

Summary of Business Results for the Fiscal Year Ended March 31, 2017

[Japan GAAP] (Consolidated)

May 12, 2017

Company name: Hearts United Group Co., Ltd.
 Stock code: 3676
 Representative: Eiichi Miyazawa, President and CEO
 Contact: Keiya Kazama, Director and CFO
 The date of the ordinary general shareholder meeting: June 27, 2017
 The date of the dividend payment starts (planned): June 28, 2017
 The date of filing the security report: June 27, 2017
 Preparation of earnings presentation material: Yes
 Holding of earnings announcement: Yes (for institutional investors and analysts)

Listed on the TSE
 URL: <http://www.heartsunitedgroup.co.jp/>
 TEL: +81-3-6406-0081

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

1. Fiscal year ended March 2017 consolidated results (April 1, 2016 - March 31, 2017)

(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	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Fiscal year ended March 31, 2017	15,444	2.9	1,906	-2.9	1,997	2.0	795	119.7
March 31, 2016	15,011	13.0	1,963	29.4	1,958	28.4	361	-33.0

(Reference) Comprehensive income: Fiscal year ended March 31, 2017: 802 million yen (109.7%)
 Fiscal year ended March 31, 2016: 382 million yen (-33.9%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating margin
	(Yen)	(Yen)	(%)	(%)	(%)
Fiscal year ended March 31, 2017	35.58	34.55	29.2	28.2	12.3
March 31, 2016	15.72	15.72	10.5	26.5	13.1

(Reference) Equity in earnings of affiliates: Fiscal year ended March 31, 2017: -2 million yen
 Fiscal year ended March 31, 2016: 0 million yen

(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	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
As of March 31, 2017	7,651	2,858	34.4	119.96
As of March 31, 2016	6,533	3,089	43.1	125.80

(Reference) Shareholders' equity: As of March 31, 2017: 2,632 million yen As of March 31, 2016: 2,814 million yen

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

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year end
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
Fiscal year ended March 31, 2017	1,825	-610	-69	3,344
March 31, 2016	1,080	-17	-1,913	2,197

2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	Q1	Q2	Q3	Q4	Full fiscal year			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
Fiscal year ended March 31, 2016	—	9.00	—	10.00	19.00	214	60.4	6.4
March 31, 2017	—	11.00	—	6.00	—	254	32.3	9.4
Fiscal year ending March 31, 2018 (Forecasts)	—	5.50	—	6.00	11.50		18.1	

(Note) The Company conducted a 2-for-1 common stock split on October 1, 2016. Accordingly, year-end dividends per share for the fiscal year ended March 31, 2017 reflect the effect of the stock split. Year-end dividends per share without taking into account the stock split will be 12.00 yen, result in annual dividends of 23.00 yen, an increase of 4.00 yen from the previous year in substance.

3. Consolidated earnings forecasts for the fiscal year ending March 2018 (April 1, 2017 - March 31, 2018)

(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	17,622	14.1	2,200	15.4	2,225	11.4	1,382	73.8
								63.64

*Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying changes in the scope of consolidation): Yes

Newly included: 2 (Company name) DIGITAL Hearts (Shanghai) Co., Ltd.
(Company name) EVO Japan Executive Committee LLP

Excluded: —

(2) 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

(3) Shares outstanding (common stock)

(a) Number of issued shares (including treasury stock)	As of March 31, 2017:	23,890,800 shares	As of March 31, 2016:	23,890,800 shares
(b) Number of treasury stock	As of March 31, 2017:	1,943,204 shares	As of March 31, 2016:	1,515,404 shares
(c) Average number of shares during the period	Fiscal year ended March 31, 2017:	22,344,645 shares	Fiscal year ended March 31, 2016:	23,019,309 shares

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

* The audit procedures are not applicable to this Financial Results report.

* Explanation of the proper use of earnings forecasts and other special notes

- As our Group manages business results on an annual basis, only earnings forecast for full year is disclosed.
- This document contains forward-looking statements with respect to future results, performance and achievements that are subject to risk and uncertainties and reflect management's views and assumptions formed using information available at the time. Accordingly, forecasts may differ from actual results due to a variety of factors.
- A financial results meeting for institutional investors and analysts is scheduled to be held on May 15, 2017. Materials to be distributed at this meeting will be posted on the website of Hearts United Group Co., Ltd., shortly after the meeting.