¥20,520 thousand. There was an operating loss of ¥20,597 thousand, down from 25,809 thousand a year earlier.

(2) Qualitative information concerning consolidated financial position

Total Assets

Current assets decreased ¥152,451 thousand or 2.2% from January 31, 2014, to ¥6,883,905 thousand as of April 30, 2014. This was mainly attributable to a ¥220,372 thousand increase in notes and accounts receivable-trade and a ¥390,592 thousand decrease in cash and deposits.

Noncurrent assets stood at ¥2,250,782 thousand, ¥58,931 thousand or 2.7% higher than on January 31, 2014. This was due largely to a ¥100,862 thousand increase in investment securities, which offset a ¥55,304 decrease in goodwill.

As a result, total assets decreased by ¥93,520 thousand or 1.0% to ¥9,134,688 thousand.

Liabilities

Current liabilities stood at ¥1,650,508 thousand, down ¥29,818 thousand or 1.8% from January 31, 2014. The prime factor in this reduction was a ¥274,224 thousand decrease in income taxes payable, which exceeded a ¥119,932 thousand increase in Other (deposits received).

Noncurrent liabilities increased ¥4,237 thousand or 7.9% to ¥58,053 thousand. This was mainly due to a ¥4,236 thousand increase in provision for retirement benefits.

As a result, total liabilities decreased by ¥25,581 thousand or 1.5% to ¥1,708,561 thousand.

Net assets

Net assets decreased ¥67,938 thousand or 0.9% to ¥7,426,126 thousand. This was mainly attributable to a ¥304,115 thousand decrease in dividend payments, which offset a ¥263,638 thousand increase in retained earnings.

(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, orders have continued to expand, particularly for testing services (finding bugs) for amusement equipment, as well as at overseas business for testing services (finding bugs), localization, and user support. Domestic social game makers have recently expanded throughout Asia (notably, in China, Taiwan, Korea, and Vietnam). The Group's operations in China, Singapore, and Korea are becoming more important in light of the lifting of a manufacturing and sales ban on consumer electronic game consoles in China. Where looking to penetrate the Japanese market, overseas game makers would need to localize, modify operability to match the preferences of Japanese users, and otherwise attune their offerings for the local culture. They would also need user support to handle inquiries after service releases. When globalizing operations, overseas enterprises use different vendors in different countries. The Group leverages collaboration between operations in Japan and nine businesses in six other countries to supply an array of one-stop services to such enterprises. In the Internet Monitoring Business, the Group is securing solid orders for e-commerce-related advertising reviews, merchandise checks, user support, and other services. 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 10, 2014.

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, 2014

Not applicable (Although the following does not apply here, management notes that Daiichi Research Institute Co., Ltd., was dissolved following an absorption-type merger with consolidated subsidiary Pole To Win Co., Ltd., effective March 31, 2014.)

(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 2014 (As of January 31, 2014)	1Q Fiscal 2015 (As of April 30, 2014)
Assets		
Current assets		
Cash and deposits	4,959,929	4,569,337
Notes and accounts receivable-trade	1,698,083	1,918,455
Deferred tax assets	76,413	76,239
Other	301,956	323,935
Allowance for doubtful accounts	(26)	(4,061)
Total current assets	7,036,356	6,883,905
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	239,429	245,744
Accumulated depreciation	(82,729)	(91,160)
Buildings and structures, net	156,699	154,583
Machinery, equipment and vehicles	2,785	2,740
Accumulated depreciation	(2,591)	(2,645)
Machinery, equipment and vehicles, net	194	94
Tools, furniture and fixtures	497,030	510,772
Accumulated depreciation	(358,416)	(367,526)
Tools, furniture and fixtures, net	138,614	143,246
Total property, plant and equipment	295,508	297,925
Intangible assets		
Goodwill	1,425,132	1,369,827
Software	28,861	26,141
Other	2,014	1,789
Total intangible assets	1,456,008	1,397,759
Investments and other assets		
Investment securities	50,808	151,670
Lease and guarantee deposits	314,833	326,733
Deferred tax assets	68,314	70,840
Other	16,843	17,481
Allowance for doubtful accounts	(10,465)	(11,628)
Total investments and other assets	440,333	555,098
Total noncurrent assets	2,191,851	2,250,782
Total assets	9,228,208	9,134,688

(Thousands of yen)

	Fiscal 2014 (As of January 31, 2014)	1Q Fiscal 2015 (As of April 30, 2014)
Liabilities		
Current liabilities		
Accounts payable-other	865,136	890,023
Accrued expenses	44,680	61,492
Income taxes payable	527,893	253,669
Provision for bonuses	11,516	64,608
Other	231,100	380,714
Total current liabilities	1,680,326	1,650,508
Noncurrent liabilities		
Provision for retirement benefits	44,809	49,045
Deferred tax liabilities	7,180	7,079
Other	1,826	1,928
Total noncurrent liabilities	53,815	58,053
Total liabilities	1,734,142	1,708,561
Net Assets		
Shareholders' equity		
Capital stock	1,233,497	1,233,497
Capital surplus	1,279,952	1,279,952
Retained earnings	4,579,330	4,538,853
Total shareholders' equity	7,092,780	7,052,303
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,501	12,044
Foreign currency translation adjustments	389,783	361,779
Total accumulated other comprehensive income	401,285	373,823
Total net assets	7,494,065	7,426,126
Total liabilities and net assets	9,228,208	9,134,688

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
Consolidated Statements of Income
(Three-month period ended April 30, 2014)

(Thousands of yen)

	Three months ended April 30, 2013 (From February 1, 2013 to April 30, 2013)	Three months ended April 30, 2014 (From February 1, 2014 to April 30, 2014)
Net sales	3,251,351	3,510,276
Cost of sales	2,117,304	2,330,307
Gross profit	1,134,046	1,179,968
Selling, general and administrative expenses	626,171	684,641
Operating income	507,874	495,327
Non-operating income		
Interest income	270	648
Foreign exchange gains	61,425	—
Subsidy income	—	665
Consumption tax adjustment	340	—
Insurance premiums refunded cancellation	—	205
Commission fees	206	979
Other	3,444	1,186
Total non-operating income	65,687	3,686
Non-operating expenses		
Foreign exchange losses	—	4,656
Consumption tax adjustment	—	7
Other	—	13
Total non-operating expenses	—	4,677
Ordinary income	573,561	494,336
Extraordinary gains		
Gain on donation of non-current assets	—	4,543
Total extraordinary gains	—	4,543
Extraordinary losses		
Loss on retirement of noncurrent assets	—	224
Total extraordinary losses	—	224
Income before income taxes and minority interests	573,561	498,654
Income taxes	246,852	235,016
Income before minority interests	326,709	263,638
Net income	326,709	263,638

Consolidated Statement of Comprehensive Income
(Three-month period ended April 30, 2014)

(Thousands of yen)

	Three months ended April 30, 2013 (From February 1, 2013 to April 30, 2013)	Three months ended April 30, 2014 (From February 1, 2014 to April 30, 2014)
Income before minority interests	326,709	263,638
Other comprehensive income		
Valuation difference on available-for-sale securities	2,652	542
Foreign currency translation adjustments	(33,588)	(28,004)
Total other comprehensive income	(30,935)	(27,461)
Total comprehensive income	295,773	236,176
Comprehensive income attributable to:		
Owners of the parent	295,773	236,176

(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. Three months ended April 30, 2013 (from February 1, 2013 to April 30, 2013)

(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	2,507,790	729,693	3,237,484	13,866	3,251,351	—	3,251,351
Inter-segment sales and transfers	—	600	600	2,880	3,480	(3,480)	—
Total	2,507,790	730,293	3,238,084	16,746	3,254,831	(3,480)	3,251,351
Segment income (loss)	464,414	49,094	513,508	(25,809)	487,698	20,175	507,874

- *Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the market research, publishing, and media businesses.
2. Adjustment for segment income of ¥20,175 thousand comprises elimination of intersegment transactions of ¥113,305 thousand and unallocated corporate expenses of ¥93,129 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, 2014 (from February 1, 2014 to April 30, 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	2,658,853	830,902	3,489,756	20,520	3,510,276	—	3,510,276
Inter-segment sales and transfers	5,061	5,241	10,303	—	10,303	(10,303)	—
Total	2,663,914	836,144	3,500,059	20,520	3,520,579	(10,303)	3,510,276
Segment income (loss)	480,896	42,180	523,076	(20,597)	502,478	(7,150)	495,327

- *Notes: 1. Others covers operations not included in reporting segments, and mainly encompasses the publishing, and media businesses.
2. Adjustment for segment income of ¥7,150 thousand comprises elimination of intersegment transactions of ¥103,734 thousand and unallocated corporate expenses of ¥110,884 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