

FACT BOOK

(7552) HAPPINET CORPORATION

For the Fiscal Year ended March 31, 2012

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Group Vision, Management Stance, Standards of Conduct

Group Vision

We are committed to developing Happiness Networking to help build a dream-inspiring society by touching people's hearts with entertainment created in our own unique style.

Management Stance

We strive continually to anticipate change and move with the changing times, proactively adjusting our perspective to allow us to develop new business opportunities.

Customers

We endeavor to build strong relationships with capable partners, which enables us to provide satisfaction to those who matter most--the customers.

Employees

We value the diversity of individuals in our group and create career opportunities for able people through a challenging yet winning work environment.

Society

We have a firm moral compass for our business activities so they contribute to the creation of a happy, healthy society.

Shareholders

We constantly work to enhance management transparency and build shareholder confidence in our corporate governance.

Standards of Conduct

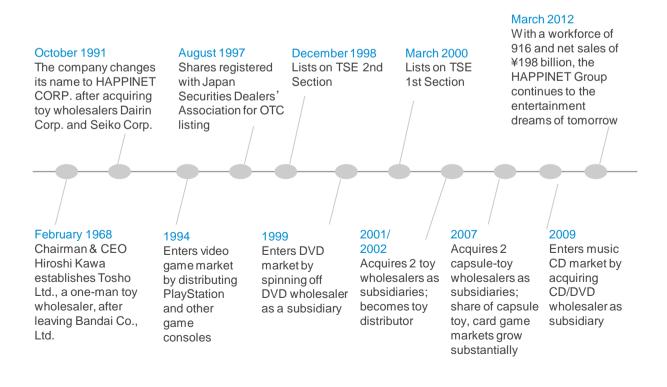
We hold that everyone in our group should be self-critical and consider not only what is important but also what is right before taking action.

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 P	rofile
Registered Name	HAPPINET CORPORATION
D URL	http://www.happinet.co.jp/
Head Office	Komagata CA Bldg., 2-4-5 Komagata, Taito-ku, Tokyo 111-0043 Japan
Established	June 7, 1969
Representatives	Chairman & CEO Hiroshi Kawai President & COO Kazuhiko Note
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





Business Segments and Group

Our operations can be divided into the following four segments: the Toy Business; Visual and Music Business; Video-Game Business; and the Amusement Business. For the fiscal year ended in March 2012, sales from each business respectively accounted for 39.0%, 28.1%, 21.6% and 11.3% of our Group total, reflecting a fairly balanced sales mix. Meanwhile, a breakdown in sales by channel shows that 31.6% of our products were sold through specialty stores, which include consumer electronics and camera stores, 20.4% through volume retailers, 13.3% through convenience stores, 12.7% through e-commerce, 9.7% through suburban stores, and 12.3% sold through other outlets.

The Happinet Group is comprised of the parent company, seven consolidated subsidiaries and one unconsolidated subsidiary.

Business Lines	Core Operating Companies	Key Characteristics
Toy Business	HAPPINET CORPORATION Hapoinet Marketing Corp.	One of the largest wholesalers in Japan, our Group handles some 80% of the toys produced by blue-chip toy maker Bandai (which, in turn, comprise about 50% of our Group's product lineup)
Visual and Music Business	HAPPINET CORPORATION Happinet Pictures & Music Corp.	We have achieved panity with the wholesaling industry's largest firms. Visual software accounts for slightly less than 70% of total sales, of which 10% plus represents products that were developed and made in-house (the remaining 30% comes from our music product operation centered on CDs).
Video-Game Business	HAPPINET CORPORATION Mori Games Co. Ltd.	We are the only wholesaler in Japan that handles every domestic home game console. The PlayStation series (PS3, PSP,PSVita) account for 45% of all game consoles we handle, while Nintendo products account for 32% and the rest, 23%.
Amusement Business	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.



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



Logistics Center-East Japan Second Logistics Center-East Japan



Second Logistics Center-West Japan

Logistics Center-East Japan

Second Logistics Center-East Japan

Logistics Center-West Japan

Second Logistics Center-West Japan

Logistics Center-West Japan Second Logistics Center-West Japan



Logistics Center-East Japan



Second Logistics Center-East Japan

Launched in April 2001	Locate Floor S
Launched in February 2006	Locate Floor S
Launched in January 2008	Locate Floor S
Launched in July 2011	Locate Floor S

Located in Ichikawa City, Chiba Prefecture
located in Funabashi City, Chiba Prefecture
Located in Amagasaki City, Hyogo Prefecture Floor Space: 11,774m ²
Located in Amagasaki City, Hyogo Prefecture Floor Space: 12,468m ²

Consolidated Balance Sheets (Assets)



(¥Million)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Assets					
Total assets	48,486	54,661	49,050	48,507	54,323
Current assets	40,801	44,864	40,140	41,039	48,269
Cash and deposits	5,927	5,463	6,312	8,220	12,359
Notes and accounts receivable-trade	21,330	25,149	22,937	23,206	26,755
Merchandise	7,401	9,325	6,729	6,418	6,149
Supplies	49	20	20	17	19
Advance payments-trade	2,868	2,315	1,858	1,016	634
Deferred tax assets	1,996	1,502	1,153	939	926
Accounts receivable-other	690	932	930	1,000	1,174
Other	701	783	348	296	319
Allowance for doubtful accounts	(166)	(629)	(149)	(76)	(69)
Noncurrent assets	7,685	9,797	8,910	7,468	6,054
Property. plant and equipment	2,218	1,952	1,668	1,555	1,392
Buildings and structures	1,824	1,732	1,590	1,634	1,584
Accumulated depreciation	(1,185)	(1,163)	(1,118)	(1,170)	(1,175)
Buildings and structures. net	638	569	472	463	408
Machinery. equipment and vehicles	919	922	942	965	968
Accumulated depreciation	(653)	(707)	(744)	(784)	(817)
Machinery. equipment and vehicles. net	265	214	198	181	150
Tools. furniture and fixtures	2,643	2,695	1,676	1,473	1,240
Accumulated depreciation	(2,180)	(2,235)	(1,323)	(1,201)	(1,028)
Tools. furniture and fixtures. net	462	459	353	272	212
Land	851	701	638	633	617
Lease assets	-	7	7	7	7
Accumulated depreciation	-	(0)	(1)	(3)	(4)
Lease assets. net	-	7	5	4	2
Intangible assets	2,215	4,488	3,836	3,132	1,715
Goodwill	770	1,868	1,322	876	539
Lease assets	-	60	46	-	-
Other	1,444	2,559	2,467	2,255	1,176
Investments and other assets	3,251	3,355	3,405	2,780	2,946
Investment securities	2,210	1,742	2,083	1,548	1,419
Long-term prepaid expenses	79	9	19	5	5
Guarantee deposits	674	892	834	663	678
Membership	67	47	41	36	26
Long-term loans receivable	-	-	-	50	25
Deferred tax assets	16	542	360	416	711
Other	380	254	333	235	252
Allowance for doubtful accounts	(176)	(133)	(267)	(175)	(173)

Consolidated Balance Sheets (Liabilities and Net assets)



(¥ Million)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Liabilities					
Total liabilities	29,675	36,476	30,088	28,704	32,527
Current liabilities	27,426	33,171	27,436	25,837	29,617
Notes and accounts payable-trade	21,096	20,748	19,832	20,204	23,042
Short-term loans payable	30	5,140	2,350	-	-
Current portion of long-term loans payable	96	380	110	-	-
Lease obligations	-	16	16	1	1
Accounts payable-other	2,494	3,640	2,586	3,225	3,351
Income taxes payable	57	433	443	1,038	1,605
Accrued consumption taxes	235	236	448	286	404
Provision for bonuses	390	445	603	314	472
Provision for point card certificates	11	6	4	5	6
Provision for business structure improvement	2,599	1,189	177	11	-
Provision for sales returns	-	49	40	21	30
Other	414	885	823	729	702
Noncurrent liabilities	2,248	3,305	2,651	2,867	2,909
Long-term loans payable	31	430	30	-	-
Lease obligations	-	51	35	2	1
Provision for retirement benefits	1,135	1,356	1,424	1,630	1,780
Long-term guarantee deposited	689	947	896	1,034	1,008
Deferred tax liabilities	44	1	19	5	3
Asset retirement obligations	-	-	-	45	46
Negative goodwill	94	128	89	51	19
Other	253	388	154	95	48
Net assets					
Total net assets	18,811	18,184	18,962	19,802	21,795
Shareholders' equity	17,832	17,955	18,580	19,611	21,649
Capital stock	2,751	2,751	2,751	2,751	2,751
Capital surplus	2,776	2,776	2,776	2,775	2,775
Retained earnings	12,544	13,328	14,169	15,175	17,213
Treasury stock	(239)	(900)	(1,117)	(1,091)	(1,091)
Accumulated other comprehensive income	725	229	381	185	128
Valuation difference on available-for-sale securities	725	228	381	185	128
Deferred gains or losses on hedges	-	0	0	0	0
Subscription rights to shares					17
Minority interests	253		0	0	1
Total liabilities and net assets	48,486	54,661	49,050	48,507	54,323

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Consolidated Statements of Income



(¥Million)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Net sales	168,958	166,778	194,246	190,891	198,021
Cost of sales	150,651	146,787	171,779	168,564	173,013
Gross profit	18,306 16.855	19,990 17,852	22,467 20.140	22,326 19,471	25,007 20,151
Selling. general and administrative expenses Warehouse deposit expenses	1,301	542	1,636	1,647	1,927
Freightage expenses	2,386	2,310	2,610	2,161	2,219
Promotion expenses	734	808	731	832	915
Directors' compensations. salaries and allowances	6,282	7,241	7,291	7,546	7,496
Bonuses	443	440	437	222	237
Provision for bonuses	393	408	594	288	472
Retirement benefit expenses	225	284	355	495	309
Traveling and transportation expenses	485 172	531 179	472	463 151	487 120
Communication expenses Supplies expenses	424	456	193 710	667	1,057
Rents	1,170	1,326	1,429	1,351	1,254
Rent expenses	186	187	348	128	105
Depreciation	427	546	825	781	688
Amortization of goodwill	216	238	446	445	337
Provision of allowance for doubtful accounts	62	328	-	-	-
Provision for point card certificates	1	5	4	5	10
Other	1,940	2,015	2,051	2,279	2,508
Operating income	1,451	2,137	2,327	2,855	4,855
Non-operating income	162 16	265	275 4	190 2	186
Interest income Dividends income	30	12 59	47	40	2 25
Land and house rent received	-	-	-	9	23
Amortization of negative goodwill	13	26	38	37	32
Other	102	167	184	100	103
Non-operating expenses	43	80	89	33	9
Interest expenses	20	11	55	19	5
Foreign exchange losses	4	28	-	7	-
Loss on cancel of lease contracts	-	15	-	-	2
Other	18	24	33	6	1
Ordinary income Extraordinary income	1,569 1	2,322 41	2,513 138	3,013 148	5,032 3
Gain on sales of noncurrent assets	1	5	5	3	2
Gain on sales of investment securities	0	18	11	93	-
Gain on sales of memberships	-	-	-	-	1
Reversal of allowance for doubtful accounts	-	17	121	50	-
Extraordinary loss	4,029	381	576	341	724
Loss on sales of noncurrent assets	1	21	16	1	8
Loss on retirement of noncurrent assets	26	44	72	57	8
Loss on sales of investment securities Loss on valuation of investment securities	- 66	9 115	1 0	24 129	1
Impairment loss		56	49	9	669
Loss on cancellation of lease contracts	-	-	-	9	-
Loss on liquidation of subsidiaries	-	-	-	22	-
Loss on disaster	-	-	-	61	29
Loss on adjustment for changes of accounting standard for	-	-	-	27	-
asset retirement obligations				21	_
Loss on valuation of membership	-	-	6	-	5
Loss on sales of membership Loss on sales of subsidiaries' stocks	-	-	- 0	-	1
Office transfer expenses	-	-	66	-	-
Loss on prior period adjustment	-	-	363	-	-
Retirement benefit expenses	-	32	-	-	-
Extra retirement payments	-	101	-	-	-
Loss on business structure improvement	3,253	-	-	-	-
Loss on disposal of inventories	525	-	-	-	-
Provision of allowance for doubtful accounts	100	-	-	-	-
of receivables from subsidiaries	55	-	_	_	
Loss on closing of qualified retirement pension plan Income before income taxes and minority interests	(2,458)	1,983	2,074	2,820	4,311
Total income taxes	(967)	833	895	1,443	1,852
Income taxes-current	378	568	463	1,168	2,062
Income taxes-deferred	(1,346)	264	432	275	(209)
Income before minority interests	(1,490)	1,150	1,179	1,376	2,458
Minority interests in income (loss)	(0)	14	(0)	(0)	0
Net income (loss)	(1,490)	1,135	1,179	1,376	2,458

Consolidated Statements of Comprehensive Income



(¥ Million)	08/3月期	09/3月期	10/3月期	11/3月期	12/3月期
Income before minority interests	-	-	-	1,376	2,458
Other comprehensive income				(196)	(56)
Valuation difference on available-for-sale securities	-	-	-	(196)	(56)
Deferred gains or losses on hedges	-	-	-	0	0
Comprehensive income				1,179	2,402
Comprehensive income attributable to					
Comprehensive income attributable to owners of the parent	-	-	-	1,180	2,401
Comprehensive income attributable to minority interests	-	-	-	(0)	0

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Consolidated Statements of Cash Flows



Net cash provided by (used in) operating activities 1.691 0.51 6.222 5.083 Income (loss) before income taxes and minority interests (2,458) 1,983 2,074 2,820 Deprecision and anotitation 427 5.46 825 781 Ingainment los - 56 49 9 Lass on adjustment for changes of accounting studied for asset determent oblgations - 27 Anotization of goodbill 203 212 408 408 Increase (decrease) in provision for business structure 2 9 158 (29) Increase (decrease) in provision for business structure 2.599 (1,469) (1,012) (161) Increase (decrease) in provision for business structure 2.599 (1,469) (1,91) (162) Increase (decrease) in provision for business structure 2.599 (1,430) (1,32) (43) Interest and dividents income torournert assets 26 60 83 54 Loss (gain) on sales of interferment of noncurrent assets 26 10 129 Loss (gain) on sales of interferment of no	(¥ Million)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
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Interest expenses 20 11 55 19 Evergin exchange losses (gins) - 15 (7) 7 Loss (gint) on sales of investment securities 00 9 9 (69) Loss (gint) on sales of investment securities 66 115 0 129 Loss (gint) on valuation of investment securities 66 115 0 129 Loss (gint) on sales of membership - - 6 - Loss (gint) on sales of membership - - 863 (78) Decrease (increase) in inotes and accounts receivable-trade 2,743 1,478 2,178 (296) Decrease (increase) in accounts receivable-trade 7,55 1,353 457 842 Decrease (increase) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accuad consumption taxes (24) ((47)	(71)	(52)	(43)	(28)
Foreign exchange losses (gains) - 15 (7) 7 Loss (gain) on sales and retirement of noncurrent seets 26 60 83 54 Loss (gain) on sales of threstment securities 0 (9) (9) (60) Loss (gain) on sales of membership - - 22 Loss on valuation of membership - - 6 - Loss (gain) on sales of membership - - 6 - Loss (gain) on sales of membership - - 6 - Loss (gain) on sales of membership - - 83 - Decrease (increase) in introuncrises (305) 252 2.595 314 Decrease (increase) in adorce payments 755 1,533 457 842 Increase (decrease) in accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts payable-trade (631) (142) (632) 586 Increase (decrease) in accounts payable-trade (631) (143) (634) (33) <t< td=""><td></td><td>()</td><td>. ,</td><td>. ,</td><td>. ,</td><td>5</td></t<>		()	. ,	. ,	. ,	5
Loss (gain) on sales and refirement of noncurrent assets 26 60 83 54 Loss (gain) on sales of investment securities 00 (9) (9) (60) Loss (gain) on sales of investment securities 66 115 0 129 Loss (gain) on valuation of membership - - 6 - Loss (gain) on prior prior did djustment - 363 - Decrease (increase) in inventories (305) 252 2,595 314 Decrease (increase) in advance payments 755 1,353 467 842 Decrease (increase) in accounts receivable-trade (2,413) (1,478) (2,178) (296) Decrease (increase) in accounts receivable-trade 96 (42) 2 (89) Increase (decrease) in accounts receivable-trade (313) (142) (892) 585 Increase (decrease) in accounts payable-tother 96 (42) 2 (89) Increase (decrease) in accounts payable-tother (31) (142) (892) (802) Increase (decrease) in accrease) and accumts pa	•	-	15	(7)	7	(1)
Loss (apin) on sales of investment securities (0) (9) (9) (69) Loss on liquidation of subsidiaries - - - 22 Loss (apin) on valuation of investment securities 66 115 0 129 Loss (apin) on prior period adjustment - - 6 - Loss (apin) from prior period adjustment - - - - Decrease (increase) in inventories (305) 252 2,595 314 Decrease (increase) in advance payments 755 1,333 457 842 Increase (decrease) in accounts payable-trate (1039) (3,436) (1,279) 371 Decrease (increase) in accounts payable-tother (631) (142) 2 (69) Increase (decrease) in accounts payable-tother (631) (142) 2 (69) Increase (decrease) in accounts payable-tother (631) (142) 2 26 Increase (decrease) in accounts payable-tother (631) (142) 2 20 Increase (decrease) in accounts payable 32 <td></td> <td>26</td> <td>60</td> <td>. ,</td> <td>54</td> <td>14</td>		26	60	. ,	54	14
Loss on liquidation of subsidiaries - - - - 22 Loss (gain) on sales of membership - - - - - Loss (gain) on sales of membership - - - - - Loss (gain) no sales of membership - - 363 - Decrease (increase) in inventories (305) 252 2,595 314 Decrease (increase) in inventories (305) 252 2,595 314 Decrease (increase) in advance payments 755 1,353 457 842 Decrease (increase) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounts receivable-other (631) (142) (692) 586 Increase (decrease) in accounts receivable-other (631) (141) (692) 586 Increase (decrease) in accounts receivable 32 25 195 (32) Decrease (increase) in other inabilities 32 28 517 - Increase (decrease) in accounts pactivities		(0)	(9)	(9)	(69)	1
Loss (gain) on sales of membership - - - - Loss on valuation of membership - - - 363 - Decrease (increase) in notes and accounts receivable-trade 2,743 1,478 2,178 (226) Decrease (increase) in investing adcounts receivable-trade (305) 252 2,595 314 Decrease (increase) in accounts receivable-trade (1039) (3436) (1,279) 371 Decrease (increase) in accounts receivable-trade 96 (42) 2 (69) Increase (decrease) in accounts receivable-other 96 (42) 28 (161) Decrease (increase) in accrued consumption taxes (24) (28) 219 (161) Decrease (increase) in other labilities 32 25 195 (32) Statistical (260) (111) (58) (20) Interest and dividends income received 47 71 52 42 Interest and dividends income received 47 71 52 42 Interest expenses paid (20) (111) (58) (27) Net cash provided by		-	-	-	. ,	-
Loss Gravialuation of membership - - 6 Loss (gain) from prior period adjustment - - 363 - Decrease (increase) in inventories (305) 252 2,595 314 Decrease (increase) in inventories (305) 252 2,595 314 Decrease (increase) in notes and accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounts payable-other (631) (142) (692) 586 Increase (decrease) in accrued consumption taxes (24) (28) 219 (161) Decrease (increase) in other assets (640) (91) 216 222 Increase (decrease) in other assets (640) (91) 216 222 Increase (decrease) in other assets (640) (91) 216 222 Increase (decrease) in other assets (620) (11) (58) (20) Increase (decrease) in other assets (20) (11) (58) (20) Increase (decrease) in other assets		66	115	0	129	1
Loss (gain) from prior period adjustment - - - 363 - Decrease (increase) in notes and accounts receivable-trade 2,743 1,478 2,178 (296) Decrease (increase) in notes and accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in notes and accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts payable-other (631) (142) (692) 568 Increase (decrease) in accounts payable-other (631) (142) (692) 568 Increase (decrease) in other inabilities 32 25 195 (32) Decrease (increase) in other inabilities 32 25 195 (32) Stabtoal (200) (111) (58) (20) Interest advenses paid (201) (111) (58) (20) Increase (ductase) paid (301) (430) (574) Net cash provided by (used in) investing activities (424) (851) (391) (315) Proceeds from sales of investment securities (261) (276) (188) (137) <td>Loss (gain) on sales of membership</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>(0)</td>	Loss (gain) on sales of membership	-	-	-	-	(0)
Decrease (increase) in notes and accounts receivable-trade 2,743 1,478 2,178 (266) Decrease (increase) in inventories (305) 252 2,595 314 Decrease (increase) in notes and accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounts payable-other (631) (142) (682) 586 Increase (decrease) in accounts payable-other (64) (91) 216 222 Increase (decrease) in other liabilities 32 25 195 (32) Subtotal 2,566 1,085 6,609 5,635 Interest expenses paid (901) (11) (58) (20) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Proceeds from sales of property. plant and equipment 0 141 56 88 Proceeds from sales of proper		-	-	6	-	5
Decrease (increase) in notes and accounts receivable-trade 2,743 1,478 2,178 (266) Decrease (increase) in notes and accounts payable-trade (305) 252 2,595 314 Decrease (increase) in notes and accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounts payable-other (631) (142) (682) 586 Increase (increase) in other liabilities 32 25 195 (322) Subotal 2,566 1,085 6,069 5,685 Interest expenses paid (20) (11) (58) (20) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Proceeds from sales of property. plant and equipment 0 141 56 8 Proceeds from sales of investment securities 210 218 - - Proceeds from sal	Loss (gain) from prior period adjustment	-	-	363	-	-
Decrease (increase) in advance payments 755 1,353 457 842 Increase (decrease) in notes and accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounts receivable-other (631) (142) (692) 586 Increase (decrease) in other assets (64) (91) 216 222 Increase (decrease) in other assets (64) (91) 216 222 Increase (decrease) in other liabilities 32 25 195 (32) Subtofal 2.566 1.085 6.669 5.635 Interest expenses paid (20) (11) (58) (20) Increase of property. plant and equipment 0 141 56 8 Purchase of investment securities (23) (24) (180) (301) Purchase of investment securities 0 169 55 341 Purchase of investment securities - - -		2,743	1,478	2,178	(296)	(3,551)
Decrease (increase) in advance payments 755 1,353 457 842 Increase (decrease) in accounts receivable-other (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts receivable-other (631) (142) (692) 586 Increase (decrease) in accounts payable-other (631) (142) (692) 586 Increase (decrease) in other assets (64) (91) 216 222 Increase (decrease) in other liabilities 32 25 195 (32) Suboral 2.566 1.095 6.669 5.635 Interest stynowided by (used in) investing activities 447 71 52 42 Interest stynowided by (used in) investing activities 449 (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property. plant and equipment 0 141 56 8 Purchase of investment securities (23) (24) (183) (301) Purchase of investment securities -<	Decrease (increase) in inventories	(305)	252	2,595	314	267
Increase (decrease) in notes and accounts payable-trade (1,039) (3,436) (1,279) 371 Decrease (increase) in accounts receivable-other (631) (142) 2 (69) Increase (decrease) in accounts payable-other (631) (142) (682) 596 Increase (decrease) in accounts payable-other (631) (142) (682) 219 (161) Decrease (increase) in other liabilities 32 25 195 (32) Subtotal (20) (11) (58) (20) Increase paid (20) (11) (58) (20) Increase paid (20) (11) (58) (20) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of investment securities (502) (264) (183) (330) (301) Purchase of investment securities 0 141 56 8 8 17 - Purchase of investment securities 0 169 55 341 <		· · ·				381
Decrease (increase) in accounts receivable-other 96 (42) 2 (69) Increase (decrease) in accounds payable-other (631) (142) (692) 586 Increase (decrease) in accound consumption taxes (24) (28) 219 (161) Decrease (increase) in other assets (64) (91) 216 222 Subtotal 2.566 1.085 6.669 5.635 Interest and dividends income received 47 71 52 42 Interest sepenses paid (20) (11) (58) (20) Increase (decrease) in ductivities activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property, plant and equipment 0 141 56 8 Purchase of investment securities (23) (221) (118) (195) Proceeds from sales of investment securities 0 169 55 341 Purchase of investment securities - - -		(1.039)		(1.279)	371	2,838
Increase (decrease) in accounts payable-other (631) (142) (692) 586 Increase (decrease) in baccrued consumption taxes (24) (28) 219 (161) Decrease (increase) in other liabilities 32 25 195 (32) Subtotal 2,566 1,005 6,669 5,635 Interest and dividends income received 47 71 52 42 Interest and dividends income received 477 71 52 42 Interest and dividends income received 477 71 52 42 Interest approvided by (used in) investing activities (20) (111) (58) (20) Net cash provided by (used in) investing activities 32 88 517 - Proceeds from vithdrawal of time deposits 32 88 517 - Purchase of intergible assets (500) (843) (830) (301) Purchase of intergible assets (530) (843) (830) (301) Purchase of intergible assets (500) (843) <td< td=""><td></td><td></td><td>· · · · ·</td><td>· · · /</td><td>(69)</td><td>(174)</td></td<>			· · · · ·	· · · /	(69)	(174)
Increase (decrease) in accrued consumption taxes (24) (28) 219 (161) Decrease (increase) in other assets (64) (91) 216 222 Increase (increase) in other assets (64) (91) 216 222 Stubtotal 2,556 1,085 6,669 5,635 Interest and dividends income received 47 71 52 42 Interest and dividends income received 47 71 52 42 Interest and dividends income received 47 71 52 42 Interest expenses paid (901) (193) (430) (574) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of investituent securities (23) (221) (118) (195) Proceeds from sales of property, plant and equipment 0 141 56 8 Purchase of investment securities (23) (221) (118) (195) Proceeds from sales of investment securities 0		(631)			. ,	86
Decrease (increase) in other assets (64) (91) 216 222 Increase (decrease) in other liabilities 32 25 195 (32) Subtotal 2.566 1.085 6.669 5.635 Interest and dividends income received 47 71 52 42 Interest expenses paid (20) (11) (58) (20) Income taxes paid (901) (193) (430) (574) Net cash provided by (used in) investing activities (494) (851) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property, plant and equipment 0 141 56 8 Purchase of investment securities (23) (221) (118) (139) Proceeds from sales of investment securities 0 169 55 341 Payments of loans receivable - - - - Collection of loans receivable - - - - Proceeds from purchase of investments in		· · ·	· · ·	· · · ·	(161)	118
Increase (decrease) in other liabilities 32 25 195 (32) Subtotal 2,568 1,085 6,669 5,635 Interest and dividends income received 47 71 52 42 Interest and dividends income received 47 71 52 42 Interest and dividends income received 47 71 52 42 Interest and dividends income received (20) (11) (58) (20) Income taxes paid (20) (11) (58) (20) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property, plant and equipment (21) (276) (188) (139) Proceeds from sales of investment securities (23) (221) (118) (155) Purchase of investment securities 0 169 55 341 Payments of loans receivable - - - - <t< td=""><td></td><td>()</td><td>. ,</td><td>216</td><td>· · · ·</td><td>(73)</td></t<>		()	. ,	216	· · · ·	(73)
Subtotal 2,566 1,085 6,669 5,635 Interest and dividends income received 47 71 52 42 Interest expenses paid (20) (11) (58) (20) Income taxes paid (901) (193) (430) (574) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Proceeds from sales of property, plant and equipment 0 141 56 8 Purchase of investment securities (590) (843) (830) (301) Purchase of investment securities 0 169 55 341 Payments of loans receivable - - - - Proceeds from purchase of investments in subsidiaries 210 218 - - Proceeds from purchase of investments in subsidiaries - (232) - - Proceeds from purchase of consolidation 20 218 - -	Increase (decrease) in other liabilities	32		195	(32)	(83)
Interest expenses paid (20) (11) (58) (20) Income taxes paid (901) (193) (430) (574) Net cash provided by (used in) investing activities (494) (851) (391) (315) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property, plant and equipment 0 141 56 8 Purchase of intangible assets (590) (843) (830) (301) Purchase of investment securities 0 169 55 341 Payments of loans receivable - - - - Proceeds from purchase of investments in subsidiaries 210 218 - - Proceeds from purchase of investments in subsidiaries - - - - - Purchase of investments in subsidiaries - (232) - - - Purchase of investments in subsidiaries - (232) - - - Proceeds from purchase of in	Subtotal	2,566	1,085	6,669	5,635	6,085
Income taxes paid (901) (193) (430) (574) Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property. plant and equipment (261) (276) (188) (139) Proceeds from sales of property. plant and equipment 0 141 56 8 Purchase of investment securities (23) (221) (118) (195) Proceeds from sales of investment securities 0 169 55 341 Payments of loans receivable - - - - Proceeds from purchase of investments in subsidiaries 210 218 - - Purchase of investments in subsidiaries 210 218 - - Purchase of investments in subsidiaries - (232) - - Purchase of investments in subsidiaries - (232) - - Purchase of investments in subsidiaries 210 218 - - Purchase of investments in subsidiaries -	Interest and dividends income received	47	71	52	42	28
Net cash provided by (used in) investing activities(494)(851)(391)(315)Proceeds from withdrawal of time deposits3288517-Purchase of property, plant and equipment(261)(276)(188)(139)Proceeds from sales of property, plant and equipment0141568Purchase of intangible assets(590)(843)(830)(301)Purchase of investment securities(23)(221)(118)(195)Proceeds from sales of investment securities016955341Payments of loans receivable(50)Collection of loans receivableProceeds from purchase of investments in subsidiaries210218Proceeds from purchase of investments in subsidiaries210218Purchase of investments in subsidiaries-(232)Purchase of investments in subsidiaries210218Purchase of investments in subsidiaries210218Purchase of investments in subsidiaries-(232)Purchase of investments in subsidiaries-(232)Purchase of investments in subsidiaries210218Purchase of investments in subsidiaries-(232)Proceeds from provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease	Interest expenses paid	(20)	(11)	(58)	(20)	(5)
Net cash provided by (used in) investing activities (494) (851) (391) (315) Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property. plant and equipment (261) (276) (188) (139) Proceeds from sales of property. plant and equipment 0 141 56 8 Purchase of investment securities (23) (221) (118) (195) Proceeds from sales of investment securities 0 169 55 341 Payments of loans receivable - - - - Proceeds from purchase of investments in subsidiaries 210 218 - - Purchase of investments in subsidiaries - (232) - - - Purchase of investments in subsidiaries - (232) - - - Purchase of investments in subsidiaries - (232) - - - Purchase of investments in subsidiaries - (232) - - - Purchase of i		(901)	(193)	(430)	(574)	(1,499)
Proceeds from withdrawal of time deposits 32 88 517 - Purchase of property. plant and equipment (261) (276) (188) (139) Proceeds from sales of property. plant and equipment 0 141 56 8 Purchase of intangible assets (590) (843) (830) (301) Purchase of intangible assets (23) (221) (118) (195) Proceeds from sales of investment securities 0 169 55 341 Payments of loans receivable - - - - Collection of loans receivable - - - - Purchase of investments in subsidiaries 210 218 - - Purchase of consolidation 2137 104 115 20 Net cash provided by (used in) financing activities (1,655) (975) (4,481) (2,852) Decrease in short-term loans payable (367) (127) (670) (140) Proceeds from sales of treasury stock 0 0 0 102 Perparement of long-term loans payable (367) (127) <td>Net cash provided by (used in) investing activities</td> <td></td> <td></td> <td></td> <td></td> <td></td>	Net cash provided by (used in) investing activities					
Purchase of property. plant and equipment(261)(276)(188)(139)Proceeds from sales of property. plant and equipment0141568Purchase of intragible assets(590)(843)(830)(301)Purchase of investment securities(23)(221)(118)(195)Proceeds from sales of investment securities016955341Payments of loans receivable(50)Collection of loans receivableProceeds from purchase of investments in subsidiaries210218Perchase of investments in subsidiaries-(232)Purchase of inverting activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(372)Repayment of long-term loans payable(377)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216) </td <td>Net cash provided by (used in) investing activities</td> <td>(494)</td> <td>(851)</td> <td>(391)</td> <td>(315)</td> <td>(50)</td>	Net cash provided by (used in) investing activities	(494)	(851)	(391)	(315)	(50)
Proceeds from sales of property, plant and equipment0141568Purchase of intragible assets(590)(843)(830)(301)Purchase of investment securities(23)(221)(118)(195)Proceeds from sales of investment securities016955341Payments of loans receivable(50)Collection of loans receivable(50)Collection of loans receivableProceeds from purchase of investments in subsidiaries210218-resulting in change in scope of consolidation-(232)Purchase of investments in subsidiaries-(232)Purchase of investment point of long-term loans payable(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Ca	Proceeds from withdrawal of time deposits	32	88	517	-	-
Purchase of intangible assets(590)(843)(830)(301)Purchase of investment securities(23)(221)(118)(195)Proceeds from sales of investment securities016955341Payments of loans receivable(50)Collection of loans receivableProceeds from purchase of investments in subsidiaries210218Proceeds from purchase of investments in subsidiaries210218Purchase of investments in subsidiaries210218Purchase of investments in subsidiaries-(232)Purchase of investments in subsidiaries-(232)Other. net13710411520Net cash provided by (used in) financing activities(1.655)(975)(4.481)(2.852)Decrease in short-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash drividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents(457)(891)1,3661,907 <td>Purchase of property. plant and equipment</td> <td>(261)</td> <td>(276)</td> <td>(188)</td> <td>(139)</td> <td>(50)</td>	Purchase of property. plant and equipment	(261)	(276)	(188)	(139)	(50)
Purchase of investment securities(23)(221)(118)(195)Proceeds from sales of investment securities016955341Payments of loans receivable(50)Collection of loans receivableProceeds from purchase of investments in subsidiaries210218Purchase of investments in subsidiaries210218Purchase of investments in subsidiaries-(232)Purchase of investments in subsidiaries-(232)Net cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effec	Proceeds from sales of property. plant and equipment	0	141	56	8	30
Proceeds from sales of investment securities016955341Payments of loans receivable(50)Collection of loans receivableProceeds from purchase of investments in subsidiaries210218Purchase of investments in subsidiaries210218Purchase of investments in subsidiaries210218Purchase of investments in subsidiaries-(232)Other. net13710411520Net cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(189)(30)(2,790)(2,350)Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents42	Purchase of intangible assets	(590)	(843)	(830)	(301)	(68)
Payments of loans receivable(50)Collection of loans receivableProceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation210218Purchase of investments in subsidiaries210218Other. net13710411520Net cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(189)(30)(2,790)(2,350)Repayment of current portion of long-term loans payable(372)Proceeds from sales of treasury stock000102Purchase of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents42	Purchase of investment securities	(23)	(221)	(118)	(195)	(8)
Collection of loans receivableProceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation210218Purchase of investments in subsidiaries-(232)Other. net13710411520Net cash provided by (used in) financing activitiesNet cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(189)(30)(2,790)(2,350)Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents(457)(891)1,3661,907	Proceeds from sales of investment securities	0	169	55	341	3
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation210218Purchase of investments in subsidiaries-(232)Other, net13710411520Net cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Net cash provided by (used in) financing activities(189)(30)(2,790)(2,350)Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other, net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents42	Payments of loans receivable	-	-	-	(50)	-
resulting in change in scope of consolidation210218Purchase of investments in subsidiaries-(232)Other. net13710411520Net cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(189)(30)(2,790)(2,350)Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents42	Collection of loans receivable	-	-	-	-	25
resulting in change in scope of consolidation Purchase of investments in subsidiaries - (232) Other, net 137 104 115 20 Net cash provided by (used in) financing activities Net cash provided by (used in) financing activities (1,655) (975) (4,481) (2,852) Decrease in short-term loans payable (189) (30) (2,790) (2,350) Repayment of current portion of long-term loans payable (372) Repayment of long-term loans payable (367) (127) (670) (140) Proceeds from sales of treasury stock 0 0 0 0 102 Purchase of treasury stock (226) (660) (216) (109) Cash dividends paid (479) (354) (338) (338) Other, net (20) 197 (466) (16) Effect of exchange rate change on cash and cash equivalents (457) (891) 1,366 1,907 Cash and cash equivalents at beginning of period 6,252 5,837 4,945 6,312 Increase (decrease) in cash and cash equivalents 42	Proceeds from purchase of investments in subsidiaries	210	218	_	_	_
Other. net13710411520Net cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(189)(30)(2,790)(2,350)Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	resulting in change in scope of consolidation	210	210			
Net cash provided by (used in) financing activitiesNet cash provided by (used in) financing activities(1,655)(975)(4,481)(2,852)Decrease in short-term loans payable(189)(30)(2,790)(2,350)Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents6,2525,8374,9456,312	Purchase of investments in subsidiaries	-	(232)	-	-	-
Net cash provided by (used in) financing activities (1,655) (975) (4,481) (2,852) Decrease in short-term loans payable (189) (30) (2,790) (2,350) Repayment of current portion of long-term loans payable (372) - - - Repayment of long-term loans payable (367) (127) (670) (140) Proceeds from sales of treasury stock 0 0 0 102 Purchase of treasury stock (226) (660) (216) (109) Cash dividends paid (479) (354) (338) (338) Other. net (20) 197 (466) (16) Effect of exchange rate change on cash and cash equivalents (457) (891) 1,366 1,907 Cash and cash equivalents at beginning of period 6,252 5,837 4,945 6,312		137	104	115	20	18
Decrease in short-term loans payable (189) (30) (2,790) (2,350) Repayment of current portion of long-term loans payable (372) - - - Repayment of long-term loans payable (367) (127) (670) (140) Proceeds from sales of treasury stock 0 0 0 102 Purchase of treasury stock (226) (660) (216) (109) Cash dividends paid (479) (354) (338) (338) Other. net (20) 197 (466) (16) Effect of exchange rate change on cash and cash - (15) 7 (7) Net increase (decrease) in cash and cash equivalents (457) (891) 1,366 1,907 Cash and cash equivalents at beginning of period 6,252 5,837 4,945 6,312 Increase (decrease) in cash and cash equivalents 42 - - -	Net cash provided by (used in) financing activities					
Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	Net cash provided by (used in) financing activities	(1,655)	(975)	(4,481)	(2,852)	(421)
Repayment of current portion of long-term loans payable(372)Repayment of long-term loans payable(367)(127)(670)(140)Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	Decrease in short-term loans payable	(189)	(30)	(2,790)	(2,350)	-
Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	Repayment of current portion of long-term loans payable	(372)	-	-	-	-
Proceeds from sales of treasury stock000102Purchase of treasury stock(226)(660)(216)(109)Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	Repayment of long-term loans payable	(367)	(127)	(670)	(140)	-
Cash dividends paid(479)(354)(338)(338)Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	Proceeds from sales of treasury stock	0		0	102	-
Other. net(20)197(466)(16)Effect of exchange rate change on cash and cash equivalents-(15)7(7)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	Purchase of treasury stock	(226)	(660)	(216)	(109)	(0)
Effect of exchange rate change on cash and cash equivalents-(15)7(7)equivalents(457)(891)1,3661,907Net increase (decrease) in cash and cash equivalents6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42	Cash dividends paid		(354)	(338)	(338)	(419)
equivalents-(15)I(I)Net increase (decrease) in cash and cash equivalents(457)(891)1,3661,907Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42		(20)	197	(466)	(16)	(1)
Vet increase (decrease) in cash and cash equivalents (457) (891) 1,366 1,907 Cash and cash equivalents at beginning of period 6,252 5,837 4,945 6,312 Increase (decrease) in cash and cash equivalents 42 - -	Effect of exchange rate change on cash and cash		(45)	7	(7)	1
Cash and cash equivalents at beginning of period6,2525,8374,9456,312Increase (decrease) in cash and cash equivalents42424343	equivalents		(15)		(1)	1
Cash and cash equivalents at beginning of period 6,252 5,837 4,945 6,312 Increase (decrease) in cash and cash equivalents 42 42 42	Net increase (decrease) in cash and cash equivalents	(457)	(891)	1,366	1,907	4,138
Increase (decrease) in cash and cash equivalents						8,220
42						
		42				
Cash and cash equivalents at end of period 5,837 4,945 6,312 8,220	resulting from change of scope of consolidation					

Consolidated Statements of Change in Net Assets

(¥ Million)	FY3/11	FY3/12
Shareholders' equity		
Capital stock		
Balance at the end of previous period	2,751	2,751
Balance at the end of current period	2,751	2,751
Capital surplus		
Balance at the end of previous period	2,776	2,775
Changes of items during the period		
Disposal of treasury stock	(33)	-
Transfer of loss on disposal of treasury stock	32	-
Total changes of items during the period	(0)	-
Balance at the end of current period	2,775	2,775
Retained earnings		
Balance at the end of previous period	14,169	15,175
Changes of items during the period		
Dividends from surplus	(337)	(420)
Net income	1,376	2,458
Transfer of loss on disposal of treasury stock	(32)	-
Total changes of items during the period	1,006	2,038
Balance at the end of current period	15,175	17,213
Treasury stock		
Balance at the end of previous period	(1,117)	(1,091)
Changes of items during the period		
Purchase of treasury stock	(109)	(0)
Disposal of treasury stock	135	-
Total changes of items during the period	25	(0)
Balance at the end of current period	(1,091)	(1,091)
Total shareholders' equity		
Balance at the end of previous period	18,580	19,611
Changes of items during the period		
Dividends from surplus	(337)	(420)
Net income	1,376	2,458
Purchase of treasury stock	(109)	(0)
Disposal of treasury stock	102	-
Total changes of items during the period	1,031	2,037
Balance at the end of current period	19,611	21,649

(¥ Million)	FY3/11	FY3/12
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	381	185
Changes of items during the period		
Net changes of items other than shareholders' equity	(196)	(56)
Total changes of items during the period	(196)	(56)
Balance at the end of current period	185	128
Deferred gains or losses on hedges		
Balance at the end of previous period	0	0
Changes of items during the period		
Net changes of items other than shareholders' equity	(0)	0
Total changes of items during the period	(0)	0
Balance at the end of current period	0	0
Total accumulated other comprehensive income		
Balance at the end of previous period	381	185
Changes of items during the period		
Net changes of items other than shareholders' equity	(196)	(56)
Total changes of items during the period	(196)	(56)
Balance at the end of current period	185	128
Subscription rights to shares		
Balance at the end of previous period		5
Changes of items during the period		
Net changes of items other than shareholders' equity	5	11
Total changes of items during the period	5	11
Balance at the end of current period	5	17
Minority interests		
Balance at the end of previous period	0	0
Changes of items during the period		
Net changes of items other than shareholders' equity	(0)	0
Total changes of items during the period	(0)	0
Balance at the end of current period	0	1
Total net assets		
Balance at the end of previous period	18,962	19,802
Changes of items during the period		
Dividends from surplus	(337)	(420)
Net income	1,376	2,458
Purchase of treasury stock	(109)	(0)
Disposal of treasury stock	102	(0)
Net changes of items other than shareholders' equity	(190)	(44)
Total changes of items during the period	840	1,993
Balance at the end of current period	19.802	21,795



Consolidated Financial Results by Business Segments



(¥ Million)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Toy Business					
Net Sales	62,910	61,812	65,653	69,104	77,313
To Total Net Sales	37.2%	37.1%	33.8%	36.2%	39.0%
Segment Income/Loss	1,321	995	1,865	2,321	3,009
Segment Assets	14,218	15,494	16,011	16,191	16,482
Depreciation	240	267	542	505	356
Visual ans Music Business					
Net Sales	38,554	36,570	67,838	57,759	55,719
To Total Net Sales	22.8%	21.9%	34.9%	30.3%	28.1%
Segment Income/Loss	37	1,330	253	(656)	448
Segment Assets	9,866	17,152	14,944	11,454	12,882
Depreciation	67	71	137	174	202
Video-Game Business					
Net Sales	54,535	50,474	44,372	46,447	42,704
To Total Net Sales	32.3%	30.3%	22.9%	24.3%	21.6%
Segment Income/Loss	1,321	1,221	1,035	1,156	936
Segment Assets	10,387	9,545	7,473	7,799	8,861
Depreciation	49	45	33	24	86
Amusement Business					
Net Sales	12,957	17,919	16,381	17,579	22,282
To Total Net Sales	7.7%	10.7%	8.4%	9.2%	11.3%
Segment Income/Loss	(25)	(127)	544	1,340	1,801
Segment Assets	7,399	7,926	3,962	4,470	4,443
Depreciation	98	160	82	47	24
Adjustments					
Net Sales	-	-	-	-	-
Segment Income/Loss	(1,202)	(1,283)	(1,371)	(1,307)	(1,341)
Segment Assets	6,613	4,542	6,659	8,591	11,654
Depreciation	13	17	26	29	18
Consolidated Total					
Net Sales	168,958	166,778	194,246	190,891	198,021
Segment Income/Loss	1,451	2,137	2,327	2,855	4,855
Segment Assets	48,486	54,661	49,050	48,507	54,323
Depreciation	469	563	822	781	688
· · ·					

Performance Indicators



	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Share Price (¥)	1,530	1,219	1,142	1,094	958
Outstanding Shares Issued (shares)	12,025,000	12,025,000	12,025,000	12,025,000	24,050,000
Treasury Stock (shares)	175,645	653,005	823,385	823,705	1,647,990
Earnings per Share (¥)	(124.11)	97.64	104.60	122.56	109.73
Book Value per Share (¥)	1,566.17	1,599.08	1,692.76	1,767.34	972.13
Free Cash Flow per Share $(¥)$	99.54	8.32	485.74	396.51	189.56
Dividend per Share	40.00	30.00	30.00	30.00	38.75
EBITDA (¥million)	1,878	2,684	3,153	3,637	5,543
PER (times)	-	12.5	10.9	8.9	8.7
PBR (times)	1.0	0.8	0.7	0.6	1.0
PCFR (times)	22.8	8.7	14.4	2.1	4.5
EV/EBITDA Ratio (times)	6.7	5.6	3.1	1.4	1.9
Dividend Yield (%)	2.6	2.5	2.6	2.7	4.0

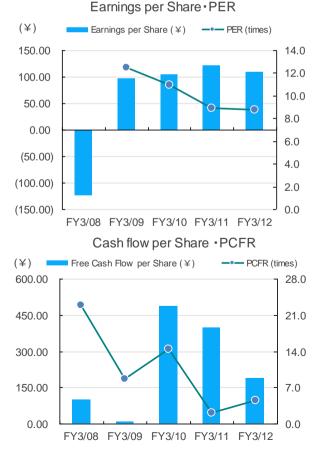
PCFR = Share Price/Cash Flows from Operating Activities per Share

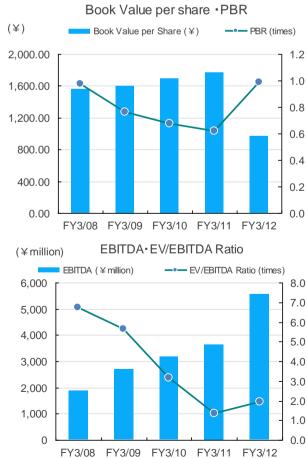
EBITDA = Operating Income+Depreciation

EV/EBITDA Ratio = EV/EBITDA

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

Note : Share splits (1 to 2) on Dec.1. 2011





Consolidated Growth/Profitability Indicators



(¥Million)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Net Sales	168,958	166,778	194,246	190,891	198,021
Gross Profit	18,306	19,990	22,467	22,326	25,007
SG&A Expenses	16,855	17,852	20,140	19,471	20,151
Operating Income	1,451	2,137	2,327	2,855	4,855
Ordinary income	1,569	2,322	2,513	3,013	5,032
Net Income	(1,490)	1,135	1,179	1,376	2,458

(%)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Gross Profit Ratio	10.8	12.0	11.6	11.7	12.6
SG&A Expenses Ratio	10.0	10.7	10.4	10.2	10.2
Operating Income Ratio	0.9	1.3	1.2	1.5	2.5
Ordinary Income Ratio	0.9	1.4	1.3	1.6	2.5
Net Income Ratio	(0.9)	0.7	0.6	0.7	1.2

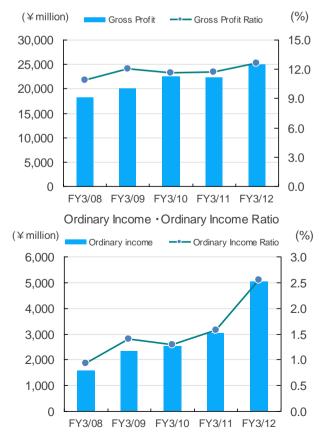
Gross Profit Ratio = Gross Profit/Net Sales

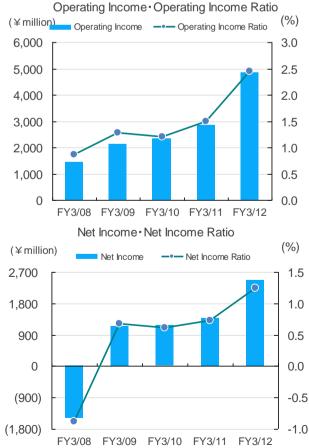
SG&A Expenses Ratio = SG&A Expenses/Net Sales

Operating Income Ratio = Operating Income/Net Sales

Ordinary Income Ratio = Ordinary Income/Net Sales

Net IncomeRatio = Net Income/Net Sales





Gross Profit • Gross Profit Ratio

Consolidated Profitability/Efficiency Indicators



(Times)	EV/2/00	EV/2/00	EV2/40	EV2/44	
(Times)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Total Assets Turnover	7.1	6.5	7.5	7.8	7.7
Equity Turnover	17.3	18.2	20.9	19.7	19.1
Noncurrent Assets Turnover	46.2	38.2	41.5	46.6	58.6
Current Assets Turnover	8.4	7.8	9.1	9.4	8.9

(%)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
ROA	(3.1)	2.2	2.3	2.8	4.8
ROE	(7.6)	6.2	6.4	7.1	11.8

Total Assets Turnover = Net Sales*2/Average Total Assets

Equity Turnover = Net Sales*2/Average Equity

Noncurrent Assets Turnover = Net Sales*2/Average Noncurrent Assets

Current Assets Turnover = Net Sales*2/Average Current Assets

ROA = Net income/Average Total Assets

ROE = Net income/Average Equity



Consolidated Efficiency/Stability Indicators



(¥Million)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Equity	18,558	18,184	18,961	19,796	21,777
Total Assets	48,486	54,661	49,050	48,507	54,323
Noncurrent Assets	7,685	9,797	8,910	7,468	6,054
Noncurrent Liabilities	2,248	3,305	2,651	2,867	2,909
Current Assets	40,801	44,864	40,140	41,039	48,269
Current Liabilities	27,426	33,171	27,436	25,837	29,617
Total net assets	18,811	18,184	18,962	19,802	21,795
Interest-bearing Debt	157	5,950	2,490	0	0

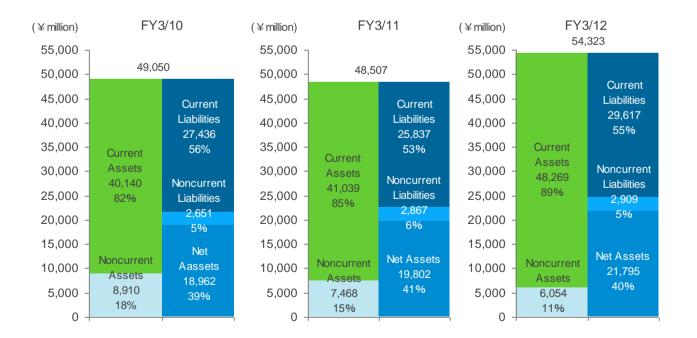
(%)	FY3/08	FY3/09	FY3/10	FY3/11	FY3/12
Equity Ratio	38.3	33.3	38.7	40.8	40.1
D/E Ratio	0.9	32.7	13.1	-	-
Fixed Ratio	41.4	53.9	47.0	37.7	27.8
Current Ratio	148.8	135.2	146.3	158.8	163.0

Equity Ratio = Equity/Average Total Assets

D/E Ratio = Interest-bearing Debt/Equity

Fixed Ratio = Noncurrent Assets/Equity

Current Ratio = Current Assets/Current Liabilities



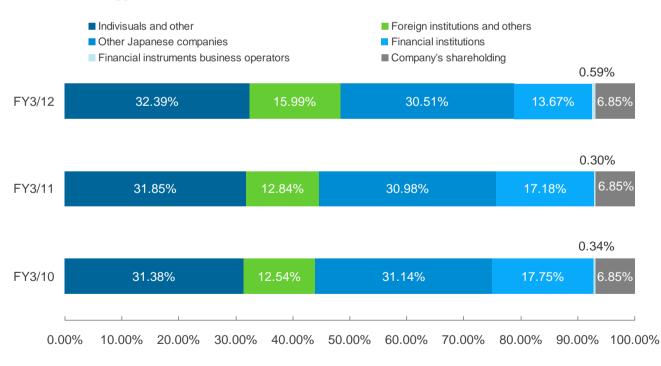


As of March 31, 2012

Top 10 Shareholders	Number of Shares	Shareholding Ratio(%)
NAMCO BANDAI Holdings Inc.	5,883,408	24.46
Ichigo Trust	2,337,200	9.71
Japan Trustee Services Bank, Ltd. (trust account)	1,316,100	5.47
Yasuhiko Idaira	763,000	3.17
Hiroshi Kawai	701,000	2.91
Japan Trustee Services Bank, Ltd. (trust account for Chuo Mitsui Asset Trust and Banking Company, Limited and employee retirement benefit of Sumitomo Mitsui Banking Corporation)	676,000	2.81
Kayo Kawai	541,800	2.25
Employees' Stockholding	420,440	1.74
Orient YK	400,000	1.66
The Master Trust Bank of Japan (trust account)	337,800	1.40

%In addition to the above, HAPPINET CORPORATION holds 1,647 thousands shares.

Breakdown of Type of Shareholder





HAPPINET CORPORATION

Corporate Management Division, Corporate Management Department, Corporate Communication Team Komagata CA Bldg., 2-4-5 Komagata, Taito-ku, Tokyo TEL: (03)3847-0410 (Japanese Only) FAX: (03)3847 -0420 E-mail:keiki_koho@HSN.happinet.co.jp