

Fiscal Year 2002 Results

1. FY02 Consolidated Results
2. FY02 Parent Results
3. FY03 Consolidated Forecast
4. FY03 Parent Forecast
5. Group Companies

May 14,2003



Happinet Corporation

Estimates of future performance are provided as a reference for investors.
They are based on projections and estimates and should not be construed as an assurance or guarantee of future performance.
When using this information, please keep in mind that final results may vary.

Business Results

Business Results		1999/3	2000/3	2001/3	2002/3	2003/3	Comments
Consolidated	Sales	thousand yen 109,967,580	100,823,488	126,670,293	140,888,629	122,515,841	Sales decrease due to a slump in the Video Game Business
	Recurring profit	thousand yen 2,252,100	2,087,331	2,090,789	1,518,069	1,380,129	
	Net profit	thousand yen 1,304,577	1,232,370	1,080,496	735,100	766,689	
	Net assets	thousand yen 11,059,526	15,128,472	16,103,886	16,432,387	16,512,301	
	Total assets	thousand yen 32,068,899	38,580,005	37,140,060	53,698,026	39,975,413	Decrease due to Xbox products
	Net assets per share	yen 1,264.02	1,635.51	1,339.21	1,366.61	1,408.83	
	EPS	yen 149.11	138.53	89.86	61.13	64.40	
	No. of employees	people -	445	468	556	510	
Parent	Sales	thousand yen 103,534,054	94,698,747	101,810,288	89,867,180	39,441,524	
	Recurring profit	thousand yen 2,513,605	2,041,129	922,957	1,360,000	362,764	
	Net profit	thousand yen 1,601,118	1,125,364	469,903	722,884	306,920	
	Net assets per share	yen 1,231.29	1,591.39	1,254.52	1,280.52	1,292.89	
	Dividend (Interim dividend)	yen 25.0 (-)	28.0 (12.50)	25.0 (12.50)	25.0 (12.50)	25.0 (12.50)	
	EPS	yen 182.99	126.50	39.08	60.12	25.78	
	Payout ratio	% 13.66	22.46	63.98	41.59	96.98	
	No. of employees	people 307	321	342	174	174	

- Note: 1. Sales tax is not included in either the consolidated or parent sales figures.
2. The company completed a public offering of 500,000 new shares during FY99.

1. FY2002 Consolidated Results (profit and loss statement)

(Unit: m¥, %, persons, ¥; Figures rounded)

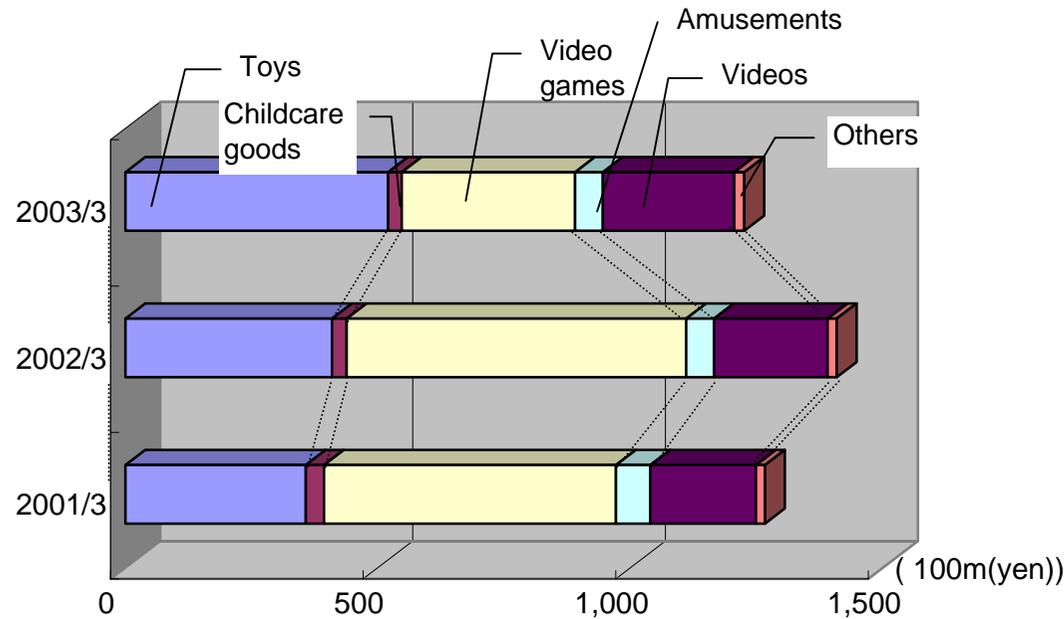
	2002 / 3			2003 / 3			Comments	(Reference) targeted figures
		Of total (%)	YoY Change		Of total (%)	YoY Change		
Sales	140,889	100.0	11.2	122,516	100.0	-13.0		130,000
Cost of sales	127,104	90.2	11.7	107,540	87.8	-15.4	disposal and appraisal losses of 18bn(yen)	
Gross profit	13,784	9.8	7.4	14,976	12.2	8.6	Gross profit improved due to the increase in sales in the generally higher-margin toy business, and decrease in sales in our generally lower-margin video game	
SG&A costs	12,538	8.9	14.3	13,797	11.3	10.0		
Personnel costs	3,738	2.7	-1.0	4,027	3.3	7.7	Resulting from M&A activity	
Subcontracted personnel costs	913	0.6	31.7	983	0.8	7.7		
Depreciation	493	0.3	23.8	564	0.5	14.5	Half year of Happinet Logistics Center East;80 m(yen)	
Operating profit	1,247	0.9	-33.3	1,179	1.0	-5.4		1,240
Non-operating income	397	0.3	46.3	277	0.2	-30.2		
Interest and dividends received	12	0.0	-32.4	11	0.0	-2.3		
Others	385	0.3	51.7	265	0.2	-31.1		
Non-operating expenses	126	0.1	156.6	76	0.1	-39.7		
Interest paid	25	0.0	392.3	1	0.0	-97.9		
Others	101	0.1	129.8	75	0.1	-25.5		
Recurring profit	1,518	1.1	-27.4	1,380	1.1	-9.1		1,500
Extraordinary profit	50	0.0	-76.3	224	0.2	351.2	114 million yen gain on the sale of securities, 55 million yen reversal of allowance for doubtful receivables	
Extraordinary loss	194	0.1	-30.2	200	0.2	3.4		
Pretax profit	1,374	1.0	-32.1	1,404	1.1	2.2		
Enterprise, corp., inhabitant's taxes	621	0.4	-31.6	626	0.5	0.9		
Minority interest (-indicates loss)	19	0.0	-47.6	11	0.0	-39.0		
Net profit	735	0.5	-32.0	767	0.6	4.3		860
Surplus, opening	10,380	-	8.1	10,812	-	4.2		
Surplus, increase	735	-	-32.0	767	-	4.3		
Surplus, decrease	303	-	0.6	300	-	-1.2		
Surplus, closing	10,812	-	4.2	11,279	-	4.3		
EPS (yen)	61.13	-	-	64.40	-	-		

1. FY2002 Consolidated Results

1. Sales by product area

(Unit: 100 m¥, %)

Term \ Product	2001/3			2002/3			2003/3			Comments
	Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
Toys	357	28.2	1.1	409	29.0	14.6	520	42.4	27.1	Market saturation of hardware, poor sales of Xbox
Childcare goods	36	2.8	-14.3	29	2.1	-19.4	27	2.2	-6.9	
Video games	578	45.7	13.8	672	47.7	16.3	343	28.0	-49.0	
Amusements	68	5.4	-12.8	55	3.9	-19.1	55	4.5	0.0	
Videos	209	16.5	-	225	16.0	7.7	260	21.2	15.6	
Others	18	1.4	-33.3	18	1.3	0.0	20	1.6	11.1	
Total	1,266	100.0	25.6	1,408	100.0	11.2	1,225	100.0	-13.0	



1. FY2002 Consolidated Results

2. Sales by sales channel

(Unit:100m¥, %)

Channel	Term	2002/3		2003/3		Comments		
		Of total(%)	YoY Change	Of total(%)	YoY Change			
Wholesalers		160	11.4	-	127	10.4	-20.6	
Specialty stores		371	26.3	-	328	26.8	-11.6	
Department stores		33	2.3	-	20	1.6	-39.4	
General merchandise stores		333	23.7	-	302	24.7	-9.3	
Discount Store/Home Center		56	4.0	-	44	3.6	-21.4	
Suburban retail outlets		327	23.2	-	188	15.3	-42.5	
Others		128	9.1	-	216	17.6	68.8	
Total		1,408	100.0	-	1,225	100.0	-13.0	



1. FY2002 Consolidated Results

3. Sales by product line

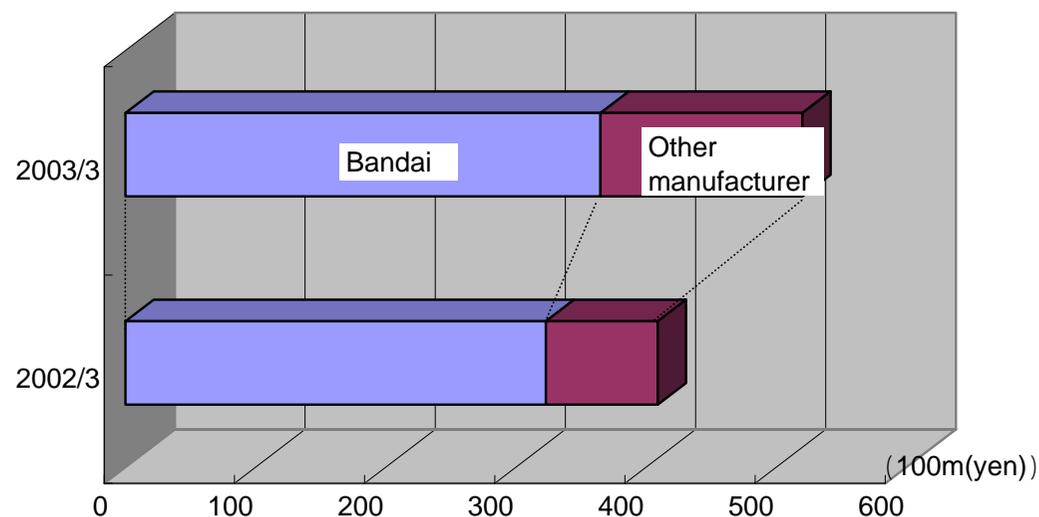
Toys (Unit: 100 m¥, %)

Item	Term	<Reference>2001/3(Parent)			2002/3			2003/3			Comments
		Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
Bandai		276	86.5	0.0	323	79.0	-	365	70.2	13.0	TOMY, TAKARA, SEGA TOYS etc.
Other manufacturers		43	13.5	72.0	86	21.0	-	155	29.8	80.2	
Total		319	100.0	6.0	409	100.0	-	520	100.0	27.1	

<Reference> -Top sellers-

(Unit: 100 m¥)

	2002/3		2003/3	
	Product	Sales	Product	Sales
Bandai Character	Gao Ranger	52	HURRICANEGER	56
	Masked Rider Agito	28	Masked Rider Ryuki	41
	Digimon(includes related merchandise)	17	Gekito! Crash Gear Turbo	19
	Ultraman Cosmos	19	Magical Doremi	13
	Ultraman Series	18	Digimon	12
	Magical Doremi	16	Ultraman Series	12
Bandai Innovative	Super Note Club	16	Hobby products for girls	23
	Anpanman	8	Anpanman	9
	Pico	5	Super Note Club	8
	Stuffed toys	2	Pico	3



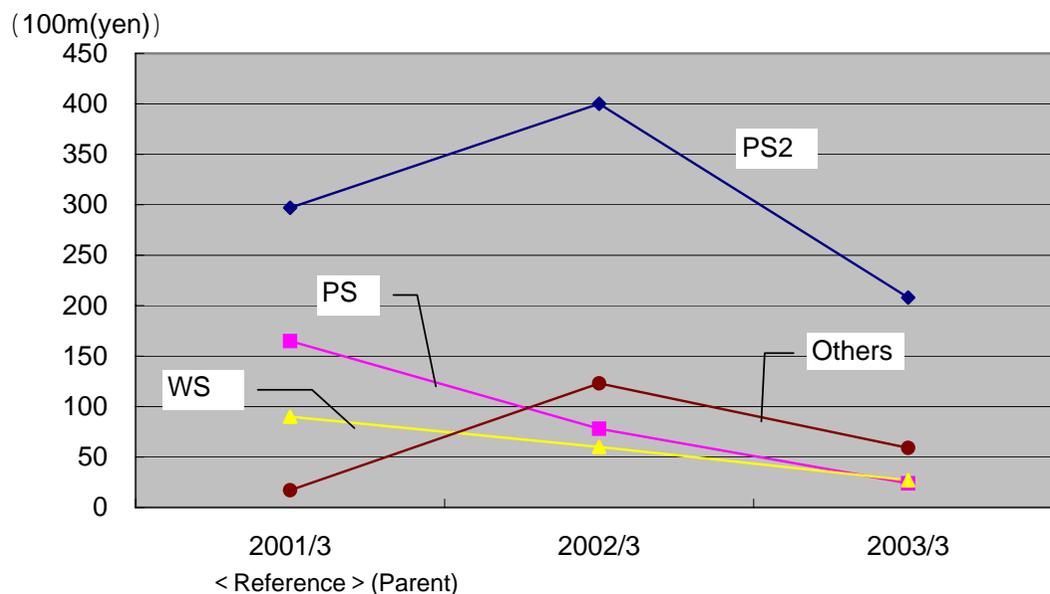
1. FY2002 Consolidated Results

3. Sales by product line

Video games

(Unit: 100 m¥, %)

Item	Term	<Reference>2001/3(Parent)		2002/3		2003/3		Comments			
		Of total (%)	YoY Change	Of total (%)	YoY Change	Of total (%)	YoY Change				
PlayStation 2		297	52.2	371.4	400	59.5	34.7	208	60.6	-48.0	2002/3 figures are half-year results 2002/3 figures are half-year results
PlayStation		165	29.0	-50.2	78	11.6	-52.7	24	7.0	-69.2	
Wonder Swan		90	15.8	69.8	60	8.9	-33.3	27	7.9	-55.0	
Game Boy Advance		-	-	-	7	1.0	-	16	4.7	128.6	
Game Cube		-	-	-	4	0.6	-	9	2.6	125.0	
Others		17	3.0	-69.1	123	18.3	623.5	59	17.2	-52.0	
Total		569	100.0	13.3	672	100.0	18.1	343	100.0	-49.0	



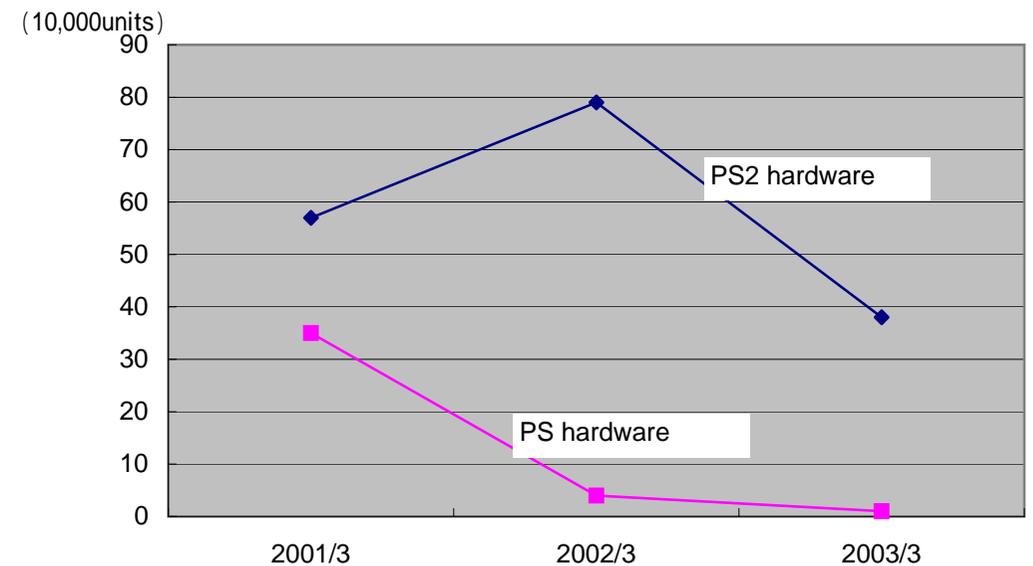
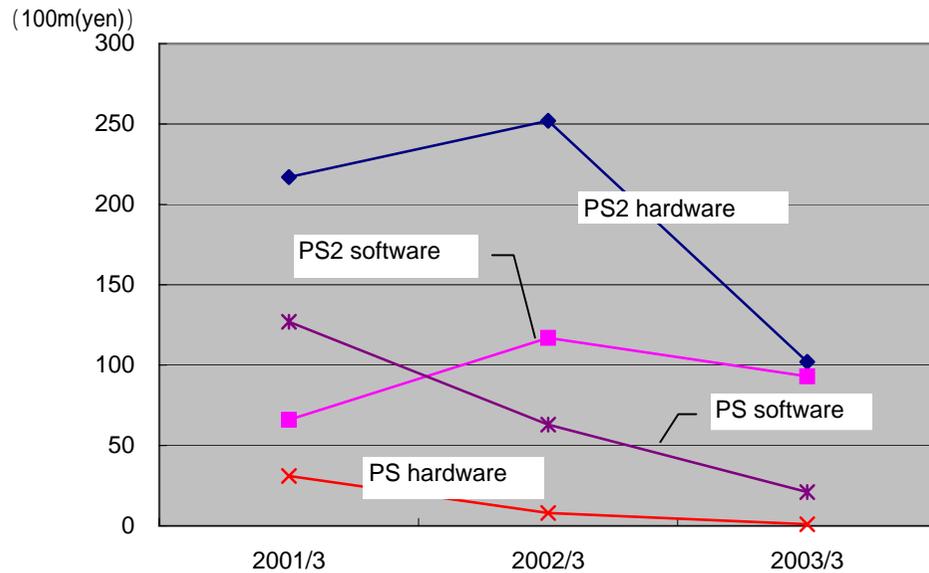
1. FY2002 Consolidated Results

3. Sales by product line

PlayStation products

(Unit: 100 m¥, %)

Item	Term	2001/3		2002/3		2003/3		Comments			
		Of total (%)	YoY Change	Of total (%)	YoY Change	Of total (%)	YoY Change				
PS2 hardware		217	47.0	393.2	252	52.7	16.1	102	44.0	-59.5	
		(570,000 units)		(790,000 units)		(380,000 units)					
PS2 software		66	14.3	312.5	117	24.5	77.3	93	40.1	-20.5	
PS2 accessories		14	3.0	366.7	31	6.5	121.4	13	5.6	-58.1	
PS hardware		31	6.7	-62.7	8	1.7	-74.2	1	0.4	-87.5	
		(350,000 units)		(40,000 units)		(10,000 units)					
PS software		127	27.5	-38.9	63	13.2	-50.4	21	9.1	-66.7	
PS accessories		7	1.5	-82.5	7	1.5	0.0	2	0.9	-71.4	
Total		462	100.0	17.3	478	100.0	3.5	232	100.0	-51.5	



1. FY2002 Consolidated Results

3. Sales by product line

Amusements

(Unit: 100 m¥, %)

Item	Term	2001/3		2002/3		2003/3		Comments			
		Of total (%)	YoY Change	Of total (%)	YoY Change	Of total (%)	YoY Change				
Vending machine products		34	50.0	0.0	29	52.7	-14.7	27	49.1	-6.9	
Vending machine prizes		22	32.4	-15.4	17	30.9	-22.7	16	29.1	-5.9	
Vending equipment		4	5.9	-20.0	1	1.8	-75.0	3	5.5	200.0	
Others		8	11.8	33.3	8	14.5	0.0	9	16.4	12.5	
Total		68	100.0	-4.2	55	100.0	-19.1	55	100.0	0.0	

1. FY02 results (Consolidated balance sheet (1))

(Unit: m¥; Figures rounded)

	2002 / 3	2003 / 3	Change	Main reason behind increase or decrease in assets
(Assets)				
(1) Current assets	47,446	34,417	-13,029	
1.Cash and deposits	10,756	6,295	-4,461	Decrease due to Xbox products
2.Accounts and bills receivable	25,828	17,498	-8,330	Decrease due to Xbox products
3.Inventories	8,227	7,857	-370	
4.Deferred tax assets	512	497	-15	
5.Others	2,325	2,428	104	
6.Reserves	-202	-158	44	
(2) Fixed assets	6,252	5,558	-694	
1.Tangible assets	2,991	2,681	-310	
Buildings and structures	812	711	-100	
Land	1,263	1,220	-44	
Others	916	750	-166	
2.Intangible assets	1,015	853	-162	
Goodwill	80	60	-20	
Others	935	793	-142	
3.Investments and other assets	2,246	2,024	-222	
Long-term securities	1,301	1,199	-102	Includes a valuation loss of 59 million yen due to the introduction of Accounting for Financial Instruments
Prepaid long-term expenses	37	32	-5	
Guarantees paid	482	464	-18	
Deferred tax assets	290	226	-64	
Others	319	168	-150	
Reserves	-183	-66	117	
Total assets	53,698	39,975	-13,723	

1. FY02 results (Consolidated balance sheet (2))

(Unit: m¥; Figures rounded)

	2002 / 3	2003 / 3	Change	Main reason behind increase or decrease in assets
(Liabilities)				
(1) Current liabilities	36,141	22,323	-13,819	
1.Accounts and bills payable	30,612	19,760	-10,853	Decrease due to Xbox products
2.Deferred payments	2,571	1,420	-1,151	
3.Enterprise and other taxes owed	724	406	-318	
4.Reserves against bonuses	383	347	-36	
5.Others	1,851	390	-1,461	
(2) Fixed liabilities	1,025	1,140	115	
1.Severance and past service obligations	404	432	28	
2.Deferred tax liabilities	57	36	-21	
3.Guarantees received	527	630	102	
4.Consolidated adjustment account	37	43	5	
Total liabilities	37,167	23,463	-13,704	
Minority interests	99	-	-99	
(Shareholder's equity)				
(1) Capital	2,751	2,751	-	
(2) Capital reserves	2,776	2,776	-	
(3) Consolidated surplus	10,812	11,279	467	
(4) Securities valuation account	94	-36	-130	
(5) Treasury stock	-1	-258	-257	
Total shareholders' equity	16,432	16,512	80	
Liabilities, minority interests, and shareholders' equity	53,698	39,975	-13,723	

1. FY2002-Consolidated cash flow statement

(Unit: m¥; Figures rounded)

	2002 / 3	2003 / 3	Change	Comments
(1) Cash flow from operating activities				
Pretax profit	1,374	1,404	30	
Depreciation	498	565	67	
Change in reserves	196	-169	-365	
Profit or loss from sale of long-term securities	1	-87	-88	
Other non-financial income or expenses	114	86	-29	
Change in trade receivables	-4,397	8,451	12,848	Decrease due to Xbox products
Change in inventories	-2,130	370	2,500	
Change in trade payables	11,946	-10,853	-22,799	Decrease due to Xbox products
Other	2,359	-2,332	-4,690	Decrease due to Xbox products
Sub Total	9,962	-2,564	-12,526	
Interest and dividend received	12	11	0	
Interest and discounts paid	-25	-1	24	
Taxes paid	-553	-824	-271	
Net cash provided by operating activities	9,396	-3,377	-12,773	
(2) Cash flow from investing activities				
Income from time deposits	117	-	-117	
Spending on tangible assets	-711	-61	650	
Income from new shares issued	-437	-163	274	
Expenditure on acquisition of investment securities	-67	-225	-158	
Gains on sale of investment securities	11	133	122	
Other	58	-209	-267	
Net cash provided by investing activities	-1,029	-525	504	
(3) Cash flow from financing activities				
Change in borrowings	-1,362	-	1,362	
Purchase and retirement of common stock	-3	-257	-254	
Dividends paid	-311	-302	9	
Other	2	-	-2	
Net cash provided by financing activities	-1,674	-559	1,115	
(4) Change in cash and equivalents	6,693	-4,461	-11,154	
(5) Cash & equivalents opening balance	4,013	10,756	6,743	
(6) Change in cash and equivalents resulting from changes in consolidation	50	-	-50	
(7) Cash & equivalents closing balance	10,756	6,295	-4,461	

2. FY2002 Results (Parent profit and loss statement)

(Unit: m¥, %, people, ¥; Figures rounded)

	2002 / 3			2003 / 3			Comments
		Of total (%)	YoY Change		Of total (%)	YoY Change	
Sales	89,867	100.0	-11.7	39,442	100.0	-56.1	Note:1
Cost of sales	83,604	93.0	-10.5	36,484	92.5	-56.4	
Gross profit	6,263	7.0	-25.6	2,958	7.5	-52.8	
SG&A costs	5,436	6.0	-34.2	2,982	7.6	-45.1	Note:1
Personnel costs	1,894	2.1	-30.9	1,506	3.8	-20.5	
Subcontracted personnel costs	287	0.3	-47.1	261	0.7	-9.0	
Depreciation	444	0.5	15.1	498	1.3	12.1	
Operating profit	827	0.9	456.1	-24	-0.1	-102.9	
Non-operating income	575	0.6	-28.7	394	1.0	-31.4	
Interest and dividends received	219	0.2	-9.1	169	0.4	-22.8	
Others	356	0.4	-37.0	226	0.6	-36.7	
Non-operating expenses	42	0.0	33.3	7	0.0	-82.1	
Interest paid	4	0.0	412.0	0	0.0	-88.4	
Others	38	0.0	23.2	7	0.0	-81.4	
Recurring profit	1,360	1.5	47.4	363	0.9	-73.3	
Extraordinary profit	1	0.0	-99.3	243	0.6	18007.4	
Extraordinary loss	187	0.2	-50.4	150	0.4	-19.9	
Pretax profit	1,174	1.3	60.2	455	1.2	-61.2	
Enterprise, corp., inhabitant's taxes	451	0.5	71.7	148	0.4	-67.1	
Net profit	723	0.8	53.8	307	0.8	-57.5	
Surplus, opening	9,376	-	1.5	9,784	-	4.3	
Surplus, increased	723	-	-4.9	307	-	-57.5	
Surplus, decreased	316	-	53.8	300	-	-5.1	
Surplus, closing	9,784	-	4.4	9,791	-	0.1	
EPS (¥)	60.12	-	-	25.78	-	-	

Note: 1. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

2. FY2002 Parent Results (balance sheet 1)

(Unit: m¥; Figures rounded)

	2002 / 3	2003 / 3	Change	Main reason behind increase or decrease in assets
(Assets)				
(1) Current assets	29,761	17,024	-12,737	
1.Cash and deposits	8,177	4,660	-3,517	
2.Accounts and bills receivable	11,643	5,016	-6,628	Decrease due to Xbox products
3.Products	4,277	3,904	-373	
4.Short-term receivables	3,900	2,378	-1,522	All loans to subsidiaries
5.Deferred tax assets	338	228	-109	
6.Others	1,553	900	-654	
7.Reserves	-127	-61	66	
(2) Fixed assets	9,548	9,284	-264	
1.Tangible assets	2,077	1,797	-281	
Buildings	658	577	-81	
Land	517	473	-44	
Others	903	746	-156	
2.Intangible assets	825	707	-118	
Software	801	683	-117	
Others	24	24	-1	
3.Investments and other assets	6,645	6,780	136	
Long-term securities	401	302	-99	
Securities held in affiliates	5,589	5,885	296	
Guarantee deposits paid	416	424	9	
Deferred tax assets	102	70	-32	
Others	299	158	-141	
Reserves	-162	-59	103	
Total assets	39,309	26,308	-13,001	

Note:1. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

2. FY2002 Parent Results (balance sheet 2)

(Unit: m¥; Figures rounded)

	2002 / 3	2003 / 3	Change	Main reason behind in increase or decrease in assets
(Liabilities)				
(1) Current liabilities	23,537	10,761	-12,777	
1.Accounts and bills payable	19,570	9,433	-10,137	Decrease due to Xbox products
2.Deferred payents	1,501	1,022	-479	
3.Enterprise and other taxes owed	716	7	-709	
4.Reserves against bonuses	129	111	-19	
5.Others	1,621	189	-1,432	Decrease due to Xbox products
(2) Fixed liabilities	374	394	20	
1.Deferred tax liabilities	94	120	26	
2.Reserves against severance and past	-	-	-	
3.Others	280	275	-6	
Total Liabilities	23,912	11,155	-12,757	
(Shareholders' equity)				
(1) Capital	2,751	2,751	-	
(2) Capital reserve	2,776	2,776	-	
(3) Earned surplus	9,784	9,791	7	
1.Earned surplus reserves	176	176	-	
2.Voluntary reserves	8,740	9,160	420	
3.Unappropriated earned reserves	868	455	-413	
(4) Securities valuation account	87	94	6	
(5) Treasury stock	-1	-258	-257	
Total shareholders' equity	15,397	15,153	-244	
Liabilities and shareholders' equity	39,309	26,308	-13,001	

3. FY2003 Forecast (Consolidated profit and loss statement)

(Unit: m¥, %, ¥; Figures rounded)

	2003 / 3			2004 / 3 plan			Comments
		Of total (%)	YoY Change		Of total (%)	YoY Change	
Sales	122,516	100.0	-13.0	127,000	100.0	3.7	
Cost of sales	107,540	87.8	-15.4	111,460	87.8	3.6	Includes 1,377 million yen in loss on disposal and writedown
Gross profit	14,976	12.2	8.6	15,540	12.2	3.8	
SG&A costs	13,797	11.3	10.0	14,210	11.2	3.0	
Personnel costs	4,027	3.3	7.7	3,791	3.0	-5.9	
Subcontracted personnel costs	983	0.8	7.7	901	0.7	-8.4	
Depreciation	564	0.5	14.5	498	0.4	-11.7	
Operating profit	1,179	1.0	-5.4	1,330	1.0	12.8	
Non-operating income	277	0.2	-30.2	192	0.2	-30.5	
Interest and dividends received	11	0.0	-2.3	23	0.0	96.4	
Others	265	0.2	-31.1	170	0.1	-36.0	
Non-operating expenses	76	0.1	-39.7	23	0.0	-70.3	
Interest paid	1	0.0	-97.9	3	0.0	373.5	
Others	75	0.1	-25.5	20	0.0	-73.4	
Recurring profit	1,380	1.1	-9.1	1,500	1.2	8.7	
Extraordinary profit	224	0.2	351.2		0.0	-100.0	
Extraordinary losses	200	0.2	3.4	6	0.0	-97.0	
Pretax profit	1,404	1.1	2.2	1,494	1.2	6.4	
Enterprise, corp., inhabitant's taxes	626	0.5	0.9	624	0.5	-0.4	
Minority interest (-indicates loss)	11	0.0	-39.0		0.0	-100.0	
Net profit	767	0.6	4.3	870	0.7	13.5	
Surplus, opening	10,812	-	4.2	11,279	-	4.3	
Surplus, increase	767	-	4.3	870	-	13.5	
Surplus, decrease	300	-	-1.2	297	-	-1.0	
Surplus, closing	11,279	-	4.3	11,852	-	5.1	
EPS (¥)	64.40	-	-	72.35	-	-	
Facility investment amount	173	-	-84.9	60	-	-65.3	

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3. FY2003 Forecast (Consolidated)

1. Sales by product area (Plan)

(Unit: 100 m¥, %)

Item	Term	2003/3		2004/3 estimates			Comments	
		Of total (%)	YoY Change	Of total (%)	YoY Change			
Toys		520	42.4	27.1	572	45.0	10.0	
Childcare goods		27	2.2	-6.9	30	2.4	11.1	
Video games		343	28.0	-49.0	320	25.2	-6.7	
Amusements		55	4.5	0.0	60	4.7	9.1	
Videos		260	21.2	15.6	275	21.7	5.8	
Others		20	1.6	11.1	13	1.0	-35.0	
Total		1,225	100.0	-13.0	1,270	100.0	3.7	

2. Sales by product line (Plan)

Video games

(Unit: 100 m¥, %)

Item	Term	2003/3		2004/3 estimates			Comments	
		Of total (%)	YoY Change	Of total (%)	YoY Change			
PlayStation 2		208	60.6	-48.0	207	64.7	-0.5	
PlayStation		24	7.0	-69.2	10	3.1	-58.3	
Wonder Swan		27	7.9	-55.0	5	1.6	-81.5	
Game Boy Advance		16	4.7	128.6	42	13.1	162.5	
Game Cube		9	2.6	125.0	3	0.9	-66.7	
Others		59	17.2	-52.0	53	16.6	-10.2	
Total		343	100.0	-49.0	320	100.0	-6.7	

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4. FY2003 Parent Forecast (profit and loss statement)

(Unit: m¥, %; Figures rounded)

	2003 / 3			2004 / 3 plan			Comments
		Of total (%)	YoY Change		Of total (%)	YoY Change	
Sales	39,442	100.0	-56.1	37,000	100.0	-6.2	
Cost of sales	36,484	92.5	-56.4	34,502	93.2	-5.4	
Gross profit	2,958	7.5	-52.8	2,498	6.8	-15.6	
SG&A costs	2,982	7.6	-45.1	2,201	5.9	-26.2	
Personnel costs	1,506	3.8	-20.5	1,236	3.3	-17.9	
Subcontracted personnel costs	261	0.7	-9.0	230	0.6	-12.1	
Depreciation	498	1.3	12.1	464	1.3	-6.9	
Operating profit	-24	-0.1	-102.9	297	0.8	-	
Non-operating profit	394	1.0	-31.4	286	0.8	-27.5	
Interest and dividends received	169	0.4	-22.8	182	0.5	7.6	
Others	226	0.6	-36.7	104	0.3	-53.8	
Non-operating expenses	7	0.0	-82.1	3	0.0	-66.6	
Interest paid	0	0.0	-88.4	3	0.0	418.7	
Others	7	0.0	-81.4	0	0.0	-100.0	
Recurring profit	363	0.9	-73.3	580	1.6	60.0	
Extraordinary profit	243	0.6	18007.4		0.0	-100.0	
Extraordinary losses	150	0.4	-19.9	6	0.0	-96.0	
Pretax profit	455	1.2	-61.2	574	1.6	26.1	
Enterprise, corporation, inhabitant's taxes	148	0.4	-67.1	194	0.5	30.7	
Net profit	307	0.8	-57.5	380	1.0	23.9	
Surplus, opening	9,784	-	4.3	9,791	-	0.1	
Surplus, increase	307	-	-57.5	380	-	23.9	
Surplus, decrease	300	-	-5.1	297	-	-1.0	
Surplus, closing	9,791	-	0.1	9,875	-	0.9	
EPS (¥)	25.78	-	-	31.60	-	-	

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5. Group Companies

(Unit: m¥, %)

(Unit: m¥, %)

	Happinet JP Corporation						Happinet Pictures Corporation					
	2002/3		2003/3		2004/3 estimates	2002/3		2003/3		2004/3 estimates	2002/3	
		YoY Change		YoY Change			YoY Change		YoY Change			YoY Change
Sales	32,957	-	61,767	87.4	65,000	5.2	23,392	-5.8	25,539	9.2	27,000	5.7
Recurring profit	266	-	472	77.4	500	5.9	353	-75.8	386	9.3	400	3.6
Net profit	174	-	248	42.5	287	15.7	202	-82.4	236	16.8	233	-1.3

(Unit: m¥, %)

(Unit: m¥, %)

	Happinet Logistics Service Corporation						Happinet Robin Corporation					
	2002/3		2003/3		2004/3 estimates	2002/3		2003/3		2004/3 estimates	2002/3	
		YoY Change		YoY Change			YoY Change		YoY Change			YoY Change
Sales	4,014	-	5,535	37.9	5,308	-4.1	2,330	-5.9	2,736	17.4	3,525	28.8
Recurring profit	-419	-	169	-	77	-54.4	27	68.8	84	211.1	200	138.1
Net profit	-243	-	95	-	45	-52.6	16	220.0	36	125.0	119	230.6

Note:1. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

Toyokuni Corporation, which became a wholly owned Happinet subsidiary on October 1, 2001, merged with Happinet JP Corporation on March 1, 2002.

Happinet JP Corporation took over the trading rights of Matsui Sakae Toys Co., Ltd. on March 1, 2002.

2. On July 1, 2002, Beam Entertainment Corporation changed its company name to Happinet Pictures Corporation.

3. On September 1, 2002, Hearty Robin Corporation changed its company name to Happinet Robin Corporation.

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