



# Consolidated Financial Statements

for the 3rd Quarter of the Fiscal Year Ending March 31, 2012

February 9, 2012

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

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1. Consolidated Financial Statements  
(1) Consolidated Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2011)	Current Fiscal Year (As of December 31, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	8,220	9,090
Notes and accounts receivable-trade	23,206	47,338
Merchandise	6,418	7,355
Supplies	17	23
Other	3,252	2,882
Allowance for doubtful accounts	(76)	(102)
Total current assets	41,039	66,588
Noncurrent assets		
Property, plant and equipment	1,555	1,418
Intangible assets		
Goodwill	876	623
Other	2,255	1,245
Total intangible assets	3,132	1,869
Investments and other assets		
Investment securities	1,548	1,312
Other	1,408	1,726
Allowance for doubtful accounts	(175)	(167)
Total investments and other assets	2,780	2,871
Total noncurrent assets	7,468	6,158
Total assets	48,507	72,747
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	20,204	41,592
Income taxes payable	1,038	1,522
Provision for bonuses	314	111
Provision for point card certificates	5	6
Provision for business structure improvement	11	—
Provision for sales returns	21	23
Other	4,242	4,912
Total current liabilities	25,837	48,169
Noncurrent liabilities		
Provision for retirement benefits	1,630	1,734
Asset retirement obligations	45	46
Negative goodwill	51	26
Other	1,139	1,151
Total noncurrent liabilities	2,867	2,960
Total liabilities	28,704	51,129
<b>Net assets</b>		
Shareholders' equity		
Capital stock	2,751	2,751
Capital surplus	2,775	2,775
Retained earnings	15,175	17,113
Treasury stock	(1,091)	(1,091)
Total shareholders' equity	19,611	21,549
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	185	53
Deferred gains or losses on hedges	0	(0)
Total accumulated other comprehensive income	185	53
Subscription rights to shares	5	14
Minority interests	0	0
Total net assets	19,802	21,617
Total liabilities and net assets	48,507	72,747

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

(¥ million)

	Prior Fiscal Year (April 1, 2010 - December 31, 2010)	Current Fiscal Year (April 1, 2011 - December 31, 2011)
Net sales	148,993	157,618
Cost of sales	131,790	137,891
Gross profit	17,202	19,727
Selling, general and administrative expenses	14,315	14,894
Operating income	2,886	4,832
Non-operating income		
Interest income	1	1
Dividends income	35	25
Amortization of negative goodwill	28	25
Other	83	100
Total non-operating income	149	152
Non-operating expenses		
Interest expenses	16	3
Foreign exchange losses	7	0
Loss on cancel of lease contracts	—	1
Other	5	2
Total non-operating expenses	29	8
Ordinary income	3,007	4,977
Extraordinary income		
Gain on sales of noncurrent assets	3	2
Gain on sales of investment securities	28	—
Gain on sales of membership	—	1
Total extraordinary income	31	3
Extraordinary loss		
Loss on sales of noncurrent assets	0	7
Loss on retirement of noncurrent assets	14	1
Loss on sales of investment securities	—	1
Loss on valuation of investment securities	17	1
Loss on valuation of membership	—	0
Loss on sales of membership	—	1
Impairment loss	—	643
Loss on disaster	—	29
Loss on liquidation of subsidiaries	22	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	27	—
Total extraordinary losses	82	687
Income before income taxes	2,955	4,293
Income taxes-current	1,010	1,969
Income taxes-deferred	445	(34)
Total income taxes	1,456	1,934
Income before minority interests	1,499	2,358
Minority interests in income	(0)	0
Net income	1,499	2,358

(Consolidated Statements of Comprehensive Income)

(¥ million)

	Prior Fiscal Year (April 1, 2010 - December 31, 2010)	Current Fiscal Year (April 1, 2011 - December 31, 2011)
Income before minority interests	1,499	2,358
Other comprehensive income		
Valuation difference on available-for-sale securities	(165)	(131)
Deferred gains or losses on hedges	(0)	(0)
Total other comprehensive income	<u>(166)</u>	<u>(131)</u>
Comprehensive income	<u>1,332</u>	<u>2,226</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,333	2,226
Comprehensive income attributable to minority interests	(0)	0

## 2. Consolidated Financial Results by Business Segments

(1) 3rd Quarter of the Fiscal Year Ended March 31, 2011 (April 1, 2010 - December 31, 2010)

(¥ million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	53,793	45,252	37,099	12,847	148,993	—	148,993
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	53,793	45,252	37,099	12,847	148,993	—	148,993
Segment income(loss)	2,186	(342)	999	981	3,825	(938)	2,886

\*1 The 938million 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 statements of income

(2) 3rd Quarter of the Fiscal Year Ending March 31, 2012 (April 1, 2011 - December 31, 2011)

(¥ million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	61,739	43,089	35,652	17,135	157,618	—	157,618
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	61,739	43,089	35,652	17,135	157,618	—	157,618
Segment income	2,991	350	949	1,584	5,876	(1,044)	4,832

\*1 The 1,044 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 statements of income