

Summary of Business Results for the First Quarter Ended June 30, 2016

[Japan GAAP] (Consolidated)

August 8, 2016

Company name: Hearts United Group Co., Ltd.
 Stock code: 3676
 Representative: Eiichi Miyazawa, President and CEO
 Contact: Keiya Kazama, Director and CFO
 Scheduled date of submission of financial reports:
 Scheduled commencement of dividend payment:
 Preparation of supplementary material for quarterly financial results:
 Holding of quarterly financial results meeting:

Listed on the TSE
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August 12, 2016

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Yes

None

(Figures are rounded down to the nearest million yen.)

1. Consolidated results for the first quarter ended June 30, 2016 (April 1, 2016 - June 30, 2016)

(1) Consolidated business results

(Percentages are changes from the same period of the previous year.)

	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)	(%)
June 30, 2016	3,810	7.2	481	96.5	526	116.8	298	187.1
June 30, 2015	3,554	14.5	244	-23.9	242	-23.6	104	-23.1

(Reference) Comprehensive income: Three months ended June 30, 2016: 293 million yen (178.4%)
 Three months ended June 30, 2015: 105 million yen (-22.1%)

	Net income per share	Diluted net income per share
Three Months Ended	(Yen)	(Yen)
June 30, 2016	26.70	26.47
June 30, 2015	8.82	8.82

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of June 30, 2016	7,488	3,095	38.7
As of March 31, 2016	6,533	3,089	43.1

(Reference) Shareholders' equity: As of June 30, 2016: 2,900 million yen As of March 31, 2016: 2,814 million yen

2. Dividends

	Annual dividends				
	Q1	Q2	Q3	Year End	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2016	—	9.00	—	10.00	19.00
Fiscal year ending March 31, 2017	—				
Fiscal year ending March 31, 2017 (Forecasts)		11.00	—	5.00	—

(Note) Changes from the latest released dividend forecasts: Yes

(Notes) 1. The Company revised the interim dividend forecast for the fiscal year ending March 31, 2017 as announced on the "Notice Regarding Revision of the Interim Dividend Forecast (Dividend Increase) for the Fiscal Year ending March 31, 2017 and Revision of the Year-End Dividend Forecast for the Fiscal Year ending March 31, 2017 in Connection with Stock Split" released today.

2. The Company plans to conduct a 2-for-1 common stock split on October 1, 2016 as the effective date. Accordingly, year-end dividends for the fiscal year ending March 31, 2017 (Forecasts) reflects the effect of the stock split. Year-end dividends when leaving the stock split out of consideration will be 10.00 yen, result in annual dividends of 21.00 yen, an increase of 2.00 yen from the previous year in substance.

3. Consolidated earnings forecasts for the fiscal year ending March 2017 (April 1, 2016 - March 31, 2017)

(Percentages are changes from the same period of the previous year.)

	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)
Full fiscal year	16,705	11.3	2,572	31.0	2,579	31.7	1,608	344.5	71.88

(Note) Changes from the latest released earnings forecasts: None

(Note) The Company plans to conduct a 2-for-1 common stock split on October 1, 2016 as the effective date. Accordingly, net income per share in the consolidated earnings forecasts for the fiscal year ending March 31, 2017 reflects the effect of the stock split.

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): None

(2) Application of specified accounting treatment used in preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement

① Changes in accounting policies associated with revision of accounting standards : Yes

② Changes in accounting policies other than ① : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Shares outstanding (common stock)

(a) Number of issued shares (including treasury stock)	As of June 30, 2016:	11,945,400 shares	As of March 31, 2016:	11,945,400 shares
(b) Number of treasury stock	As of June 30, 2016:	757,702 shares	As of March 31, 2016:	757,702 shares
(c) Average number of shares during the period	Three months ended June 30, 2016:	11,187,698 shares	Three months ended June 30, 2015:	11,794,683 shares

* Implementation status of quarterly review procedures

This Quarterly Financial Report is not subject to the quarterly review procedures under the Financial Instruments and Exchange Act, and accordingly, such review procedures have not been completed when this Quarterly Financial Report was disclosed.

* Explanation for proper use of the earnings forecasts, etc.

- Any forward-looking statements included in this report such as earnings forecasts are based on the information available to the Company at this time and certain assumptions considered reasonable; and accordingly, actual results may differ significantly from the forecasts due to various factors.
- Supplementary material for quarterly financial results will be posted on TDnet and the Company's website shortly after the Quarterly Financial Report is disclosed.