June 9, 2017

Consolidated Financial Results
For the Three Months Ended April 30, 2017
(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, 2017
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, 2017 (from February 1, 2017 to April 30, 2017)

(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, 2017	4,987	16.8	499	74.5	527	135.2	280	587.7
April 30, 2016	4,268	(5.9)	286	(54.4)	224	(63.9)	40	(88.6)

(Note) Comprehensive income
Three months ended April 30, 2017: ¥189 million (- %)
Three months ended April 30, 2016: - ¥238 million (- %)

	Net income per share	Diluted net income per share
Three months ended	Yen	Yen
April 30, 2017	15.32	15.30
April 30, 2016	2.17	2.14

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
April 30, 2017	11,750	8,887	74.4
January 31, 2017	11,842	9,046	75.1

(Reference) Equity
As of April 30, 2017: ¥8,745 million
As of January 31, 2017: ¥8,895 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, 2017	–	0.00	–	19.00	19.00
Fiscal year ending January 31, 2018	–				
Fiscal year ending January 31, 2018(Forecasts)		0.00	–	19.00	19.00

(Notes)
Change in dividend forecasts for the fiscal year ending January 31, 2018 during the three months ended April 30, 2017: No

3. Consolidated financial forecasts for the fiscal year ending January 31, 2018 (from February 1, 2017 to January 31, 2018)

(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, 2017	10,474	17.9	997	16.9	969	44.7	541	102.1	28.40
Fiscal year ending January 31, 2018	21,951	11.8	2,442	1.4	2,385	3.1	1,468	25.7	77.07

(Note) Change in financial forecasts for the fiscal year ending January 31, 2018 during the three months ended April 30, 2017: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended April 30, 2017 (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

(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, 2017 19,053,600 shares
As of January 31, 2017 19,053,600 shares

b. Number of shares of treasury stock at the end of the period
As of April 30, 2017 740,066 shares
As of January 31, 2017 740,000 shares

c. Average number of shares (Cumulative)
For the three months ended April 30, 2017 18,313,599 shares
For the three months ended April 30, 2016 18,788,724 shares

* This report falls outside the scope of quarterly review procedures.

* 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 first quarter of the consolidated fiscal year under review, the Japanese economy looked set for a mild recovery owing to an ongoing improvement in the employment outlook, income climates and government policies. Under these circumstances, uncertainties about overseas economies, impact of financial and capital market fluctuations 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 systems.

In markets related to the Group's Internet Supporting 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 first quarter under review, The Group established SIDE LA, LLC in February to prepare for globalization of software for consumer electronic game consoles. To accommodate order expansion, Pole To Win Co., Ltd. opened Sendai studio in February and Pole To Win Networks Co., Ltd. opened Sapporo office in April. Collaboration has stepped up between seventeen delivery centers in eight 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 ¥4,987,155 thousand (up 16.8%). Operating income was ¥499,511 thousand (up 74.5%). Ordinary income was ¥527,862 thousand (up 135.2%) and Profit attributable to owners of parent was ¥280,524 thousand (up 587.7%).

Results by segment were as follows.

The Group has changed the presentation of segment name "Internet Monitoring Business" to "Internet Supporting Business" from this term. This change has no impact on segment information.

Testing/Verification & Evaluation Business

Reflecting collaboration between seventeen delivery centers in eight countries and Japanese Group companies in supporting the global deployments of domestic and foreign game makers, outsourcing services including defect detection, localization, and customer support (overseas) expanded. Although there was a decrease in orders for outsourcing services for the amusement equipment, orders for software testing services for the PlayStation 4 increased. As a result, Testing/Verification & Evaluation Business sales increased by 16.7% year on year, to ¥4,017,113 thousand. Operating income increased by 31.0%, to ¥529,490 thousand.

Internet Supporting Business

In the Internet Supporting Business, the Group increased orders for outsourcing services including merchandise check services for Internet shopping, auction sites, and free market apps, advertisements review services based on the Pharmaceuticals and Medical Devices Act, the Act against Unjustifiable Premiums and Misleading Representations, and other laws and regulations, and customer support (domestic) services for handling charges and product delivery schedules from end-users by phone call, e-mail and chat. School underground website patrolling business that aims to improve teenagers Internet literacy received orders from 22 local governments during the term and undertook a new project from Ministry of Health, Labor, and Welfare which certifies the baby-sitter matching sites to be complied with the guidelines.

As a result, Internet Supporting Business sales increased by 11.8%, to ¥877,524 thousand. Operating income was ¥35,439 thousand, although there was an operating loss of ¥49,333 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 by 130.7%, to ¥92,517 thousand. There was an operating loss of ¥61,307 thousand, up from ¥54,346 thousand a year earlier.

(2) Analysis of Financial Position

Total Assets

Current assets fell by ¥975 thousand or 0.0% from the previous fiscal year, to ¥8,702,525 thousand. This was mainly attributable to a ¥252,499 thousand decrease in notes and accounts receivable-trade, which offset an increase of ¥117,131 thousand in cash and deposits, ¥74,692 thousand in accounts receivable-other and ¥252,499 thousand in work in process.

Noncurrent assets fell by ¥91,050 thousand, or 2.9% lower than the previous fiscal year, to ¥3,047,532 thousand. Key factors were decrease of ¥72,126 thousand in goodwill and ¥31,154 thousand in other intangible assets.

As a result, total assets decreased by ¥92,026 thousand or 0.8% year on year, to ¥11,750,057 thousand.

Liabilities

Current liabilities rose by ¥71,586 thousand or 2.7%, to ¥2,675,835 thousand higher than the previous fiscal year. The prime factors were rises of ¥310,166 thousand in other (deposits received) and ¥99,576 thousand in Provision for bonuses, which offset a ¥305,695 thousand decrease in income taxes payable and ¥63,197 thousand in accounts payable-other.

Noncurrent liabilities decreased by ¥5,294 thousand or 2.8%, to ¥186,309 thousand. This was mainly due to a ¥7,887 thousand decrease in deferred tax liabilities.

As a result, total liabilities increased by ¥66,291 thousand or 2.4% year on year, to ¥2,862,145 thousand.

Net assets

Net assets decreased by ¥158,318 thousand or 1.8%, to ¥8,887,912 thousand. This was because foreign currency translation adjustments decreased by ¥82,119 thousand and dividend payments detracted ¥67,433 thousand from 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, 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 Supporting 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 13, 2017.

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. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Thousands of yen)

	Fiscal 2017 (As of January 31, 2017)	1Q Fiscal 2018 (As of April 30, 2017)
Assets		
Current assets		
Cash and deposits	5,075,574	5,192,705
Notes and accounts receivable-trade	2,930,818	2,678,318
Merchandise and finished goods	39,460	31,597
Work in process	72,881	147,129
Deferred tax assets	73,149	72,149
Other	517,626	582,540
Allowance for doubtful accounts	(6,009)	(1,916)
Total current assets	8,703,500	8,702,525
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	711,846	702,853
Accumulated depreciation	(280,470)	(301,499)
Buildings and structures, net	431,375	401,354
Machinery, equipment and vehicles	12,803	12,803
Accumulated depreciation	(9,666)	(9,862)
Machinery, equipment and vehicles, net	3,137	2,941
Tools, furniture and fixtures	963,296	1,007,676
Accumulated depreciation	(716,985)	(740,554)
Tools, furniture and fixtures, net	246,310	267,121
Total property, plant and equipment	680,824	671,417
Intangible assets		
Goodwill	1,188,202	1,116,076
Software	47,504	46,048
Software in progress	3,960	3,960
Other intangible assets	350,987	319,832
Other	2,244	2,244
Total intangible assets	1,592,899	1,488,162
Investments and other assets		
Investment securities	202,695	202,307
Lease and guarantee deposits	469,364	474,357
Deferred tax assets	46,275	48,651
Other	149,265	163,338
Allowance for doubtful accounts	(2,742)	(703)
Total investments and other assets	864,858	887,952
Total noncurrent assets	3,138,582	3,047,532
Total assets	11,842,083	11,750,057

(Thousands of yen)

	Fiscal 2017 (As of January 31, 2017)	1Q Fiscal 2018 (As of April 30, 2017)
Liabilities		
Current liabilities		
Accounts payable-other	1,398,662	1,335,465
Accrued expenses	124,383	136,348
Income taxes payable	628,355	322,660
Provision for bonuses	40,631	140,208
Other	412,216	741,153
Total current liabilities	2,604,249	2,675,835
Noncurrent liabilities		
Provision for retirement benefits	53,061	56,472
Deferred tax liabilities	78,020	70,133
Other	60,521	59,703
Total noncurrent liabilities	191,604	186,309
Total liabilities	2,795,853	2,862,145
Net Assets		
Shareholders' equity		
Capital stock	1,237,140	1,237,140
Capital surplus	1,283,594	1,283,594
Retained earnings	7,084,238	7,016,804
Treasury shares	(732,600)	(732,678)
Total shareholders’ equity	8,872,373	8,804,861
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	13,998	13,744
Foreign currency translation adjustments	9,368	(72,751)
Total accumulated other comprehensive income	23,366	(59,006)
Non-controlling interests	150,490	142,057
Total net assets	9,046,230	8,887,912
Total liabilities and net assets	11,842,083	11,750,057

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

Consolidated Statements of Income

(Three-month period ended April 30, 2017)

(Thousands of yen)

	Three months ended April 30, 2016 (From February 1, 2016 to April 30, 2016)	Three months ended April 30, 2017 (From February 1, 2016 to April 30, 2017)
Net sales	4,268,110	4,987,155
Cost of sales	2,934,037	3,347,209
Gross profit	1,334,073	1,639,945
Selling, general and administrative expenses	1,047,826	1,140,434
Operating income	286,246	499,511
Non-operating income		
Interest income	511	456
Foreign exchange losses	-	20,100
Subsidy income	3,025	3,680
Insurance premiums refunded cancellation	7,200	-
Commission fees	979	979
Other	3,338	3,408
Total non-operating income	15,055	28,626
Non-operating expenses		
Interest expenses	464	-
Foreign exchange losses	74,532	-
Compensation expenses	626	-
Commission for purchase of treasury shares	1,140	-
Other	75	275
Total non-operating expenses	76,840	275
Ordinary income	224,461	527,862
Extraordinary losses		
Loss on retirement of noncurrent assets	1,423	-
Loss on sales of noncurrent assets	26	-
Total extraordinary losses	1,449	-
Income before income taxes and minority interests	223,011	527,862
Income taxes	188,771	252,734
Net income	34,240	275,127
Profit (loss) attributable to non-controlling interests	(6,550)	(5,396)
Profit attributable to owners of parent	40,790	280,524

Consolidated Statement of Comprehensive Income
(Three-month period ended April 30, 2017)

(Thousands of yen)

	Three months ended April 30, 2016 (From February 1, 2016 to April 30, 2016)	Three months ended April 30, 2017 (From February 1, 2017 to April 30, 2017)
Profit	34,240	275,127
Other comprehensive income		
Valuation difference on available-for-sale securities	625	(253)
Foreign currency translation adjustments	(273,565)	(85,156)
Total other comprehensive income	(272,940)	(85,409)
Total comprehensive income	(238,699)	189,718
Comprehensive income attributable to:		
Comprehensive income attributable to owners of parent	(214,948)	198,151
Comprehensive income attributable to non-controlling interests	(23,751)	(8,433)

(3) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Not applicable

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

(Calculation of income taxes payable)

The tax expenses of the Group 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.

(Additional information)

（Application of the Implementation Guidance on Recoverability of Deferred Tax Assets）

The Group applied the Implementation Guidance on Recoverability of Deferred Tax Assets (Accounting Standard Board of Japan Implementation Guidance No. 26 issued on March 28, 2016) from the first quarter under review.

(Segment Information)

1. 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 Supporting 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 market research, 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 ¥318,417 thousand for the term. Additionally, the amount is reflected in the figure in line with the finalization of the provisional accounting treatment.

2. Three months ended April 30, 2017 (from February 1, 2017 to April 30, 2017)

(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 Supporting Business	Total				
Net sales							
Sales to third parties	4,017,113	877,524	4,894,638	92,517	4,987,155	-	4,987,155
Inter-segment sales and transfers	3,950	7,155	11,105	-	11,105	(11,105)	-
Total	4,021,063	884,680	4,905,744	92,517	4,998,261	(11,105)	4,987,155
Segment income (loss)	529,490	35,439	564,930	(61,307)	503,622	(4,111)	499,511

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

2. Adjustment for segment income (loss) of -¥4,111 thousand comprises elimination of intersegment transactions of ¥127,195 thousand and unallocated corporate expenses of -¥131,306 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.

4. The Group has changed the presentation of segment name "Internet Monitoring Business" to "Internet Supporting Business" from this term. This change has no impact on segment information. Additionally, the changed name is presented to the reporting segment of the Three months ended April 30, 2016.

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

Not applicable

(Significant Subsequent Events)

The Group resolved the repurchase of treasury stock at a meeting of the Board of Directors held on June 9, 2017 under Article 156 of the Companies Act, applied by reading the terms pursuant to the provision of Paragraph 3, Article 165 of the Act

1. Reason for repurchase of treasury stock:
   To implement flexible capital policies in accordance with the business environment and to improve capital efficiency
2. Type of shares repurchased: Common stock in the Company
3. Number of shares repurchased: 400,000 shares (maximum)
4. Total amount: ¥680,000 thousand (maximum)
5. Acquisition period: From June 12, 2017 to June 30, 2017
6. Method of repurchase: Through Off-Floor own share repurchase trading (ToSTNeT-3) of the Tokyo Stock Exchange