

Summary of Business Results for the Second Quarter Ended September 30, 2016

[Japan GAAP] (Consolidated)

November 7, 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: November 11, 2016
 Scheduled commencement of dividend payment: December 5, 2016
 Preparation of supplementary material for quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

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

1. Consolidated results for the second quarter ended September 30, 2016 (April 1, 2016 - September 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	
Six Months Ended	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
September 30, 2016	7,592	2.7	877	10.4	935	17.0	557	107.7
September 30, 2015	7,392	19.2	795	10.0	799	11.2	268	-21.3

(Reference) Comprehensive income: Six months ended September 30, 2016: 531 million yen (100.2%)
 Six months ended September 30, 2015: 265 million yen (-26.3%)

	Net income per share	Diluted net income per share
Six Months Ended	(Yen)	(Yen)
September 30, 2016	24.94	24.37
September 30, 2015	11.56	11.56

(Note) The Company conducted a 2-for-1 common stock split on October 1, 2016. Accordingly, net income per share and diluted net income per share are calculated based on the assumption that the stock split was conducted on April 1, 2015.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2016	7,958	3,378	39.5
As of March 31, 2016	6,533	3,089	43.1

(Reference) Shareholders' equity: As of September 30, 2016: 3,143 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	—	11.00	—	—	—
Fiscal year ending March 31, 2017 (Forecasts)	—	—	—	5.00	—

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

(Note) The Company conducted a 2-for-1 common stock split on October 1, 2016. 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 conducted a 2-for-1 common stock split on October 1, 2016. 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): Yes

Newly included: 3 (Company name) DIGITAL Hearts (Shanghai) Co., Ltd.
 (Company name) EVO Japan Executive Committee LLP
 (Company name) PG Universe Co., Ltd.

Excluded: —

(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 September 30, 2016:	23,890,800 shares	As of March 31, 2016:	23,890,800 shares
(b) Number of treasury stock	As of September 30, 2016:	1,515,404 shares	As of March 31, 2016:	1,515,404 shares
(c) Average number of shares during the period	Six months ended September 30, 2016:	22,375,396 shares	Six months ended September 30, 2015:	23,238,196 shares

(Note) The Company conducted a 2-for-1 common stock split on October 1, 2016. Accordingly, number of shares are calculated based on the assumption that the stock split was conducted on April 1, 2015.

* 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.
- A quarterly financial results meeting for institutional investors and analysts is scheduled to be held on November 8, 2016. Materials to be distributed at this meeting will be posted on the website of Hearts United Group Co., Ltd. shortly after the meeting.