



HAPPINET CORPORATION

Financial Summary

Consolidated Financial Results for the Fiscal Year Ended
March 31, 2014

May 13, 2014

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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 Results
for the Fiscal Year Ended 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 | | |
| Date of general meeting of stockholders: | June 21, 2014 | | |
| Scheduled filing date of the annual security report: | June 23, 2014 | | |
| Scheduled starting date for dividend payments: | June 23, 2014 | | |
| The additional materials of the financial results: | Yes | | |
| The information session of the financial results: | Yes (For Analyst) | | |

(Figures are in millions of yen, rounded down)

1. Consolidated Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 - March 31, 2014)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|---|-----------|--------|------------------|--------|-----------------|--------|------------|--------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| Fiscal Year Ended March 31, 2014 | 206,867 | 17.0 | 3,888 | 30.8 | 3,917 | 27.1 | 2,466 | 22.6 |
| Fiscal Year Ended March 31, 2013 | 176,757 | (10.7) | 2,973 | (38.8) | 3,081 | (38.8) | 2,011 | (18.2) |

Note: Comprehensive income: As of March 31, 2014 2,654million yen [27.9%]
As of March 31, 2013 2,075million yen [(13.6)%]

| | Earnings per share | Earnings per share (diluted) |
|---|--------------------|------------------------------|
| | ¥ | ¥ |
| Fiscal Year Ended March 31, 2014 | 109.40 | 108.13 |
| Fiscal Year Ended March 31, 2013 | 89.75 | 89.55 |

(Reference)

Equity in earning of affiliates: FY2014.3 - million yen FY2013.3 - million yen

| | Return on Equity (ROE) | Return on Asset (ROA) | Operating income margin |
|---|------------------------|-----------------------|-------------------------|
| | % | % | % |
| Fiscal Year Ended March 31, 2014 | 10.1 | 7.3 | 1.9 |
| Fiscal Year Ended March 31, 2013 | 8.9 | 5.7 | 1.7 |

(2) Consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net asset per share |
|---|--------------|------------|--------------|---------------------|
| | ¥ million | ¥ million | % | ¥ |
| Fiscal Year Ended March 31, 2014 | 53,879 | 25,694 | 47.4 | 1,128.25 |
| Fiscal Year Ended March 31, 2013 | 53,003 | 23,289 | 43.9 | 1,036.23 |

(Reference)

Shareholder's equity: As of March 31, 2014 25,519million yen
As of March 31, 2013 23,270million yen

(3) Consolidated Statement of Cash Flows

| | Operating activities | Investing activities | Financing activities | Cash and cash equivalents at year-end |
|---|----------------------|----------------------|----------------------|---------------------------------------|
| | ¥ million | ¥ million | ¥ million | ¥ million |
| Fiscal Year Ended March 31, 2014 | 2,547 | (87) | (2,618) | 9,996 |
| Fiscal Year Ended March 31, 2013 | (1,505) | (108) | (588) | 10,155 |

2. Dividend

| Dividend record dates | Dividend per share | | | | | Total dividend payment (Full Year) ¥ million | Payout Ratio (Consolidated) % | Dividend / Net Assets (Consolidated) % |
|---|--------------------|--------------|-----------|-----------------|--------------|---|----------------------------------|---|
| | 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 | 504 | 25.1 | 2.2 |
| Fiscal Year Ended March 31, 2014 | — | 11.25 | — | 13.50 | 24.75 | 559 | 22.6 | 2.3 |
| (Projection) Fiscal Year Ending March 31, 2015 | — | 13.50 | — | 13.50 | 27.00 | | 23.5 | |

3. Consolidated Projections for the Fiscal Year ending March 31, 2015 (April 1, 2014 - March 31, 2015)

(Percentages indicate year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income | | Net income per share |
|--------------|-----------|-----|------------------|-----|-----------------|-----|------------|--------|----------------------|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % | ¥ |
| Interim Year | 90,000 | 3.0 | 1,600 | 3.1 | 1,600 | 1.3 | 1,100 | (20.0) | 48.63 |
| Full Year | 210,000 | 1.5 | 4,000 | 2.9 | 4,000 | 2.1 | 2,600 | 5.4 | 114.95 |

※ Other Information

- (1) Significant changes in consolidated subsidiaries during the period: Yes
Newly consolidated: One company TOYS UNION Co., Ltd.
- (2) Changes in accounting principles, accounting estimation change and error correction.
- a) Changes in accounting principles due to revisions to accounting standards and other regulations: Yes
- b) Changes in accounting principles due to revisions to other reasons: No
- c) Changes in accounting estimation: No
- d) Error correction: No
- (3) Number of shares issued (common shares)
- a) Number of shares issued at the end of the period (including treasury shares)
- | | |
|----------------------------------|------------------|
| Fiscal year ended March 31, 2014 | 24,050,000shares |
| Fiscal year ended March 31, 2013 | 24,050,000shares |
- b) Number of treasury shares at the end of the period
- | | |
|----------------------------------|-----------------|
| Fiscal year ended March 31, 2014 | 1,431,310shares |
| Fiscal year ended March 31, 2013 | 1,593,370shares |
- c) Average number of shares during the period
- | | |
|--|------------------|
| For the fiscal year ended March 31, 2014 | 22,546,260shares |
| For the fiscal year ended March 31, 2013 | 22,412,428shares |

【Reference】 Non-consolidated Financial Statements

Non-consolidated Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 - March 31, 2014)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes)

| | Net sales | | Operating income | | Ordinary income | | Net income | |
|--|-----------|--------|------------------|---|-----------------|--------|------------|---|
| | ¥ million | % | ¥ million | % | ¥ million | % | ¥ million | % |
| Fiscal Year Ended March 31,2014 | 101,665 | 6.0 | 250 | — | 4,014 | — | 3,195 | — |
| Fiscal Year Ended March 31,2013 | 95,885 | (15.8) | (0) | — | 25 | (98.1) | (74) | — |

| | Earnings per share | Earnings per share (diluted) |
|--|--------------------|---------------------------------|
| | ¥ | ¥ |
| Fiscal Year Ended March 31,2014 | 141.74 | 140.10 |
| Fiscal Year Ended March 31,2013 | (3.34) | (3.33) |

(2) Non-consolidated Financial Position

| | Total assets | Net assets | Equity ratio | Net asset per share |
|--|--------------|------------|--------------|---------------------|
| | ¥ million | ¥ million | % | ¥ |
| Fiscal Year Ended March 31,2014 | 44,903 | 21,145 | 46.7 | 927.09 |
| Fiscal Year Ended March 31,2013 | 43,213 | 18,022 | 41.7 | 801.78 |

(Reference)

Shareholder's equity: As of March 31, 2014 20,969million yen
As of March 31, 2013 18,005million yen

* Information regarding the implementation of review procedures

At the time of release of this report, the 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.