

# HAPPINET CORPORATION

Financial Summary

**Consolidated Financial Results for the Fiscal Year Ended**

**March 31, 2011**

**May 11, 2011**

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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 Report**  
**for the Fiscal Year Ended March 31, 2011 [Japanese GAAP]**

Company name	HAPPINET CORPORATION		
Stock listing	Tokyo Stock Exchange		
Code No.	7552	URL:	<a href="http://www.happinet.co.jp/">http://www.happinet.co.jp/</a>
Representative	Kazuhiko Note, President and COO		
Contact	Hideo Asatsu, Board Director and CFO		
Date of General Meeting of Stockholders	June 18, 2011		
Scheduled starting date for dividend payments	June 20, 2011		
Scheduled filing date of the annual security report	June 20, 2011		
The additional materials of quarterly results:	Yes		
Quarterly results presentation:	Yes (For analysts)		

\* Figures are in millions of yen, rounded down

**1. Consolidated Results for the Fiscal Year Ended March 31, 2011 (April 1, 2010 - March 31, 2011)**

**(1) Consolidated Operating Results**

	Net sales		Operating income		Ordinary income	
	¥ million	%	¥ million	%	¥ million	%
<b>Fiscal Year Ended March 31, 2011</b>	<b>190,891</b>	<b>(1.7)</b>	<b>2,855</b>	<b>22.7</b>	<b>3,013</b>	<b>19.9</b>
Fiscal Year Ended March 31, 2010	194,246	16.5	2,327	8.9	2,513	8.2

Note: Comprehensive income: As of FY 2011 1,179million yen (-11.4%), As of FY 2010 1,331million yen (-%)

	Net income		Net income per share	Net income per share (diluted)
	¥ million	%	¥	¥
<b>Fiscal Year Ended March 31, 2011</b>	<b>1,376</b>	<b>16.7</b>	<b>122.56</b>	—
Fiscal Year Ended March 31, 2010	1,179	3.9	104.60	—

	Return on Equity (ROE)	Return on Asset (ROA)	Operating income margin
	%	%	%
<b>Fiscal Year Ended March 31, 2011</b>	<b>7.1</b>	<b>6.2</b>	<b>1.5</b>
Fiscal Year Ended March 31, 2010	6.4	4.8	1.2

(Reference)

Gain or loss from the equity method: — million yen (FY 2011.3), — million yen (FY 2010.3)

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net asset per share
	¥ million	¥ million	%	¥
<b>Fiscal Year Ended March 31, 2011</b>	<b>48,507</b>	<b>19,802</b>	<b>40.8</b>	<b>1,767.34</b>
Fiscal Year Ended March 31, 2010	49,050	18,962	38.7	1,692.76

(Reference)

Shareholder's equity: 19,796 million yen (FY 2011.3), 18,961 million yen (FY 2010.3)

## (3) Consolidated Statement of Cash Flows

	Operating activities	Investing activities	Financing activities	Cash and cash equivalents at year-end
	¥ million	¥ million	¥ million	¥ million
<b>Fiscal Year Ended March 31, 2011</b>	<b>5,083</b>	<b>(315)</b>	<b>(2,852)</b>	<b>8,220</b>
Fiscal Year Ended March 31, 2010	6,232	(391)	(4,481)	6,312

## 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, 2010	—	15	—	15	30	336	28.7	1.8
<b>Fiscal Year Ended March 31, 2011</b>	—	<b>15</b>	—	<b>15</b>	<b>30</b>	<b>337</b>	<b>24.5</b>	<b>1.7</b>
<b>(Projection) Fiscal Year Ending March 31, 2012</b>	—	<b>15</b>	—	<b>15</b>	<b>30</b>		<b>21.0</b>	

## 3. Consolidated Projections for the Fiscal Year ending March 31, 2012 (April 1, 2011 - March 31, 2012)

	Net sales		Operating Profit		Recurring Profit		Net profit		Net profit per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim Period	86,000	1.1	1,350	8.9	1,400	6.5	750	5.2	66.96
Full Year	192,000	0.6	3,100	8.6	3,200	6.2	1,600	16.2	142.84

#### 4. Other Information

- (1) Significant changes in consolidated subsidiaries during the period: No
- (2) Changes in accounting principles, procedures, and presentation methods, etc.
- a) Changes due to changes in accounting standards: Yes
- b) Other changes: 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, 2011 | 12,025,000 shares |
| Fiscal year ended March 31, 2010 | 12,025,000 shares |
- b) Number of treasury shares at the end of the period
- |                                  |                |
|----------------------------------|----------------|
| Fiscal year ended March 31, 2011 | 823,705 shares |
| Fiscal year ended March 31, 2010 | 823,385 shares |
- c) Average number of shares during the period
- |                                  |                   |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2011 | 11,232,958 shares |
| Fiscal year ended March 31, 2010 | 11,277,363 shares |

#### 【Reference】 Non-consolidated Financial Statements

##### 1. Non-consolidated Results for the Fiscal Year Ended March 31, 2011 (April 1, 2010 - March 31, 2011)

###### (1) Non-consolidated Operating Results

	Net sales		Operating profit		Recurring profit	
	¥ million	%	¥ million	%	¥ million	%
<b>Fiscal Year Ended March 31, 2011</b>	<b>125,930</b>	<b>2.7</b>	<b>1,092</b>	<b>(42.6)</b>	<b>1,154</b>	<b>(42.5)</b>
Fiscal Year Ended March 31, 2010	122,575	(8.7)	1,905	5.7	2,009	5.1

	Net profit		Net profit per share	Net profit per share (diluted)
	¥ million	%	¥	¥
<b>Fiscal Year Ended March 31, 2011</b>	<b>477</b>	<b>(68.0)</b>	<b>42.50</b>	—
Fiscal Year Ended March 31, 2010	1,492	54.8	132.36	—

###### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net asset per share
	¥ million	¥ million	%	¥
<b>Fiscal Year Ended March 31, 2011</b>	<b>41,866</b>	<b>18,769</b>	<b>44.8</b>	<b>1,675.12</b>
Fiscal Year Ended March 31, 2010	39,393	18,798	47.7	1,678.22

(Reference)

Shareholder's equity: 18,763 million yen (FY 2011.3), 18,798 million yen (FY 2010.3)

### 3. Non-consolidated Projections for the Fiscal Year ending March 31, 2012

(April 1, 2011 - March 31, 2012)

	Net sales		Operating Profit		Recurring Profit		Net profit		Net profit per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Interim Period	45,000	(19.1)	450	(12.0)	500	(8.5)	250	(13.1)	22.32
Full Year	100,000	(20.6)	1,000	(8.5)	1,100	(4.7)	500	4.7	44.64

\* 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.