



Consolidated Quarterly Financial Statements

for the 1st Quarter of the Fiscal Year Ending March 31, 2014

August 8, 2013

1. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(2) Consolidated Quarterly Statements of Income
and Consolidated Quarterly Statements of Comprehensive Income

2. Consolidated Quarterly Financial Results by Business Segments

1. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2013)	Current Fiscal Year (As of June 30, 2013)
Assets		
Current assets		
Cash and deposits	10,155	9,281
Notes and accounts receivable-trade	27,234	23,072
Inventories	6,529	8,364
Other	4,074	3,678
Allowance for doubtful accounts	(63)	(62)
Total current assets	47,930	44,335
Noncurrent assets		
Property, plant and equipment	1,110	1,102
Intangible assets		
Goodwill	246	185
Other	738	613
Total intangible assets	985	799
Investments and other assets	2,976	4,237
Total noncurrent assets	5,072	6,138
Total assets	53,003	50,473
Liabilities		
Current liabilities		
Notes and accounts payable-trade	22,672	20,730
Income taxes payable	678	353
Provision for bonuses	378	355
Other provision	24	25
Other	3,129	2,856
Total current liabilities	26,883	24,321
Noncurrent liabilities		
Provision for retirement benefits	1,830	1,850
Other	999	959
Total noncurrent liabilities	2,829	2,810
Total liabilities	29,713	27,131
Net assets		
Shareholders' equity		
Capital stock	2,751	2,751
Capital surplus	2,775	2,775
Retained earnings	18,607	18,613
Treasury stock	(1,055)	(1,025)
Total shareholders' equity	23,078	23,115
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	189	212
Deferred gains or losses on hedges	1	(1)
Total accumulated other comprehensive income	191	211
Subscription rights to shares	17	13
Minority interests	1	2
Total net assets	23,289	23,341
Total liabilities and net assets	53,003	50,473

(2) Consolidated Quarterly Statements of Income and Consolidated quarterly Statements of Comprehensive Income
(Consolidated Quarterly Statements of Income)

(¥ million)

	Prior Fiscal Year (April 1, 2012 - June 30, 2012)	Current Fiscal Year (April 1, 2013 - June 30, 2013)
Net sales	36,895	36,172
Cost of sales	31,692	31,151
Gross profit	5,202	5,020
Selling, general and administrative expenses	4,436	4,416
Operating income	766	604
Non-operating income		
Interest income	0	0
Dividends income	15	19
Amortization of negative goodwill	7	1
Other	18	14
Total non-operating income	41	35
Non-operating expenses		
Interest expenses	1	0
Foreign exchange losses	1	—
Provision of allowance for doubtful accounts	—	24
Other	0	0
Total non-operating expenses	3	25
Ordinary income	804	614
Extraordinary income		
Gain on sales of noncurrent assets	0	2
Total extraordinary income	0	2
Extraordinary loss		
Loss on sales of noncurrent assets	1	0
Loss on retirement of noncurrent assets	—	0
Loss on valuation of investment securities	31	7
Impairment loss	13	33
Directors' retirement benefits	—	110
Total extraordinary losses	46	152
Income before income taxes and minority interests	757	464
Income taxes-current	292	331
Income taxes-deferred	(53)	(127)
Total income taxes	238	203
Income before minority interests	519	260
Minority interests in income	0	0
Net income	519	260

(Consolidated quarterly statements of comprehensive income)

(¥ million)

	Prior Fiscal Year (April 1, 2012 - June 30, 2012)	Current Fiscal Year (April 1, 2013 - June 30, 2013)
Income before minority interests	519	260
Other comprehensive income		
Valuation difference on available-for-sale securities	(76)	23
Deferred gains or losses on hedges	(0)	(3)
Total other comprehensive income	(77)	19
Comprehensive income	441	280
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	441	280
Comprehensive income attributable to minority interests	0	0

2. Consolidated Quarterly Financial Results by Business Segments

(1) 1st Quarter of the Fiscal Year Ended March 31, 2013 (April 1, 2012 - June 30, 2012)

(¥ million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	14,790	10,410	6,807	4,887	36,895	—	36,895
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	14,790	10,410	6,807	4,887	36,895	—	36,895
Segment income	440	24	73	501	1,040	(274)	766

*1 The 274 million yen adjustment to segment income includes unallocated operating expenses.

The expenses cannot be assigned to any particular segment and are mostly administrative expenses incurred by the administration sector of the HAPPINET CORPORATION.

*2 Segment income is adjusted to be consistent with operating income shown on the consolidated quarterly statements of income.

(2) 1st Quarter of the Fiscal Year Ending March 31, 2014 (April 1, 2013 - June 30, 2013)

(¥ million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	14,473	10,028	6,521	5,149	36,172	—	36,172
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	14,473	10,028	6,521	5,149	36,172	—	36,172
Segment income	229	97	22	547	898	(293)	604

*1 The 293 million yen adjustment to segment income includes unallocated operating expenses.

The expenses cannot be assigned to any particular segment and are mostly administrative expenses incurred by the administration sector of the HAPPINET CORPORATION.

*2 Segment income is adjusted to be consistent with operating income shown on the consolidated quarterly statements of income.