

HAPPINET CORPORATION

Financial Summary

**Consolidated Financial Results for the 1st Quarter of
the Fiscal Year Ending March 31, 2014**

August 8, 2013

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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 1st Quarter of the Fiscal Year Ending March 31, 2014 [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	August 9, 2013		
Scheduled starting date for dividend payments	—		
The additional materials of quarterly results:	No		
Quarterly results presentation:	No		

1. Consolidated Results for the 1st Quarter of the Fiscal Year Ending March 31, 2014
(April 1, 2013 - June 30, 2013)

(1) Consolidated Operating Results (For the three months Ended June 30, 2013)

	Net sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
1st Quarter of the Fiscal Year Ending March 31, 2014	36,172	(2.0)	604	(21.2)	614	(23.7)
1 st Quarter of the Fiscal Year Ended March 31, 2013	36,895	(13.1)	766	(28.6)	804	(29.8)

	Net income		Net income per share	Net income per share (diluted)
	¥ million	%	¥	¥
1st Quarter of the Fiscal Year Ending March 31, 2014	260	(49.9)	11.58	11.56
1 st Quarter of the Fiscal Year Ended March 31, 2013	519	(27.2)	23.18	23.10

Note: Comprehensive income: As of June 30, 2013 280million yen [(36.5)%]
 As of June 30, 2012 441million yen [(31.7)%]

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	¥ million	¥ million	%
As of June 30, 2013	50,473	23,341	46.2
As of March 31, 2013	53,003	23,289	43.9

(Reference)

Shareholder's equity: As of June 30, 2013 23,326 million yen
 As of March 31, 2013 23,270 million yen

2. Dividend

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	Fiscal Year-end	Total
	¥	¥	¥	¥	¥
Fiscal Year Ended March 31, 2013	—	11.25	—	11.25	22.50
Fiscal Year Ending March 31, 2014	—				
(Projection) Fiscal Year Ending March 31, 2014		11.25	—	11.25	22.50

Note: Revision of the last projections we showed: No

3. Consolidated Projections for the Fiscal Year ending March 31, 2014 (April 1, 2013 - March 31, 2014)

	Net sales		Operating Income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim Period	80,000	5.0	950	(5.7)	1,000	(6.8)	500	(29.6)	22.22
Full Year	205,000	16.0	3,400	14.4	3,500	13.6	2,000	(0.6)	88.88

Note: Revision of the last projections we showed: 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 special accounting methods for quarterly consolidated financial statements: No

(3) Changes in accounting principles, accounting estimation change and error correction.

a) Changes due to changes in accounting standards: No

b) Changes due to changes in accounting standard except a): No

c) Changes due to accounting estimation change: No

d) Error correction: No

(4) Number of shares issued (common shares)

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

1st quarter of the fiscal year ending March 31, 2014 24,050,000 shares

Fiscal year ended March 31, 2013 24,050,000 shares

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

1st quarter of the fiscal year ending March 31, 2014 1,547,690 shares

Fiscal year ended March 31, 2013 1,593,370 shares

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

For the 1st quarter of the fiscal year ending March 31, 2014 22,480,384 shares

For the 1st quarter of the fiscal year ended March 31, 2013 22,402,010 shares

* Information regarding the implementation of quarterly review procedures

This Report was exempt from quarterly review which was based on “Financial Instruments and Exchange Act.” At the time of release of this report, the quarterly review procedures based on “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.