

FACT BOOK

(7552/ TSE 1st Section)
HAPPINET CORPORATION

For the Fiscal Year Ended March 31, 2015

■ Corporate Profile	[2-5]
■ Consolidated Balance Sheet	[6-7]
■ Consolidated Statement of Income	[8]
■ Consolidated Statement of Comprehensive Income	[9]
■ Consolidated Statement of Cash Flows	[10]
■ Consolidated Statement of Changes in Equity	[11]
■ Information by Segment	[12]
■ Consolidated Growth/Profitability Indicators	[13]
■ Consolidated Profitability/Efficiency Indicators	[14]
■ Consolidated Efficiency/Stability Indicators	[15]
■ Performance Indicators	[16]
■ Stock Information	[17]



Group Vision, Management Stance, Principle of Conduct

▶ Group Vision

We will further develop Happiness Networking, inspire individuals by creating Entertainment Style, and build a future full of dreams.

▶ Management Stance

We constantly lead changes and advance self-improvement, and blaze trails to new business opportunities.

For Customers

We strengthen cooperation with partners and provide satisfaction to people.

For Employees

We respect each individual, create opportunities for growth and challenge, and foster a rewarding job environment.

For Society

We contribute to the realization of a fun and vibrant society by performing business activities based on our Business Ethics.

For Shareholders

We increase business transparency by actively disclosing information, and engage in activities that earn the trust and expectations of shareholders.

▶ Principles of Conduct

We act while constantly considering what is important and what is right.

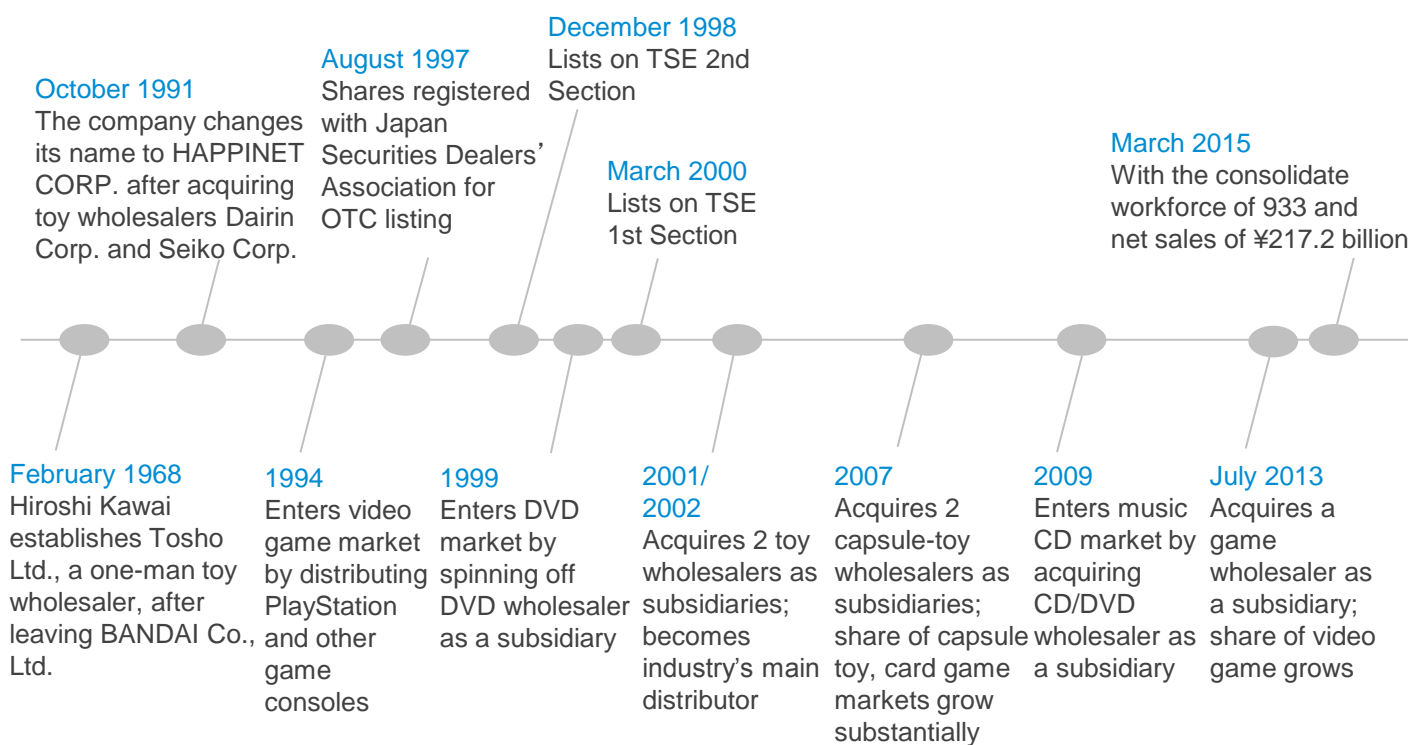
The overriding objective of the HAPPINET Group is to create added value to enrich the lifestyle of our customers, which we provide through entertainment business activities developed with a broad array of partners — a “Networking” contributing to the “Happiness” of others.

To create meaningful social value by providing people with excitement and entertainment: That is the HAPPINET Group’s raison d’être.

Corporate Profile

▶ Registered Name	HAPPINET CORPORATION
▶ URL	http://www.happinet.co.jp/happinet_english/index.html
▶ Head Office	Komagata CA Bldg., 2-4-5 Komagata, Taito-ku, Tokyo 111-0043 Japan
▶ Established	June 7, 1969
▶ Representatives	Kazuhiko Note, Representative Director, Chairman Tetsuo Ishikawa, Representative Director, President
▶ Main Business	Planning, manufacture and sales of toys; Planning, development and marketing of audio-visual software; Sales of video game hardware and software; Sales of arcade game equipment; Operation of toy vending machines

Major Milestones



Business Segments and Group

The Happinet Group's operations can be divided into the following four segments: the Toy Business; Visual and Music Business; Video-Game Business; and the Amusement Business. The Group is comprised of the parent company and four consolidated subsidiaries.

Business Lines	Core Operating Companies	Key Characteristics
Toy Business	HAPPINET CORPORATION Hapoinet Marketing Corp.	One of the largest wholesaler in Japan, our Group handles some 80% of the toys produced by blue-chip toy maker Bandai (which, in turn, comprise 50% plus of our Group's product lineup)
Visual and Music Business	HAPPINET CORPORATION (*1)	We have achieved parity with the wholesaling industry's largest firms. Visual software accounts for 70% plus of total sales, of which some 15% represents products that were developed and made in-house (the remaining less than 30% comes from our music product operation centered on CDs).
Video-Game Business	HAPPINET CORPORATION MAXGAMES Corporation (*2)	We are the only wholesaler in Japan that handles every domestic home game console. Nintendo products (WiiU, 3DS) accounts for 82% of all game consoles we handle, while the PlayStation series (PS4, PSP, PSVita) account for 13% and the rest 5%.
Amusement Business	HAPPINET CORPORATION Happinet Vending Service Corp.	We operate toy vending machines and sell arcade game machines. With a market share of 60%, we are also the largest arcade game vendor in Japan.

(*1) HAPPINET CORPORATION absorbed Happinet Pictures & Music Corp. on April 1, 2014.

(*2) TOYS UNION CO., LTD. absorbed Mori Games Co. Ltd. on July 1, 2014, and was renamed MAXGAMES Corporation.

Strengths

Robust Management Base

Happinet is the leading wholesaler of toys, DVDs, CDs, capsule toys and card games, with some 60% share of a market that spans the operation and sales of capsule toys and card games. It is also the Japanese only wholesaler that handles every home game console available in Japan. Today, with the increasing “graying” of Japanese society, manufacturers and retailers are striving to improve management efficiency, while upgrading products and services, in their respective business fields. Yet Happinet, as an industry powerhouse, maintains strong connections with both fields by capitalizing on an abundant information-gathering base and the marketing capability that leverages this information.

Optimal Distribution System

The basis of Happinet’s information-gathering ability is its Optimal Distribution System, which links manufacturers and retailers through such media as EDI (Electronic Data Interchange), POS, the Internet and so forth. At the core of the ODS are four logistics centers, with a combined floor space of 77,134 square meters. The system allows for advanced inventory management on a real-time basis, as well as rapid and reliable shipping operations, with a delivery failure rate of less than one in 100,000 items shipped. Through its advanced supply chain management, ODS also supports the optimization of volume production and contributes to the rationalization of logistics operations by streamlining inventory. It should be noted that Happinet Logistics Service, our consolidated subsidiary, operates the four logistics centers.



Logistics Center-West Japan



Second Logistics Center-West Japan



Logistics Center-East Japan



Second Logistics Center-East Japan

Logistics Center-East Japan

Launched in April 2001

Located in Ichikawa City, Chiba Prefecture
Floor Space: 24,741m²

Second Logistics Center-East Japan

Launched in February 2006

Located in Funabashi City, Chiba Prefecture
Floor Space: 28,151m²

Logistics Center-West Japan

Launched in January 2008

Located in Amagasaki City, Hyogo Prefecture
Floor Space: 11,774m²

Second Logistics Center-West Japan

Launched in July 2011

Located in Amagasaki City, Hyogo Prefecture
Floor Space: 12,468m²

Consolidated Balance Sheet (Assets)



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Assets					
Total assets	48,507	54,323	53,003	53,879	59,893
Current assets	41,039	48,269	47,930	47,025	52,449
Cash and deposits	8,220	12,359	10,155	9,996	15,867
Notes and accounts receivable - trade	23,206	26,755	27,234	24,104	25,682
Inventories	6,436	6,168	6,529	7,404	6,746
Advance payments - trade	1,016	634	1,389	1,818	1,806
Deferred tax assets	939	926	910	980	1,315
Accounts receivable - other	1,000	1,174	978	1,774	668
Other	296	319	796	959	364
Allowance for doubtful accounts	(76)	(69)	(63)	(12)	(1)
Non-current assets	7,468	6,054	5,072	6,854	7,443
Property, plant and equipment	1,555	1,392	1,110	1,342	688
Buildings and structures	1,634	1,584	1,159	750	518
Accumulated depreciation	(1,170)	(1,175)	(845)	(460)	(356)
Buildings and structures, net	463	408	314	289	162
Machinery, equipment and vehicles	965	968	965	964	960
Accumulated depreciation	(784)	(817)	(844)	(860)	(877)
Machinery, equipment and vehicles, net	181	150	121	104	83
Tools, furniture and fixtures	1,473	1,240	1,164	1,354	1,310
Accumulated depreciation	(1,201)	(1,028)	(958)	(1,042)	(1,033)
Tools, furniture and fixtures, net	272	212	206	311	277
Land	633	617	464	632	65
Leased assets	7	7	10	15	10
Accumulated depreciation	(3)	(4)	(6)	(11)	(9)
Leased assets, net	4	2	3	4	0
Construction in progress	-	-	-	-	98
Intangible assets	3,132	1,715	985	446	854
Goodwill	876	539	246	-	-
Other	2,255	1,176	738	446	854
Investments and other assets	2,780	2,946	2,976	5,065	5,900
Investment securities	1,548	1,419	1,439	1,925	2,304
Guarantee deposits	663	678	684	2,249	2,267
Membership	36	26	23	24	26
Long-term loans receivable	50	25	55	30	-
Deferred tax assets	416	711	688	749	1,261
Other	240	258	103	183	108
Allowance for doubtful accounts	(175)	(173)	(17)	(97)	(68)

Consolidated Balance Sheet (Liabilities and Net assets)



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Liabilities					
Total liabilities	28,704	32,527	29,713	28,185	30,312
Current liabilities	25,837	29,617	26,883	25,036	26,957
Notes and accounts payable - trade	20,204	23,042	22,672	20,099	20,118
Lease obligations	1	1	2	6	0
Accounts payable - other	3,225	3,351	2,656	2,545	3,679
Income taxes payable	1,038	1,605	678	1,104	1,038
Accrued consumption taxes	286	404	65	362	796
Provision for bonuses	314	472	378	477	775
Provision for directors' bonuses	-	-	-	-	121
Provision for point card certificates	5	6	7	7	5
Provision for business structure improvement	11	-	-	-	-
Provision for sales returns	21	30	16	13	11
Other	729	702	406	419	409
Non-current liabilities	2,867	2,909	2,829	3,148	3,355
Lease obligations	2	1	1	22	0
Provision for retirement benefits	1,630	1,780	1,830	-	-
Net defined benefit liability	-	-	-	2,103	2,528
Long-term guarantee deposited	1,034	1,008	893	840	747
Deferred tax liabilities	5	3	5	60	0
Asset retirement obligations	45	46	49	50	51
Negative goodwill	51	19	1	-	-
Other	95	48	47	70	27
Net assets					
Total net assets	19,802	21,795	23,289	25,694	29,580
Shareholders' equity	19,611	21,649	23,078	25,141	28,590
Capital stock	2,751	2,751	2,751	2,751	2,751
Capital surplus	2,775	2,775	2,775	2,775	2,775
Retained earnings	15,175	17,213	18,607	20,562	23,999
Treasury shares	(1,091)	(1,091)	(1,055)	(948)	(936)
Accumulated other comprehensive income	185	128	191	378	678
Valuation difference on available-for-sale securities	185	128	189	378	678
Deferred gains or losses on hedges	0	0	1	(0)	0
Subscription rights to shares	5	17	17	175	310
Minority interests	0	1	1	-	-
Total liabilities and net assets	48,507	54,323	53,003	53,879	59,893

Consolidated Statement of Income



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Net sales	190,891	198,021	176,757	206,867	217,232
Cost of sales	168,564	173,013	154,256	182,828	191,080
Gross profit	22,326	25,007	22,501	24,039	26,152
Selling, general and administrative expenses	19,471	20,151	19,527	20,150	21,095
Warehouse deposit expenses	1,647	1,927	1,530	1,472	1,325
Freightage expenses	2,161	2,219	2,379	2,497	2,689
Promotion expenses	832	915	943	1,111	1,246
Directors' compensations, salaries and allowances	7,546	7,496	7,566	7,575	7,689
Bonuses	222	237	228	266	263
Provision for bonuses	288	472	375	462	774
Provision for directors' bonuses	-	-	-	-	121
Retirement benefit expenses	495	309	500	488	859
Traveling and transportation expenses	463	487	492	488	471
Communication expenses	151	120	128	130	131
Supplies expenses	667	1,057	1,059	1,060	989
Rents	1,351	1,254	1,270	1,313	1,438
Rent expenses	128	105	78	74	203
Depreciation	781	688	629	573	342
Amortization of goodwill	445	337	292	246	-
Provision for point card certificates	5	10	7	7	5
Other	2,279	2,508	2,046	2,379	2,541
Operating income	2,855	4,855	2,973	3,888	5,056
Non-operating income	190	186	119	77	78
Interest income	2	2	2	1	2
Dividend income	40	25	21	28	28
Land and house rent received	9	22	16	6	0
Amortization of negative goodwill	37	32	17	1	-
Other	100	103	60	38	46
Non-operating expenses	33	9	10	49	10
Interest expenses	19	5	5	21	2
Loss on cancellation of leases	-	2	3	1	5
Provision of allowance for doubtful accounts	-	-	-	24	-
Other	13	1	1	1	2
Ordinary income	3,013	5,032	3,081	3,917	5,124
Extraordinary income	148	3	73	417	7
Gain on sales of non-current assets	3	2	67	8	2
Gain on sales of investment securities	93	-	6	0	4
Gain on sales of memberships	-	1	-	-	0
Gain on bargain purchase	-	-	-	409	-
Reversal of allowance for doubtful accounts	50	-	-	-	-
Extraordinary losses	341	724	182	628	623
Loss on sales of non-current assets	1	8	21	1	18
Loss on retirement of non-current assets	57	8	24	6	23
Loss on sales of investment securities	24	1	7	-	0
Loss on valuation of investment securities	129	1	31	53	14
Impairment loss	9	669	89	154	126
Loss on cancellation of leases	9	-	-	-	-
Loss on liquidation of subsidiaries	22	-	-	-	-
Loss on disaster	61	29	-	-	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	27	-	-	-	-
Loss on valuation of membership	-	5	7	-	-
Loss on sales of membership	-	1	-	-	0
Special retirement expenses	-	-	-	120	60
Loss on revision of retirement benefit plan	-	-	-	-	379
Directors' retirement benefits	-	-	-	110	-
Loss on withdrawal from employees' pension fund	-	-	-	166	-
Other	-	-	-	13	-
Income before income taxes and minority interests	2,820	4,311	2,972	3,706	4,508
Total income taxes	1,443	1,852	960	1,238	459
Income taxes - current	1,168	2,062	952	1,322	1,469
Income taxes - deferred	275	(209)	7	(83)	(1,009)
Income before minority interests	1,376	2,458	2,012	2,467	4,049
Minority interests in income (loss)	(0)	0	0	0	-
Profit	1,376	2,458	2,011	2,466	4,049

Consolidated Statement of Comprehensive Income



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Income before minority interests	1,376	2,458	2,012	2,467	4,049
Other comprehensive income	(196)	(56)	62	187	300
Valuation difference on available-for-sale securities	(196)	(56)	61	189	299
Deferred gains or losses on hedges	(0)	0	1	(2)	0
Comprehensive income	1,179	2,402	2,075	2,654	4,349
Comprehensive income attributable to					
Comprehensive income attributable to owners of parent	1,180	2,401	2,074	2,653	4,349
Comprehensive income attributable to minority interests	(0)	0	0	0	-

Consolidated Statement of Cash Flows



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Cash flows from operating activities					
Net cash provided by (used in) operating activities	5,083	4,609	(1,505)	2,547	6,658
Income before income taxes and minority interests	2,820	4,311	2,972	3,706	4,508
Depreciation	781	688	644	615	393
Impairment loss	9	669	89	154	126
Loss on adjustment for changes of accounting standard for asset retirement obligations	27	-	-	-	-
Amortization of goodwill	408	305	274	245	-
Gain on bargain purchase	-	-	-	(409)	-
Increase (decrease) in allowance for doubtful accounts	(63)	(4)	(15)	(4)	(11)
Share-based compensation expenses	5	11	5	173	137
Increase (decrease) in provision for bonuses	(289)	158	(94)	52	298
Increase (decrease) in provision for directors' bonuses	-	-	-	-	121
Increase (decrease) in provision for retirement benefits	205	149	49	-	-
Increase (decrease) in net defined benefit liability	-	-	-	119	425
Increase (decrease) in provision for directors' retirement benefits	-	-	-	2	0
Increase (decrease) in provision for business structure improvement	(166)	(11)	-	-	-
Interest and dividend income	(43)	(28)	(24)	(30)	(31)
Interest expenses	19	5	5	21	2
Foreign exchange losses (gains)	7	(1)	0	(1)	0
Loss (gain) on sales and retirement of non-current assets	54	14	(21)	0	39
Loss (gain) on sales of investment securities	(69)	1	1	(0)	(4)
Loss (gain) on valuation of investment securities	129	1	31	53	14
Loss on liquidation of subsidiaries	22	-	-	-	-
Loss (gain) on sales of membership	-	(0)	-	-	0
Loss on valuation of membership	-	5	7	-	-
Decrease (increase) in notes and accounts receivable - trade	(296)	(3,551)	(477)	5,028	(1,579)
Decrease (increase) in inventories	314	267	(360)	81	658
Decrease (increase) in advance payments	842	381	(1,124)	(644)	595
Increase (decrease) in notes and accounts payable - trade	371	2,838	(369)	(3,725)	18
Decrease (increase) in accounts receivable - other	(69)	(174)	195	(791)	1,105
Increase (decrease) in accounts payable - other	586	86	(657)	(182)	1,040
Increase (decrease) in accrued consumption taxes	(161)	118	(332)	284	435
Decrease (increase) in guarantee deposits	170	(14)	(5)	(1,249)	(17)
Decrease (increase) in other assets	52	(58)	(18)	(7)	36
Increase (decrease) in other liabilities	(32)	(83)	(427)	(53)	(128)
Subtotal	5,635	6,085	349	3,436	8,187
Interest and dividend income received	42	28	24	30	31
Interest expenses paid	(20)	(5)	(5)	(21)	(2)
Income taxes paid	(574)	(1,499)	(1,874)	(898)	(1,558)
Cash flows from investing activities					
Net cash provided by (used in) investing activities	(315)	(50)	(108)	(87)	(158)
Purchase of property, plant and equipment	(139)	(50)	(121)	(308)	(247)
Proceeds from sales of property, plant and equipment	8	30	195	276	564
Purchase of intangible assets	(301)	(68)	(97)	(117)	(550)
Purchase of investment securities	(195)	(8)	(8)	(12)	(42)
Proceeds from sales of investment securities	341	3	48	0	54
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	-	-	5	-
Purchase of shares of subsidiaries	-	-	-	(1)	-
Payments of long-term loans receivable	(50)	-	(30)	-	-
Collection of loans receivable	-	25	-	-	-
Other, net	20	18	(95)	69	64
Cash flows from financing activities					
Net cash provided by (used in) financing activities	(2,852)	(421)	(588)	(2,618)	(628)
Net increase (decrease) in short-term loans payable	(2,350)	-	-	(2,000)	-
Repayment of long-term loans payable	(140)	-	-	(194)	-
Proceeds from disposal of treasury shares	102	-	29	86	9
Purchase of treasury shares	(109)	(0)	(0)	(0)	(0)
Cash dividends paid	(338)	(419)	(615)	(506)	(609)
Other, net	(16)	(1)	(2)	(4)	(28)
Effect of exchange rate change on cash and cash equivalents	(7)	1	(0)	(0)	(0)
Net increase (decrease) in cash and cash equivalents	1,907	4,138	(2,203)	(159)	5,871
Cash and cash equivalents at beginning of period	6,312	8,220	12,359	10,155	9,996
Cash and cash equivalents at end of period	8,220	12,359	10,155	9,996	15,867

Consolidated Statement of Changes in Equity



FY3/14

(¥ million)	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income			
Balance at beginning of current period	2,751	2,775	18,607	(1,055)	23,078	189	1	191	17	1	23,289
Changes of items during period											
Dividends of surplus			(506)		(506)						(506)
Net income			2,466		2,466						2,466
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		(5)		107	102						102
Transfer of loss on disposal of treasury shares		5	(5)		-						-
Net changes of items other than shareholders' equity						189	(2)	187	157	(1)	343
Total changes of items during period	-	-	1,954	107	2,062	189	(2)	187	157	(1)	2,405
Balance at end of current period	2,751	2,775	20,562	(948)	25,141	378	(0)	378	175	-	25,694

FY3/15

(¥ million)	Shareholders' equity					Accumulated other comprehensive income			Subscription rights to shares	Minority interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total accumulated other comprehensive income			
Balance at beginning of current period	2,751	2,775	20,562	(948)	25,141	378	(0)	378	175	-	25,694
Changes of items during period											
Dividends of surplus			(610)		(610)						(610)
Net income			4,049		4,049						4,049
Purchase of treasury shares				(0)	(0)						(0)
Disposal of treasury shares		(0)		12	11						11
Transfer of loss on disposal of treasury shares		0	(0)		-						-
Net changes of items other than shareholders' equity						299	0	300	135	-	435
Total changes of items during period	-	-	3,437	11	3,449	299	0	300	135	-	3,885
Balance at end of current period	2,751	2,775	23,999	(936)	28,590	678	0	678	310	-	29,580

Information by Segment



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Toy Business					
Net sales	69,104	77,313	74,660	76,821	93,270
To total net sales	36.2%	39.0%	42.2%	37.1%	42.9%
Operating income	2,321	3,009	2,055	2,710	4,279
Assets	16,192	16,614	17,063	16,675	16,584
Depreciation	506	356	318	319	157
Visual and Music Business					
Net sales	57,759	55,719	44,810	42,955	43,372
To total net sales	30.3%	28.1%	25.4%	20.8%	20.0%
Operating income (loss)	(656)	448	309	307	202
Assets	11,454	13,089	12,901	12,410	11,282
Depreciation	174	202	196	169	154
Video-Game Business					
Net sales	46,447	42,704	36,839	63,609	56,448
To total net sales	24.3%	21.6%	20.8%	30.7%	26.0%
Operating income	1,156	936	678	79	254
Assets	7,799	8,545	8,498	12,441	9,979
Depreciation	24	86	72	79	32
Amusement Business					
Net sales	17,579	22,282	20,447	23,481	24,140
To total net sales	9.2%	11.3%	11.6%	11.4%	11.1%
Operating income	1,340	1,801	1,265	2,053	1,796
Assets	4,470	4,419	4,625	3,714	4,995
Depreciation	47	24	18	19	30
Adjustments					
Net sales	-	-	-	-	-
Operating income (loss)	(1,307)	(1,341)	(1,335)	(1,263)	(1,475)
Assets	8,591	11,654	9,913	8,638	17,051
Depreciation	29	18	24	26	18
Consolidated Total					
Net sales	190,891	198,021	176,757	206,867	217,232
Operating income	2,855	4,855	2,973	3,888	5,056
Assets	48,507	54,323	53,003	53,879	59,893
Depreciation	781	688	629	615	393

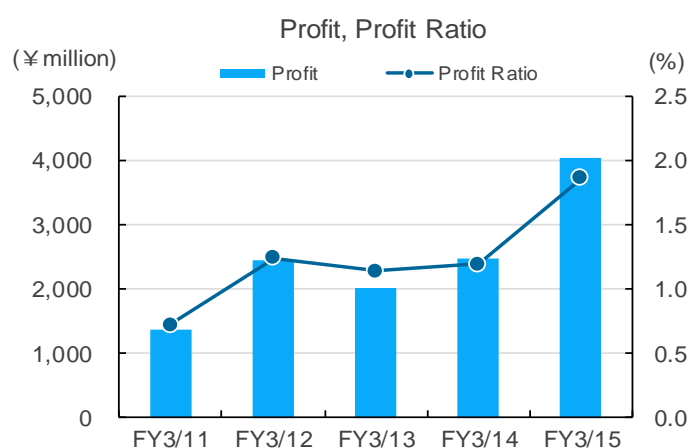
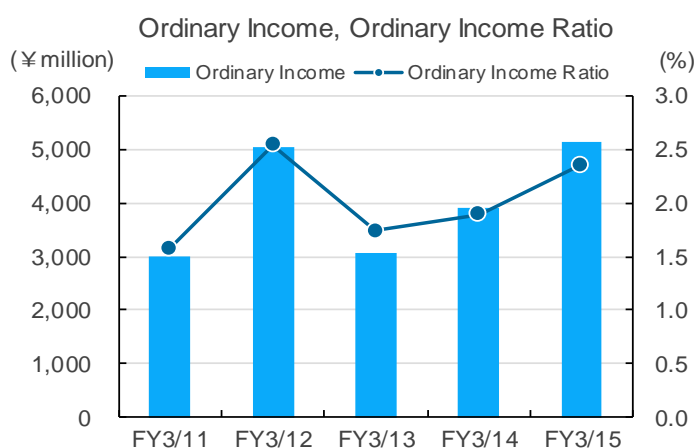
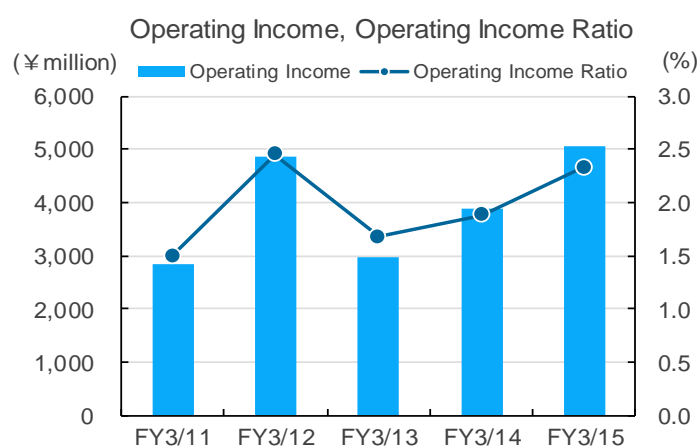
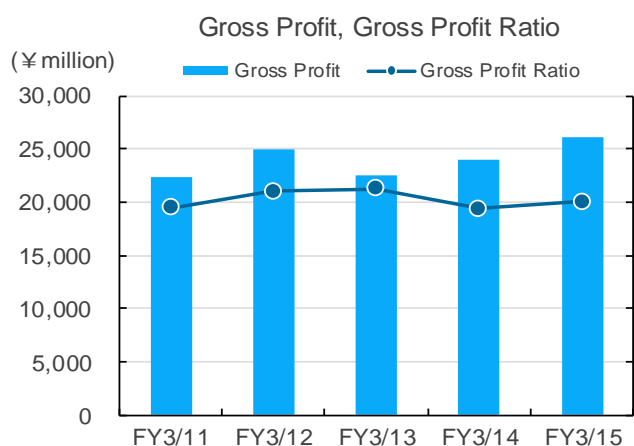
Consolidated Growth/Profitability Indicators



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Net Sales	190,891	198,021	176,757	206,867	217,232
Gross Profit	22,326	25,007	22,501	24,039	26,152
SG&A Expenses	19,471	20,151	19,527	20,150	21,095
Operating Income	2,855	4,855	2,973	3,888	5,056
Ordinary Income	3,013	5,032	3,081	3,917	5,124
Profit	1,376	2,458	2,011	2,466	4,049

(%)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Gross Profit Ratio	11.7	12.6	12.7	11.6	12.0
SG&A Expenses Ratio	10.2	10.2	11.0	9.7	9.7
Operating Income Ratio	1.5	2.5	1.7	1.9	2.3
Ordinary Income Ratio	1.6	2.5	1.7	1.9	2.4
Profit Ratio	0.7	1.2	1.1	1.2	1.9

Gross Profit Ratio = Gross Profit/Net Sales
 SG&A Expenses Ratio = SG&A Expenses/Net Sales
 Operating Income Ratio = Operating Income/Net Sales
 Ordinary Income Ratio = Ordinary Income/Net Sales
 Profit Ratio = Profit/Net Sales

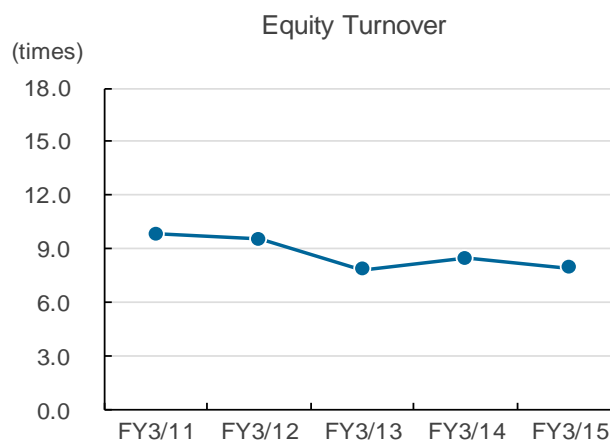
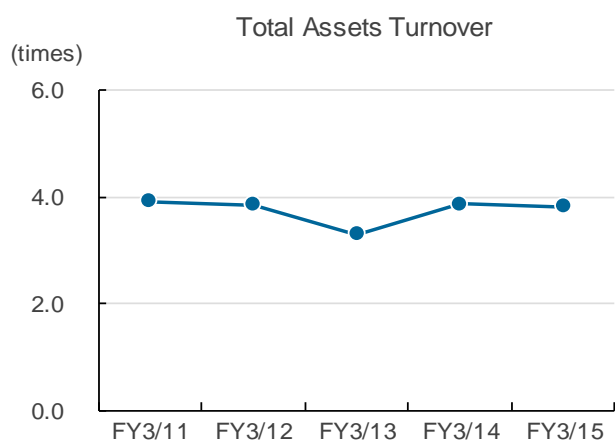
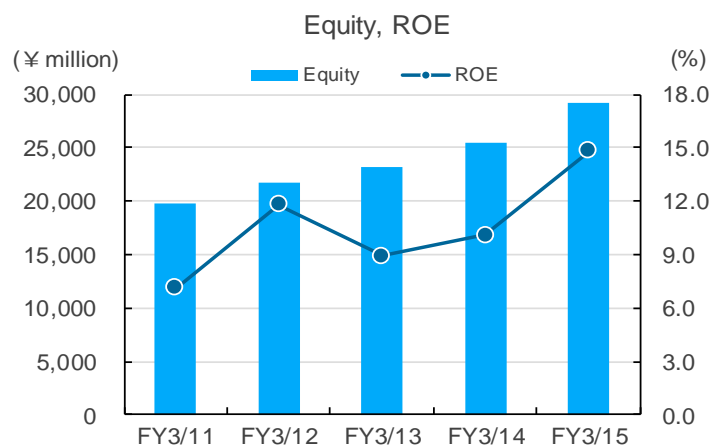
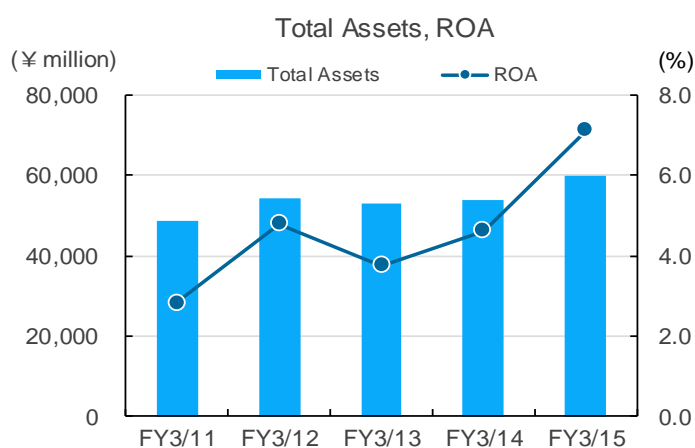


(times)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Total Assets Turnover	3.9	3.9	3.3	3.9	3.8
Equity Turnover	9.9	9.5	7.8	8.5	7.9
Non-current Assets Turnover	23.3	29.3	31.8	34.7	30.4
Current Assets Turnover	4.7	4.4	3.7	4.4	4.4

(%)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
ROA	2.8	4.8	3.7	4.6	7.1
ROE	7.1	11.8	8.9	10.1	14.8

Total Assets Turnover = Net Sales/Average Total Assets
 Equity Turnover = Net Sales/Average Equity
 Non-current Assets Turnover = Net Sales/Average Non-current Assets
 Current Assets Turnover = Net Sales/Average Current Assets

ROA = Profit/Average Total Assets
 ROE = Profit/Average Equity



Consolidated Efficiency/Stability Indicators



(¥ million)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Equity	19,796	21,777	23,269	25,519	29,269
Total Assets	48,507	54,323	53,003	53,879	59,893
Non-current Assets	7,468	6,054	5,072	6,854	7,443
Non-current Liabilities	2,867	2,909	2,829	3,148	3,355
Current Assets	41,039	48,269	47,930	47,025	52,449
Current Liabilities	25,837	29,617	26,883	25,036	26,957
Total Net Assets	19,802	21,795	23,289	25,694	29,580
Interest-bearing Debt	-	-	-	-	-

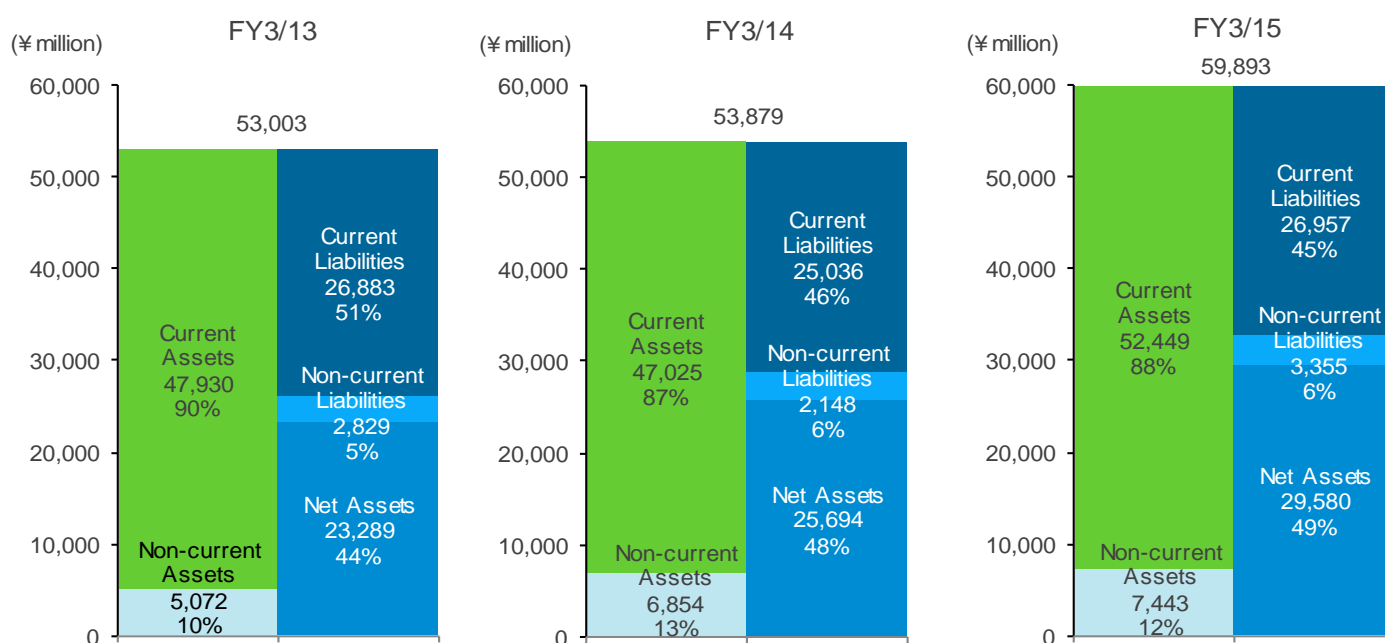
(%)	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Equity Ratio	40.8	40.1	43.9	47.4	48.9
D/E Ratio	-	-	-	-	-
Non-current Ratio	37.7	27.8	21.8	26.9	25.4
Current Ratio	158.8	163.0	178.3	187.8	194.6

Equity Ratio = Equity/Total Assets

D/E Ratio = Interest-bearing Debt/Equity

Non-current Ratio = Non-current Assets/Equity

Current Ratio = Current Assets/Current Liabilities



	FY3/11	FY3/12	FY3/13	FY3/14	FY3/15
Stock Price at Term-end (¥)	1,094	958	777	862	1,430
Outstanding Shares Issued at Term-end (shares)	12,025,000	24,050,000	24,050,000	24,050,000	24,050,000
Treasury Shares at Term-end (shares)	823,705	1,647,990	1,593,370	1,431,310	1,413,310
Earnings per Share (¥)	122.56	109.73	89.75	109.40	178.91
Book-value per Share (¥)	1,767.34	972.13	1,036.23	1,128.25	1,293.00
Free Cash Flow per Share (¥)	425.67	203.51	(71.83)	108.76	287.14
Dividend per Share	30.00	38.75	22.50	24.75	28.50
EBITDA (¥ million)	3,637	5,543	3,602	4,461	5,449
PER (times)	8.9	8.7	8.7	7.9	8.0
PBR (times)	0.6	1.0	0.7	0.8	1.1
PCFR (times)	2.6	5.0	(12.4)	8.1	5.2
EV/EBITDA ratio (times)	1.4	1.9	2.4	2.4	3.4
Dividend Yield (%)	2.7	4.0	2.9	2.9	2.0

Free Cash Flow per Share=(Cash Flows from Operating Activities+Cash Flows from Investing Activities)/(Outstanding Shares Issued – Treasury Shares)

PCFR = Stock Price at Term-end/Cash Flows from Operating Activities per Share

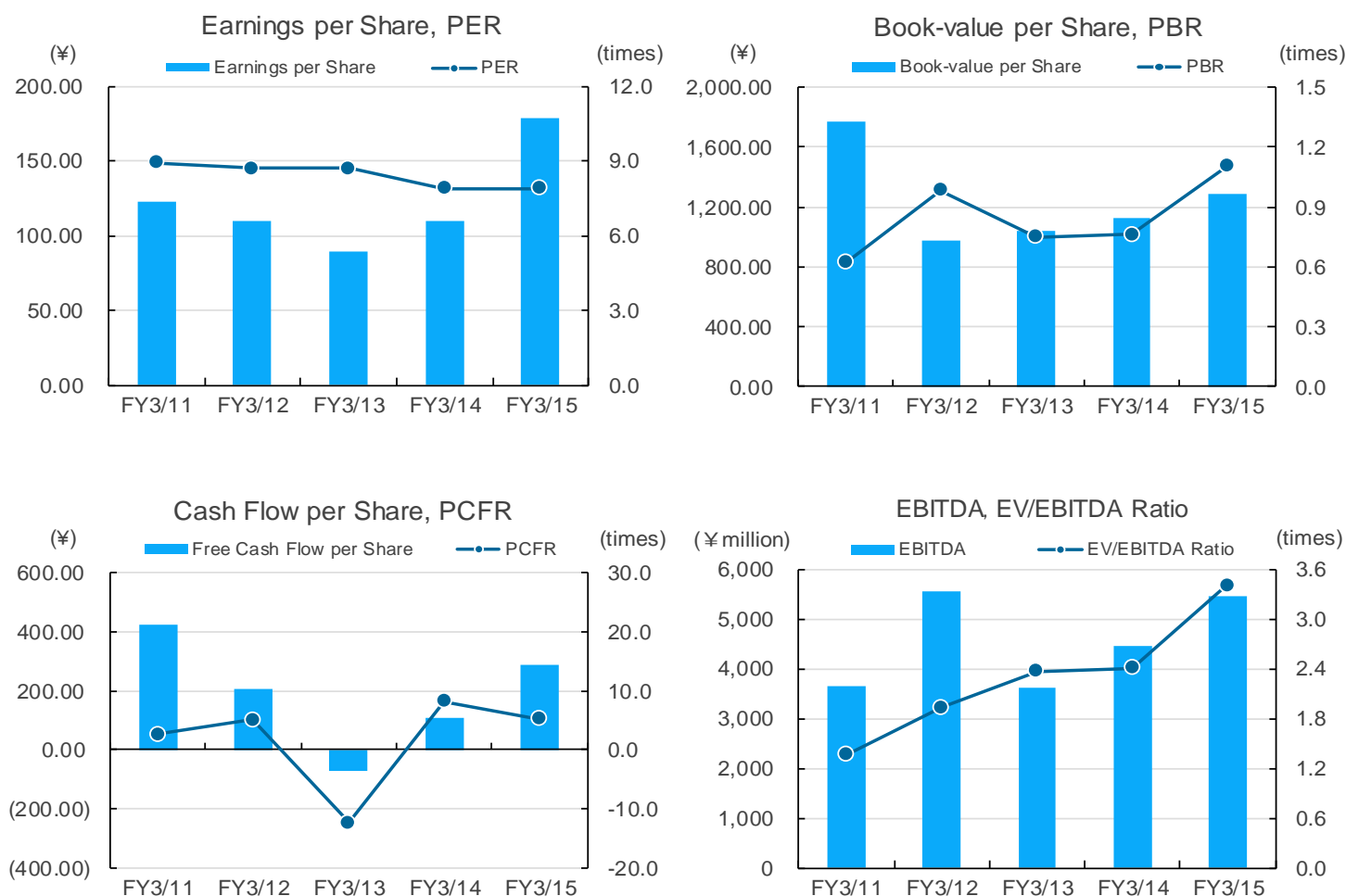
EBITDA = Operating Income+Depreciation

EV/EBITDA Ratio = EV/EBITDA

EV = Market Value+Interest-bearing Debt–Liquidity in Hand (Cash & Deposits)

Note: Stock splits from 1 to 2 on December 1, 2011.

Indicators here are calculated assuming the stock split occurred at the beginning of FY3/12.



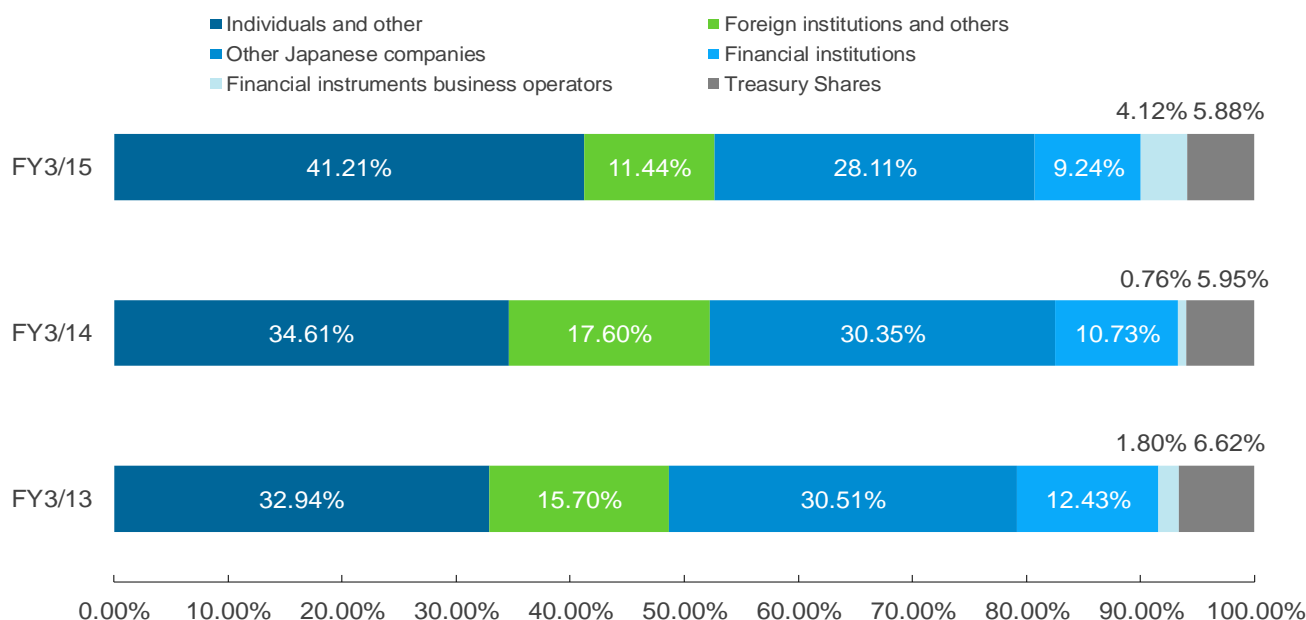
Major Shareholders

As of March 31, 2015

	Number of Shares	Shareholding Ratio (%)
BANDAI NAMCO Holdings Inc.	5,883,408	25.99
Japan Trustee Services Bank, Limited (trust account for Sumitomo Mitsui Trust Bank, Limited and employee retirement benefit of Sumitomo Mitsui Banking Corporation)	676,000	2.99
Yasuhiko Idaira	563,000	2.49
Japan Trustee Services Bank, Ltd. (trust account)	313,400	1.38
Happinet employee shareholders association	310,040	1.37
Hiroshi Kawai	300,000	1.33
CHASE MANHATTAN BANK GTS CLIENTS ACCOUNT ESCROW	286,737	1.27
Takashi Nishimura	286,400	1.27
CBNY-GOVERNMENT OF NORWAY	257,900	1.14
ICHIGO Trust	240,900	1.06

Note: Shareholding ratio was calculated based on the total number of the issued shares excluding the number of treasury shares (1,413,310 shares).

Breakdown of Type of Shareholder





HAPPINET CORPORATION

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Corporate Planning Team
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E-mail: keiki_koho@HSN.happinet.co.jp