



# Consolidated Quarterly Financial Statements

for the 1st Quarter of the Fiscal Year Ending March 31, 2013

August 9, 2012

1. Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

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## 1. Consolidated Quarterly Financial Statements

## (1) Consolidated Quarterly Balance Sheets

(¥ million)

	Prior Fiscal Year (As of March 31, 2012)	Current Fiscal Year (As of June 30, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	12,359	12,120
Notes and accounts receivable-trade	26,755	21,681
Inventories	6,168	8,088
Other	3,055	2,635
Allowance for doubtful accounts	△69	△66
<b>Total current assets</b>	<b>48,269</b>	<b>44,459</b>
<b>Noncurrent assets</b>		
Property, plant and equipment	1,392	1,354
<b>Intangible assets</b>		
Goodwill	539	454
Other	1,176	1,065
<b>Total intangible assets</b>	<b>1,715</b>	<b>1,520</b>
Investments and other assets	2,946	2,922
<b>Total noncurrent assets</b>	<b>6,054</b>	<b>5,797</b>
<b>Total assets</b>	<b>54,323</b>	<b>50,257</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	23,042	20,908
Income taxes payable	1,605	291
Provision for bonuses	472	492
Other provision	36	37
Other	4,459	3,760
<b>Total current liabilities</b>	<b>29,617</b>	<b>25,489</b>
<b>Noncurrent liabilities</b>		
Provision for retirement benefits	1,780	1,794
Other	1,129	1,096
<b>Total noncurrent liabilities</b>	<b>2,909</b>	<b>2,891</b>
<b>Total liabilities</b>	<b>32,527</b>	<b>28,380</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	2,751	2,751
Capital surplus	2,775	2,775
Retained earnings	17,213	17,369
Treasury stock	△1,091	△1,091
<b>Total shareholders' equity</b>	<b>21,649</b>	<b>21,804</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	128	51
Deferred gains or losses on hedges	0	△0
<b>Total accumulated other comprehensive income</b>	<b>128</b>	<b>50</b>
Subscription rights to shares	17	20
Minority interests	1	1
<b>Total net assets</b>	<b>21,795</b>	<b>21,876</b>
<b>Total liabilities and net assets</b>	<b>54,323</b>	<b>50,257</b>

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

(¥ million)

	Prior Fiscal Year (April 1, 2011 - June 30, 2011)	Current Fiscal Year (April 1, 2012 - June 30, 2012)
Net sales	42,434	36,895
Cost of sales	36,833	31,692
Gross profit	5,600	5,202
Selling, general and administrative expenses	4,527	4,436
Operating income	1,072	766
Non-operating income		
Interest income	0	0
Dividends income	20	15
Amortization of negative goodwill	7	7
Other	47	18
Total non-operating income	75	41
Non-operating expenses		
Interest expenses	1	1
Foreign exchange losses	0	1
Other	0	0
Total non-operating expenses	1	3
Ordinary income	1,146	804
Extraordinary income		
Gain on sales of noncurrent assets	0	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	0	—
Loss on valuation of investment securities	—	31
Loss on valuation of membership	0	—
Impairment loss	—	13
Loss on disaster	29	—
Total extraordinary losses	30	46
Income before income taxes and minority interests	1,115	757
Income taxes—current	496	292
Income taxes—deferred	△94	△53
Total income taxes	401	238
Income before minority interests	713	519
Minority interests in income	0	0
Net income	713	519

## (Consolidated quarterly statements of comprehensive income)

(¥ million)

	Prior Fiscal Year (April 1, 2011 - June 30, 2011)	Current Fiscal Year (April 1, 2012 - June 30, 2012)
Income before minority interests	713	519
Other comprehensive income		
Valuation difference on available-for-sale securities	△66	△76
Deferred gains or losses on hedges	0	△0
Total other comprehensive income	<u>△67</u>	<u>△77</u>
Comprehensive income	<u>646</u>	<u>441</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	646	441
Comprehensive income attributable to minority interests	0	0

## 2. Consolidated Quarterly Financial Results by Business Segments

(1) 1st Quarter of the Fiscal Year Ended March 31, 2012 (April 1, 2011 - June 30, 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	15,497	14,277	7,574	5,084	42,434	—	42,434
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	15,497	14,277	7,574	5,084	42,434	—	42,434
Segment income	498	204	106	539	1,349	△276	1,072

\*1 The 276 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 quarterly statements of income.

(2) 1st Quarter of the Fiscal Year Ending March 31, 2013 (April 1, 2012 - June 30, 2012)

(¥ million)

	Segments					Adjustment *1	Consolidated Total *2
	Toy business	Visual and Music business	Video-game business	Amusement business	Total		
Net sales							
To external customers	14,790	10,410	6,807	4,887	36,895	—	36,895
Inter-segment sales and transfers	—	—	—	—	—	—	—
Total	14,790	10,410	6,807	4,887	36,895	—	36,895
Segment income	440	24	73	501	1,040	△274	766

\*1 The 274 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 quarterly statements of income.