



DIGITAL HEARTS HDGS.



Summary of Business Results for the Second Quarter Ended September 30, 2019 [Japan GAAP] (Consolidated)

November 11, 2019

Company name: DIGITAL HEARTS HOLDINGS Co., Ltd.

Listed on the TSE

Stock code: 3676

URL: <https://www.digitalhearts-hd.com/>

Representative: Genichi Tamatsuka, President and CEO

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Scheduled date of submission of financial reports:

November 12, 2019

Scheduled commencement of dividend payment:

December 4, 2019

Preparation of supplementary material for quarterly financial results:

Yes

Holding of quarterly financial results meeting:

Yes (for institutional investors and analysts)

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

1. Consolidated results for the second quarter ended September 30, 2019 (April 1, 2019 - September 30, 2019)

(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, 2019	10,222	9.5	518	-33.3	513	-32.0	277	-45.4
September 30, 2018	9,333	13.0	777	-22.5	754	-25.2	508	-24.6

(Reference) Comprehensive income: Six months ended September 30, 2019: 264 million yen (-72.7%)
Six months ended September 30, 2018: 971 million yen (49.7%)

	Net income per share	Diluted net income per share
Six Months Ended	(yen)	(yen)
September 30, 2019	12.68	12.44
September 30, 2018	23.32	22.47

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2019	10,827	5,522	46.7
As of March 31, 2019	9,832	5,012	48.7

(Reference) Shareholders' equity: 5,056 million yen (As of September 30, 2019) 4,791 million yen (As of March 31, 2019)

2. Dividends

	Annual dividends				
	Q1	Q2	Q3	Year End	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 31, 2019	—	6.50	—	6.50	13.00
Fiscal year ending March 31, 2020	—	7.00	—	—	—
Fiscal year ending March 31, 2020 (Forecasts)	—	—	—	7.00	14.00

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

3. Consolidated earnings forecasts for the fiscal year ending March 2020 (April 1, 2019 - March 31, 2020)

(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	23,000	19.5	1,800	12.1	1,830	10.8	1,250	-20.7	57.14

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

* 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) LOGIGEAR CORPORATION, LOGIGEAR VIETNAM CO., LTD.

Excluded: -

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

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

(a) Changes in accounting policies associated with revision of accounting standards :None

(b) Changes in accounting policies other than (a) above :None

(c) Changes in accounting estimates :None

(d) Restatement :None

(4) Shares outstanding (common stock)

(a) Number of issued shares (including treasury stock)	As of September 30, 2019	23,890,800 shares	As of March 31, 2019	23,890,800 shares
(b) Number of treasury stock	As of September 30, 2019	1,885,984 shares	As of March 31, 2019	2,016,206 shares
(c) Average number of shares during the period	Six months ended September 30, 2019	21,902,346 shares	Six months ended September 30, 2018	21,813,349 shares

* The certified public accountant or the audit procedures are not applicable to this Quarterly Financial Report.

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

- 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.