

HAPPINET CORPORATION

Financial Summary

**Consolidated Financial Results for the 2nd Quarter of
the Fiscal Year Ending March 31, 2011**

November 10, 2010

DISCLAIMER

This document is a translation of the cover page of the original “Kessan Tanshin” in Japanese. HAPPINET CORPORATION provides this translation for your reference and convenience only and without any warranty as to its accuracy or otherwise. In the event of any discrepancy, the original “Kessan Tanshin” in Japanese shall prevail.
This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectation.

Consolidated Financial Report
for the 2nd Quarter of the Fiscal Year Ending March 31, 2011 [Japanese GAAP]

Company name	HAPPINET CORPORATION		
Stock listing	Tokyo Stock Exchange		
Code No.	7552	URL:	http://www.happinet.co.jp/
Representative	Kazuhiko Note, President and COO		
Contact	Hideo Asatsu, Board Director and CFO		
Scheduled filing date of the quarterly report			November 11, 2010
Scheduled starting date for dividend payments			December 6, 2010
The additional materials of quarterly results:	No		
Quarterly results presentation:	Yes (For analysts)		

1. Consolidated Results for the 2nd Quarter of the Fiscal Year Ending March 31, 2011
(April 1, 2010 - September 30, 2010)

(1) Consolidated Operating Results (For the six months Ended September 30, 2010)

	Net sales		Operating profit		Recurring profit	
	¥ million	%	¥ million	%	¥ million	%
2nd Quarter of the Fiscal Year Ending March 31, 2011	85,090	(5.3)	1,240	33.3	1,314	24.2
2 nd Quarter of the Fiscal Year Ending March 31, 2010	89,829	18.1	930	(24.1)	1,059	(22.4)

	Net profit		Net profit per share	Net profit per share (diluted)
	¥ million	%	¥	¥
2nd Quarter of the Fiscal Year Ending March 31, 2011	712	8.4	63.63	—
2 nd Quarter of the Fiscal Year Ending March 31, 2010	657	6.3	57.95	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net asset per share
	¥ million	¥ million	%	¥
As of September 30, 2010	49,339	19,364	39.2	1,713.41
As of March 31, 2010	49,050	18,962	38.7	1,692.76

(Reference)

Shareholder's equity: 19,364 million yen (As of September 30, 2010), 18,961 million yen (As of March 31, 2010)

2. Dividend

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal Year-end	Total
	¥	¥	¥	¥	¥
Fiscal Year Ended March 31, 2010	—	15.00	—	15.00	30.00
Fiscal Year Ending March 31, 2011	—	15.00			
(Projection) Fiscal Year Ending March 31, 2011			—	15.00	30.00

Note: Revision of the projections in the 2nd quarter of the fiscal year ending March 31, 2011: No

3. Consolidated Projections for the Fiscal Year ending March 31, 2011 (April 1, 2010 - March 31, 2011)

	Net sales		Operating profit		Recurring Profit		Net profit		Net profit per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Full Year	200,000	3.0	2,600	11.7	2,800	11.4	1,400	18.7	124.98

Note: Revision of the projections in the 2nd quarter of the fiscal year ending March 31, 2011: No

4. Other Information

(1) Significant changes in consolidated subsidiaries during the period: No

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods for presenting quarterly consolidated financial statements.

(3) Changes in accounting principles, procedures, and presentation methods, etc.

a) Changes due to changes in accounting standards: Yes

b) Other changes: No

Note: Changes of accounting principles, procedures and presentation methods, etc. for presenting quarterly consolidated financial statements described in “Changes in the Significant Accounting Policies for the Preparation of Quarterly Consolidated Financial Statements.”

(4) Number of shares issued (common shares)

a) Number of shares issued at the end of the period (including treasury shares)

2nd quarter of the fiscal year ending March 31, 2011 12,025,000 shares

Fiscal year ended March 31, 2010 12,025,000 shares

b) Number of treasury shares at the end of the period

2nd quarter of the fiscal year ending March 31, 2011 723,555 shares

Fiscal year ended March 31, 2010 823,385 shares

c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the 2nd quarter of the fiscal year ending March 31, 2011 11,203,212 shares

For the 2nd quarter of the fiscal year ended March 31, 2010 11,352,487 shares

* Information regarding the implementation of quarterly review procedures

At the time of release of this report, the quarterly review procedures based on “the Financial Instruments and Exchange Act.” have not been completed.

*Proper use of earnings projections, and other special matters

The above projections are based on information available to the Company as of the date of the announcement of these materials. Actual business results may differ from the projections due to a number of factors in the future.