



February 17, 2017

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 Stock Exchange)
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Notice Regarding Revision of Financial Forecast for the Fiscal Year Ending March 31, 2017

Hearts United Group Co., Ltd. (hereinafter referred to as the “Company”) would like to announce that, given the trends of its recent business performance, the Company has revised its financial forecast for the fiscal year ending March 31, 2017 which was announced on May 25, 2016. The details are as follows:

1. Revision of consolidated financial forecast for the fiscal year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	yen
Previous forecast (A)	16,705	2,572	2,579	1,608	71.88
Revised forecast (B)	15,677	2,013	2,074	1,207	53.95
Change (B – A)	-1,027	-558	-504	-401	
% Change	-6.2	-21.7	-19.6	-24.9	
Actual amount for the previous fiscal year (fiscal year ended March 31, 2016)	15,011	1,963	1,958	361	15.72

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

2. Reason for revision

Revenue for the Creative segment did not increase as much as the Company initially expected, affected by a delay of a game development that will be conducted under a revenue share model. Meanwhile, the Company has been moving ahead with a new project of IP (intellectual property) business since the third quarter this year. At the time of the announcement of the financial results for the nine months of FY2016 on February 6, 2017, the Company expected that the project would significantly increase sales and operating income. However, witnessing an unexpected issue on the negotiation progress with parties concerned, the sales for the fourth quarter turned further unforeseeable. Furthermore, demands for the system development service provided through the Other Business segment have been decreasing. As a result of these situations, the Company revised its financial forecast.

No change has been made to the forecast of the year-end dividends (six yen per share) listed in “Notice Regarding Revision of the Year-End Dividends (Dividend Increase) for the Fiscal Year Ending March 31, 2017” released on February 6, 2017.

* The forecast above is based on the latest information available to the Company and actual results may differ due to a variety of factors.