



HAPPINET CORPORATION

Stock Listing :Tokyo Stock Exchange

Code Number :7552

# Fiscal Year 2015 First Half Results Briefing

November 18, 2015



■ <b>First Half of FY2015 Financial Results</b> .....	<b>2</b>
■ <b>FY2015 First Half Results Summary</b> .....	<b>8</b>
■ <b>FY2015 Second Half Measures for the Intermediate Distribution Business</b> .....	<b>18</b>
■ <b>FY2015 Second Half Measures for the Manufacturing Business</b> .....	<b>23</b>
■ <b>FY2015 Full-Year Projection</b> .....	<b>28</b>

## First Half of FY2015 Results Summary

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**Tetsuo Ishikawa**

President and Representative Director

# First Half of FY2015 Results Summary



(millions of yen)

	First Half of FY2014	First Half of FY2015	YOY
Net sales	93,437	83,993	-10.1%
Operating income	2,362	1,837	-22.2%
Ordinary income	2,413	1,857	-23.1%
Net income	1,814	1,185	-34.7%

# FY2015 First Half Results Summary

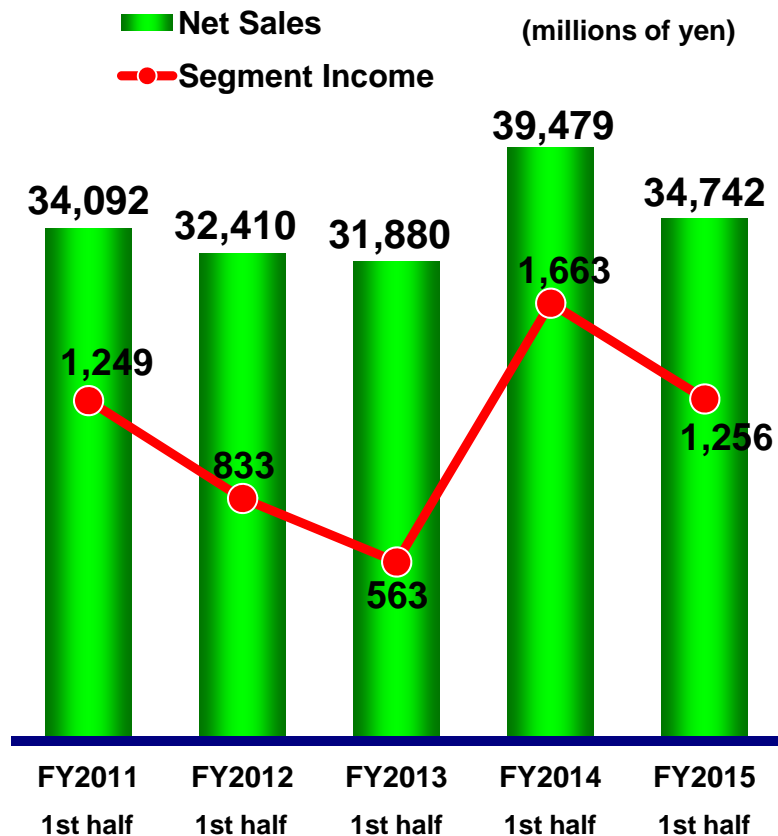


## Toy Business

### ■ FY2015 First Half Results Summary

Despite steady growth, mainly in classic merchandise, the results did not achieve the strong performance of the same period a year ago.

### ■ First Half Results for Each Fiscal Year



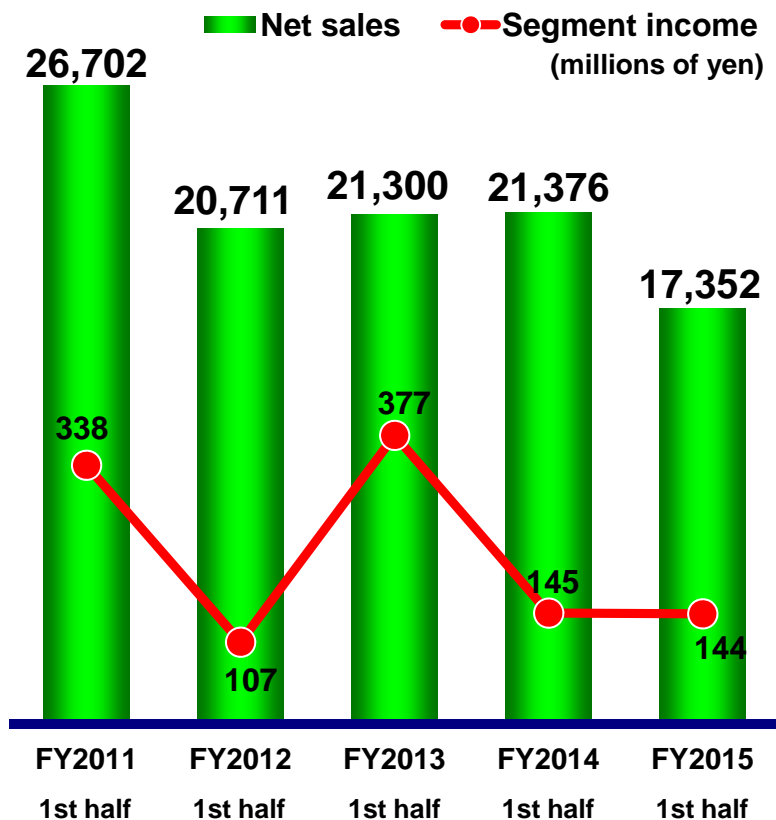
	1st half of FY2011	1st half of FY2012	1st half of FY2013	1st half of FY2014	1st half of FY2015
Clearance amounts	0.31 billion yen	0.29 billion yen	0.48 billion yen	0.63 billion yen	0.52 billion yen
Inventory amounts	3.0 billion yen	3.2 billion yen	3.8 billion yen	3.4 billion yen	4.6 billion yen
Inventory turnover rate	25.7	23.2	20.2	26.6	19.8

## Visual and Music Business

### ■ FY2015 First Half Results Summary

Although growth in net sales was weak in the sluggish package market overall, segment income remained steady thanks to the improved profitability of the original titles.

### ■ First Half Results for Each Fiscal Year



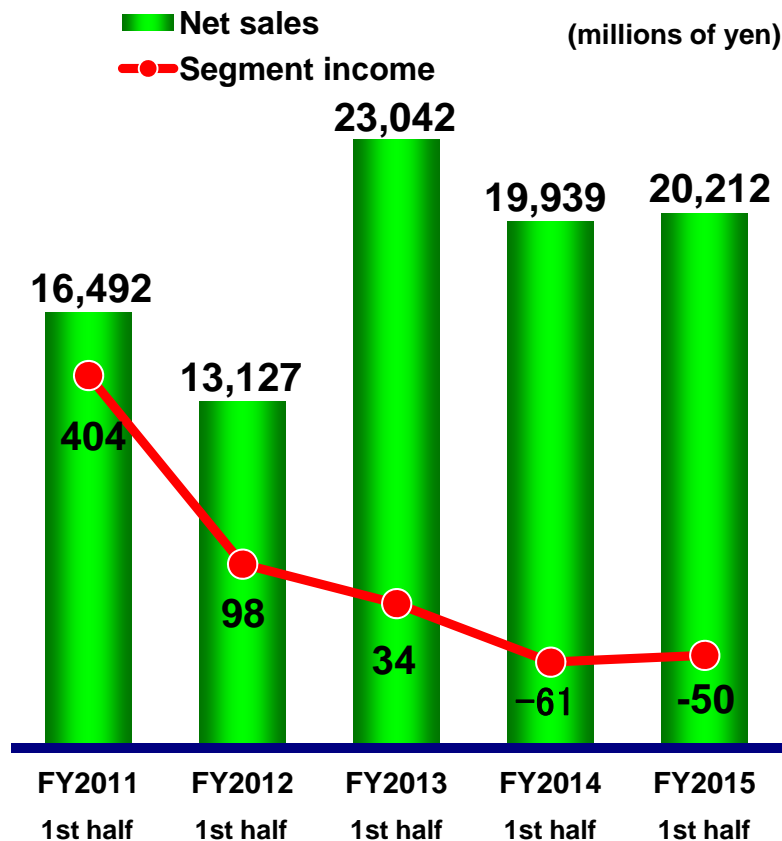
	1st half of FY2011	1st half of FY2012	1st half of FY2013	1st half of FY2014	1st half of FY2015
Rejection rate	6.3%	5.2%	4.4%	4.9%	5.7%
Inventory amounts	2.1 billion yen	2.2 billion yen	2.1 billion yen	2.0 billion yen	1.9 billion yen
Inventory turnover rate	22.3	19.9	21.9	23.9	19.1

## Video-Game Business

### ■ FY2015 First Half Results Summary

While the package market overall was sluggish, net sales exceeded the level of the same period a year ago and segment income also improved, thanks to some hit products such as the Nintendo Wii U software title Splatoon.

### ■ First Half Results for Each Fiscal Year



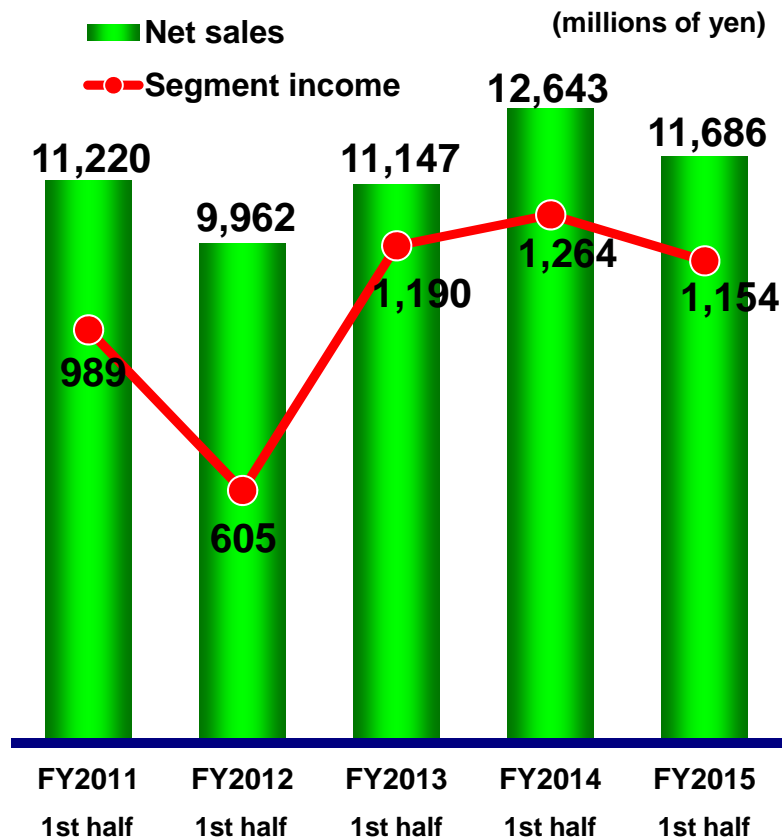
	1st half of FY2011	1st half of FY2012	1st half of FY2013	1st half of FY2014	1st half of FY2015
Clearance amounts	0.07 billion yen	0.03 billion yen	0.15 billion yen	0.09 billion yen	0.14 billion yen
Inventory amounts	0.3 billion yen	1.1 billion yen	1.5 billion yen	1.2 billion yen	1.0 billion yen
Inventory turnover rate	90.8	32.1	38.6	26.6	34.1

## Amusement Business

### ■ FY2015 First Half Results Summary

Products for kids' card games showed weak results, mainly due to fewer leading products compared to the same period a year ago, while products for toy vending machines saw steady growth, supported chiefly by planning and holding events.

### ■ First Half Results for Each Fiscal Year



	1st half of FY2011	1st half of FY2012	1st half of FY2013	1st half of FY2014	1st half of FY2015
Clearance amounts	0.12 billion yen	0.35 billion yen	0.19 billion yen	0.10 billion yen	0.12 billion yen
Inventory amounts	1.3 billion yen	1.7 billion yen	1.5 billion yen	1.7 billion yen	1.8 billion yen
Inventory turnover rate	18.2	12.7	15.1	14.8	13.8



# First Half of FY2015 Financial Results

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**Toru Shibata**

Executive Officer

Head of the Corporate Management Division

# Change of business results



		1st half of FY2011	1st half of FY2012	1st half of FY2013	1st half of FY2014	1st half of FY2015	FY2012	FY2013	FY2014
Net sales	¥ million	88,508	76,211	87,371	93,437	83,993	176,757	206,867	217,232
Operating income	¥ million	2,316	1,007	1,551	2,362	1,837	2,973	3,888	5,056
Ordinary income	¥ million	2,422	1,072	1,579	2,413	1,857	3,081	3,917	5,124
Profit attributable to owners of parent	¥ million	1,526	709	1,375	1,841	1,185	2,011	2,466	4,049
Comprehensive income	¥ million	1,413	698	1,434	1,957	1,291	2,075	2,654	4,349
Net assets	¥ million	21,053	22,136	24,522	27,356	30,535	23,289	25,694	29,580
Total assets	¥ million	50,392	51,003	60,264	61,985	62,443	53,003	53,879	59,893
Net assets per share	¥	939.25	987.05	1,086.78	1,200.85	1,334.12	1,036.23	1,128.25	1,293.00
Net income per share	¥	68.14	31.68	61.13	80.21	52.33	89.75	109.40	178.91
Dividends per share (Interim dividends)	¥	(11.25)	(11.25)	(11.25)	(13.50)	(15.00)	22.50 (11.25)	24.75 (11.25)	28.50 (13.50)
No. of employees	people	913	935	981	959	904	918	972	933

Notes: 1. Consolidated sales figures do not include consumption tax.

2. A stock split in which two shares were issued for each outstanding common share on December 1, 2011 was carried out.

Therefore, supposing that the stock split was carried out at the beginning of the period of the Fiscal Year ended March 31, 2011, Net assets per share and Net income per share were estimated. Interim dividends per share for the Fiscal Year ended March 31, 2012 was adjusted to reflect the figure before the stock split.

3. Happinet Corporation acquired shares of TOYS UNION CO.,LTD.(now MAXGAMES Corporation) on July 16, 2013, making it a subsidiary.

# Consolidated results for first half of FY2015 (1)Profit & loss statement



(millions of yen, %)

	1st half of FY2014			1st half of FY2015		
		% of total	YoY		% of total	YoY
Net sales	93,437	100.0	6.9	83,993	100.0	-10.1
Cost of sales	81,421	87.1	6.3	73,386	87.4	-9.9
Gross profit	12,016	12.9	11.4	10,606	12.6	-11.7
Selling general and administrative expenses	9,653	10.3	4.6	8,769	10.4	-9.2
Personnel expenses	3,647	3.9	6.0	3,388	4.0	-7.1
Temporary staff expenses	648	0.7	-1.5	624	0.7	-3.8
Depreciation	166	0.2	-42.9	151	0.2	-9.5
Operating income	2,362	2.5	52.3	1,837	2.2	-22.2
Non-operating income	57	0.1	-2.4	50	0.1	-11.4
Dividends of interest income	22	0.0	-3.1	34	0.0	54.7
Other	35	0.0	-1.9	16	0.0	-53.2
Non-operating expenses	6	0.0	-79.4	31	0.0	389.2
Interest expenses	0	0.0	-98.9	0	0.0	-52.2
Other	6	0.0	-75.0	31	0.0	393.7
Ordinary income	2,413	2.6	52.8	1,857	2.2	-23.1
Extraordinary income	6	0.0	-98.4	-	-	-100.0
Extraordinary loss	525	0.6	244.7	4	0.0	-99.2
Quarterly income before income taxes and others	1,894	2.0	3.1	1,853	2.2	-2.2
Income taxes	79	0.1	-82.7	667	0.8	735.6
Profit attributable to owners of parent	1,814	1.9	31.9	1,185	1.4	-34.7
Quarterly net income per share( yen)	80.21	-	31.2	52.33	-	-34.8
No.of employees at end of period (people)	959	-	-2.2	904	-	-5.7
Capital expenditures(millions of yen)	450	-	80.1	258	-	-42.5

Including disposal loss  
(FY2015:825,FY2014:863)

\*The No. of employees includes employees temporarily transferred from other companies and contract employees, but excludes employees temporarily transferred to other companies and temporary employees.

## ① Change by business segment

### ■ Net sales

(millions of yen,%)

Segment	Period	1st half of FY2014			1st half of FY2015			FY2014		
			% of total	YOY		% of total	YOY		% of total	YOY
Toy business		39,479	42.3	23.8	34,742	41.4	-12.0	93,270	42.9	21.4
Visual and Music business		21,376	22.9	0.4	17,352	20.6	-18.8	43,372	20.0	1.0
Video-game business		19,939	21.3	-13.5	20,212	24.1	1.4	56,448	26.0	-11.3
Amusement business		12,643	13.5	13.4	11,686	13.9	-7.6	24,140	11.1	2.8
Total		93,437	100.0	6.9	83,993	100.0	-10.1	217,232	100.0	5.0

### ■ Segment income

(millions of yen,%)

Segment	Period	1st half of FY2014			1st half of FY2015			FY2014		
			% of total	YOY		% of total	YOY		% of total	YOY
Toy business		1,663	70.4	195.2	1,256	68.4	-24.5	4,279	84.7	57.9
Visual and Music business		145	6.1	-61.4	144	7.8	-0.9	202	4.0	-34.3
Video-game business		-61	-2.6	-	-50	-2.7	-	254	5.0	217.9
Amusement business		1,264	53.5	6.2	1,154	62.8	-8.7	1,796	35.5	-12.5
Adjustments		-648	-27.4	-	-667	-36.3	-	-1,475	-29.2	-
Total		2,362	100.0	52.3	1,837	100.0	-22.2	5,056	100.0	30.0

## ② Main business summary

### ■ Toy business

(100millions of yen,%)

Manufacturer	Period	1st half of FY2014		1st half of FY2015			FY2014			
		% of total	YOY	% of total	YOY	% of total	YOY			
Bandai Co.,Ltd		223	56.6	43.2	190	54.9	-14.7	554	59.4	35.8
Tomy Co.,Ltd		18	4.7	-8.9	18	5.4	1.7	41	4.5	-1.6
Happinet originals		11	3.0	16.4	5	1.6	-53.1	19	2.0	-8.1
Other manufacturers		140	35.7	6.6	132	38.1	-6.1	318	34.1	6.9
Total		394	100.0	23.8	347	100.0	-12.0	932	100.0	21.4

### ■ Visual and Music business

(100millions of yen,%)

Division	Period	1st half of FY2014		1st half of FY2015			FY2014			
		% of total	YOY	% of total	YOY	% of total	YOY			
Distribution department		126	59.0	1.8	111	64.3	-11.5	260	60.2	3.3
Manufacturer department		33	15.4	2.0	18	10.5	-44.9	69	15.9	8.7
Visual		159	74.4	1.8	129	74.8	-18.4	330	76.1	4.4
Music		54	25.6	-3.7	43	25.2	-20.0	103	23.9	-8.5
Total		213	100.0	0.4	173	100.0	-18.8	433	100.0	1.0

## ■ Sales of video game platform

(100millions of yen,%)

Platform	Period	1st half of FY2014			1st half of FY2015			FY2014		
			% of total	YOY		% of total	YOY		% of total	YOY
Nintendo (Wii,Wii U)		34	17.3	23.5	50	24.9	45.6	91	16.2	-15.3
Nintendo (Nintendo DS,3DS)		118	59.2	-19.3	106	52.8	-9.5	369	65.5	-8.3
PlayStation (PS2,PS3,PS4)		10	5.3	-37.6	14	7.2	37.5	31	5.6	-34.8
PlayStation (PSP,PSVita)		17	9.0	-4.6	18	9.2	4.0	43	7.7	-9.4
Other		18	9.2	-10.0	11	5.9	-35.2	28	5.0	-1.9
<b>Total</b>		<b>199</b>	<b>100.0</b>	<b>-13.5</b>	<b>202</b>	<b>100.0</b>	<b>1.4</b>	<b>564</b>	<b>100.0</b>	<b>-11.3</b>

## ■ Breakdown of Nintendo sales

(100millions of yen,%)

Item	Period	1st half of FY2014			1st half of FY2015			FY2014		
			% of total	YOY		% of total	YOY		% of total	YOY
Stationary	Hardware	12	8.3	-9.4	24	15.9	96.2	39	8.6	-38.8
	Software	18	11.8	54.9	19	12.1	5.7	41	8.9	19.1
	Accessories	3	2.5	64.4	6	4.0	66.1	10	2.3	23.9
Portable	Hardware	33	21.9	-48.6	32	20.5	-3.5	132	28.8	-24.5
	Software	80	53.0	6.9	71	45.4	-12.0	224	48.7	4.8
	Accessories	3	2.5	-33.8	3	2.1	-11.3	12	2.7	-3.0
<b>Total</b>		<b>152</b>	<b>100.0</b>	<b>-12.5</b>	<b>156</b>	<b>100.0</b>	<b>2.9</b>	<b>461</b>	<b>100.0</b>	<b>-9.7</b>

■ Breakdown of PlayStation sales

(100millions of yen,%)

Item	Period	1st half of FY2014			1st half of FY2015			FY2014		
			% of total	YOY		% of total	YOY		% of total	YOY
Stationary	Hardware	4	14.7	50.2	4	13.4	5.7	11	15.1	-3.0
	Software	5	20.3	-56.4	9	29.3	67.2	19	25.5	-44.8
	Accessories	0	2.1	-32.2	0	1.2	-29.8	1	1.5	-46.4
Portable	Hardware	3	13.8	-17.2	3	10.7	-9.9	9	12.9	-34.4
	Software	13	47.5	3.3	14	43.7	7.0	32	43.3	4.1
	Accessories	0	1.6	-50.5	0	1.7	23.5	1	1.7	-36.7
Total		28	100.0	-20.3	33	100.0	16.3	74	100.0	-22.2

# Consolidated results for first half of FY2015 (2)Balance sheet



(millions of yen)

	1st half of FY2014	FY2014	1st half of FY2015	Change
<b>(Assets)</b>				
Cash and deposits	11,795	15,867	14,992	-875
Notes and accounts receivable-trade	30,167	25,682	25,573	-108
Inventories	8,557	6,746	9,643	2,897
Advance payments	1,919	1,390	1,412	21
Deferred tax assets	796	1,315	920	-394
Other	1,209	1,448	2,231	782
Allowance for doubtful accounts	-5	-1	-1	0
<b>Total current assets</b>	<b>54,439</b>	<b>52,449</b>	<b>54,772</b>	<b>2,323</b>
Property, plant and equipment	1,013	688	707	19
Buildings and structures	186	162	333	171
Land	455	65	65	-
Other	371	460	308	-152
Intangible assets	695	854	970	115
Investments and other assets	5,836	5,900	5,993	92
Investment securities	2,126	2,304	2,472	168
Deferred tax assets	1,376	1,261	1,186	-75
Other	2,430	2,402	2,426	23
Allowance for doubtful accounts	-96	-68	-91	-23
<b>Total non-current assets</b>	<b>7,546</b>	<b>7,443</b>	<b>7,670</b>	<b>227</b>
<b>Total assets</b>	<b>61,985</b>	<b>59,893</b>	<b>62,443</b>	<b>2,550</b>



# Consolidated results for first half of FY2015 (2)Balance sheet



(millions of yen)

	1st half of FY2014	FY2014	1st half of FY2015	Change
<b>(Liabilities)</b>				
Notes and accounts payable-trade	26,540	20,118	24,387	4,269
Accounts payable-other	3,064	3,679	2,356	-1,323
Income taxes payable	610	1,038	212	-826
Provision for bonuses	249	775	255	-519
Other	783	1,345	1,301	-43
<b>Total current liabilities</b>	<b>31,248</b>	<b>26,957</b>	<b>28,514</b>	<b>1,556</b>
Provision for retirement benefits	2,422	2,528	2,550	21
Deferred tax liabilities	59	0	14	14
Other	897	826	829	3
<b>Total non-current liabilities</b>	<b>3,380</b>	<b>3,355</b>	<b>3,394</b>	<b>39</b>
<b>Total liabilities</b>	<b>34,628</b>	<b>30,312</b>	<b>31,908</b>	<b>1,595</b>
<b>(Net assets)</b>				
Capital stock	2,751	2,751	2,751	-
Capital surplus	2,775	2,775	2,784	8
Retained earnings	22,071	23,999	24,846	846
Treasury share	-936	-936	-906	30
<b>Total shareholder's equity</b>	<b>26,661</b>	<b>28,590</b>	<b>29,475</b>	<b>885</b>
Valuation difference on available-for-sale securities	519	678	789	110
Deferred gains or losses on hedges	1	0	-4	-4
<b>Total accumulated other comprehensive income</b>	<b>521</b>	<b>678</b>	<b>785</b>	<b>106</b>
Subscription rights to shares	173	310	274	-36
<b>Total net assets</b>	<b>27,356</b>	<b>29,580</b>	<b>30,535</b>	<b>955</b>
<b>Total liabilities and net assets</b>	<b>61,985</b>	<b>59,893</b>	<b>62,443</b>	<b>2,550</b>
<b>Net assets per share(¥)</b>	<b>1,200.85</b>	<b>1,293.00</b>	<b>1,334.12</b>	<b>41.11</b>

# Consolidated results for first half of FY2015 (3)Cash-flow statement



(millions of yen)

	1st half of FY2014	1st half of FY2015	Change
<b>Net cash provided by (used in) operating activities</b>	<b>2,325</b>	<b>-167</b>	<b>-2,492</b>
Income before income taxes and others	1,894	1,853	-41
Depreciation	184	164	-19
Impairment loss	125	-	-125
Decrease (increase) in trade accounts receivable	-6,062	108	6,171
Decrease (increase) in inventories	-1,152	-2,897	-1,744
Increase (decrease) in trade payables	6,441	4,269	-2,172
Increase (decrease) in accounts payable-other	524	-1,216	-1,741
Increase (decrease) in guarantee deposits	-20	-0	19
Other	1,492	-1,394	-2,886
Income taxes paid	-1,103	-1,054	48
<b>Net cash provided by (used in) investing activities</b>	<b>-201</b>	<b>-371</b>	<b>-169</b>
Payment for purchase of property, plant and equipment and intangible assets	-456	-365	91
Proceeds from sales of property, plant and equipment and intangible assets	183	-	-183
Payment for purchase of investment securities	-6	-5	-0
Proceeds from sales of investment securities	10	-	-10
Other	66	-0	-66
<b>Net cash provided by (used in) financing activities</b>	<b>-323</b>	<b>-336</b>	<b>-12</b>
Cash dividends paid	-305	-338	-33
Proceeds from sales of treasury stock	9	2	-7
Purchase of treasury stock	-0	-	0
Other	-27	-0	27
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>-0</b>	<b>-0</b>	<b>0</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,799</b>	<b>-875</b>	<b>-2,674</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>9,996</b>	<b>15,867</b>	<b>5,871</b>
<b>Cash and cash equivalents at end of period</b>	<b>11,795</b>	<b>14,992</b>	<b>3,196</b>

# **FY2015 Second Half Measures for the Intermediate Distribution Business**

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## **Seiichi Enomoto**

**Managing Executive Officer  
Head of Business Division #1**

Toy business Noteworthy products for the second half

### Kamen Rider Ghost

Broadcast from October 4, 2015 on the TV Asahi network.  
Acquired and loaded into a transformation belt, Eyecons of heroes or great men will allow a Kamen Rider to undergo a transformation.



DX Ghost Driver



DX Gan Gan Saber



Children showed positive responses at a demonstration store survey. Sales of advanced tickets for the movie that will be released in December also showed strong performance!

© 2015 Ishimori Production, TV Asahi, ADK, TOEI

### Himitsu no Cocotama

Broadcast from October 1, 2015 on the TV Tokyo network.  
Cocotama is a god, born from a thing.  
Girls can make **their own** Cocotama House!



Big Cocotama House



Sales spaces are secured primarily by active campaigns associated with the anime.

©BANDAI/TV TOKYO, Cocotama Production Committee

We will actively implement sales expansion initiatives such as securing sales spaces in order to accelerate sales growth driven by the impact of the anime.

## Visual and Music business

### Happinet's measures

#### Development of another route and implementation of a new sales method

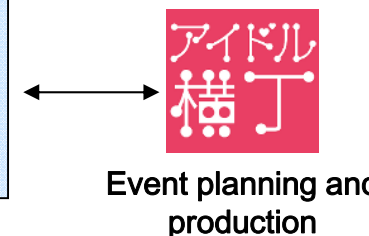
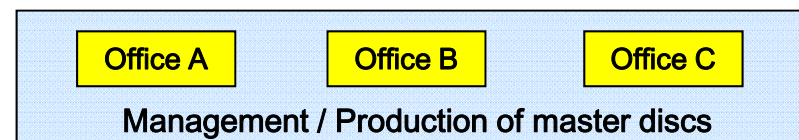
For the purpose of stimulating demand, we will install special furniture at GMSs, home centers, and more to sell CDs and DVDs by controlling the stock ourselves.



#### Expansion of Happinet exclusive distribution



This is a record label, launched jointly by Asobisystem Co., Ltd. and Idol Yokochō, which specializes in idols. This project will share its music with Japanese pop culture fans, not only in Japan but also around the world, with the aim of being Japan's number one record label for idols that is the one and only, like Mt. Fuji.



Distribution on commission / Sales promotion support at stores

We are aiming for increased sales and profitability  
by applying the new sales method and strengthening sales of exclusive products.

## Video-Game business Noteworthy products for the second half

### [3DS] Monster Hunter X



This is the latest work in the popular series. This highly anticipated piece features a variety of old and new fun elements!

To be released on Nov. 28, 2015

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### [3DS] Monster Strike



The popular smartphone game Monster Strike is now available on 3DS!!

To be released on Dec. 17, 2015

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### [Wii U] Animal Crossing: Amiibo Festival



Hold a board game party with Amiibo x Animal Crossing!  
Explore the village and collect Happy Points.

To be released on Nov. 21, 2015

© 2015 Nintendo

### [PS4/PS3/PSV] Dragon Quest Builders: To Revive Alefgard



This is a completely new work in the Dragon Quest series. Build a world made of blocks and revive the beautiful town.

To be released on Jan. 28, 2016

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A number of software titles will be released toward the end of the year. We will enhance the sales promotions.

## Amusement business **Happinet's measures and focus products for the second half**

### Planning and implementation of Capsule toy events at stations



### Planning and implementation of Girls Capsule toy events at shopping malls, etc.



### Focus products for the second half



Kamen Rider Ghost



Gundam new series launched  
SD Gundam Mobile Disk

We will implement plans that meet consumer needs in locations where people gather.

# **FY2015 Second Half Measures for the Manufacturing Business**

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## **Shigeki Suzuki**

**Managing Executive Officer  
Head of Business Division #2**



Visual and Music business

Happinet's managed titles

Zane



Original author: Fuyumi Ono  
Director: Yoshihiro Nakamura

Cast: Yuko Takeuchi, Ai Hashimoto, and others  
Theaters: about 220 nationwide  
Release date: January 30, 2016

**Nominated for the 28th Tokyo International Film Festival Competition Section**

This is the first-live action movie based on a novel by Fuyumi Ono, a bestselling author. Yoshihiro Nakamura, the director of "The Snow White Murder Case," portrays this realistic horror mystery.

© 2016 Zane Production Committee

**ORE GA OJOUSAMA GAKKOU NI "SHOMIN SAMPLE" TOSHITE GETS♥SARETA KEN**



Original author: Takafumi Nanatsuki  
Director: Masato Jimbo

Voice actors: Atsushi Tamaru, Yu Serizawa  
TV Series: TOKYO MX / Kansai stations / AT-X / BS station and more

Package to be released on January 6, 2016

**To be broadcast from October 2015 on TOKYO MX and more**

This is a situation comedy set in a school, based on an original "light novel." This title is a company-wide effort to celebrate the 10th anniversary of Ichijinsha Inc., which owns the original novel and has a reputation for anime production.

© Nanatsuki Takafumi, Uruu Gekka, Ichijinsha Inc. / Seikain Outou-kai

**We will concentrate investment on selected titles to build a revenue base.**

Visual and Music business Happinet's jointly produced titles

Himeanole



Original author: Minoru Furuya  
Director: Keisuke Yoshida

Cast: Go Morita, Gaku Hamada

Theaters: about 100  
nationwide

Release date: May 28, 2016

Distributor: Nikkatsu

Based on a story written by Furuya Minoru, the author of the comic titled “Ike! Inachu Takkyu-bu,” the movie stars Go Morita, a member of V6, who is taking on his first leading role.

From a romantic comedy to a bizarre suspense story, this entertainment work depicts the darkness of modern society.

© 2016 “Himeanole” Production Committee

Grasshopper



Original author: Kotaro Isaka  
Director: Tomoyuki Takimoto

Cast: Toma Ikuta, Tadanobu Asano, Ryosuke Yamada, and others

Theaters: about 300  
nationwide

Release date: now playing

Distributor: KADOKAWA / Shochiku

A highly popular novel by Kotaro Isaka, which has sold 1.4 million copies, has finally been made into a movie, starring a rich cast lineup including Toma Ikuta, Tadanobu Asano, and Ryosuke Yamada.

© 2015 “Grasshopper” Production Committee

Highly anticipated jointly produced titles scheduled to be released in the future.

Video-Game business

Products to be launched by Happinet

Sousaku Alice to Oujisama!



To be released on Nov. 26, 2015

This is the first original dating simulation game of “puchikoi♥,” which is a romantic game brand for girls. Character designs are created by Keiko Notoyama, a popular manga artist at Ciao Comics.

© Notoyama keiko / Shogakukan © Happinet

Chao Illust Club



To be released on Nov. 26, 2015

By looking at a sample drawing, you can be a great artist and draw a cute illustration! You can also exchange your illustrations with your friends, and post them on SNS.

© Kuze Mizuki / Shinozuka Hiromu / Nakahara An / Maita Nao / Yagami Chitose / Yabuuchi Yu / Shogakukan © Happinet

Nico☆Puchi Girls Runway



To be released on Dec. 10, 2015

Enter the world of the most popular magazine for elementary schoolgirls, Nico☆Puchi, with this fashion game, where you can enjoy fashion items from real brands and runways!

© Shinchosha © Happinet

We will focus on much-talked-about works, centered on girls' games, to be released in the second half.

## Toy business Products to be launched by Happinet



**UFO Buster, UFO Buster DX (now on sale)**  
 4,500 yen (excluding tax), 5,980 yen (excluding tax)  
 With this gun action toy, you use a blaster gun to shoot down a UFO flying around in the air with an automated flying function!

Introduced in Sukkiri (NTV), Corocoro Comic, Sponichi, Nikkei MJ, and more



**Stealth Launcher (now on sale)**  
 7,680 yen (excluding tax)  
 A helicopter is launched from an armored vehicle! This RC helicopter can drive, launch, and fly, and all these actions can be achieved with one controller!

Introduced in Mezamashi TV (CX)



**Video Copter (now on sale)**  
 8,480 yen (excluding tax)  
 This camera-equipped RC helicopter can shoot photos and videos while flying.



**Funwari Oishii New Ame de Wataame (now on sale)**  
 15,000 yen (excluding tax)  
 Make soft, juicy cotton candy with one candy ball! Try various flavors with different candy balls.

Introduced in Ariyoshi Seminar (NTV), Oha Suta (TX) and more

We will expand Happinet's range of original, regular products.

## **FY2015 Full-Year Projection**

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**Tetsuo Ishikawa**

**President and Representative Director**

# FY2015 Full-Year projection



(millions of yen)

	FY2014	FY2015 projection	YOY
Net sales	217,232	200,000	-7.9%
Operating income	5,056	4,500	-11.0%
Ordinary income	5,124	4,500	-12.2%
Net income	4,049	3,000	-25.9%

# FY2015 Full-Year Projection



## ■ Sales projection by business segment

(millions of yen)

	FY2014			FY2015(Projection)		
		% of total	YoY		% of total	YoY
Toy business	93,270	42.9	21.4	84,000	42.0	-9.9
Visual and Music business	43,372	20.0	1.0	40,000	20.0	-7.8
Video-Game business	56,448	26.0	-11.3	52,000	26.0	-7.9
Amusement business	24,140	11.1	2.8	24,000	12.0	-0.6
Total	217,232	100.0	5.0	200,000	100.0	-7.9

## ■ Income projection by business segment

(millions of yen)

	FY2014			FY2015(Projection)		
		% of total	YoY		% of total	YoY
Toy business	4,279	84.7	57.9	3,800	84.5	-11.2
Visual and Music business	202	4.0	-34.3	200	4.4	-1.0
Video-Game business	254	5.0	217.9	200	4.4	-21.3
Amusement business	1,796	35.5	-12.5	1,600	35.6	-10.9
Adjustment	-1,475	-29.2	—	-1,300	-28.9	—
Total	5,056	100.0	30.0	4,500	100.0	-11.0

# Reference FY2015 Full-Year Projection



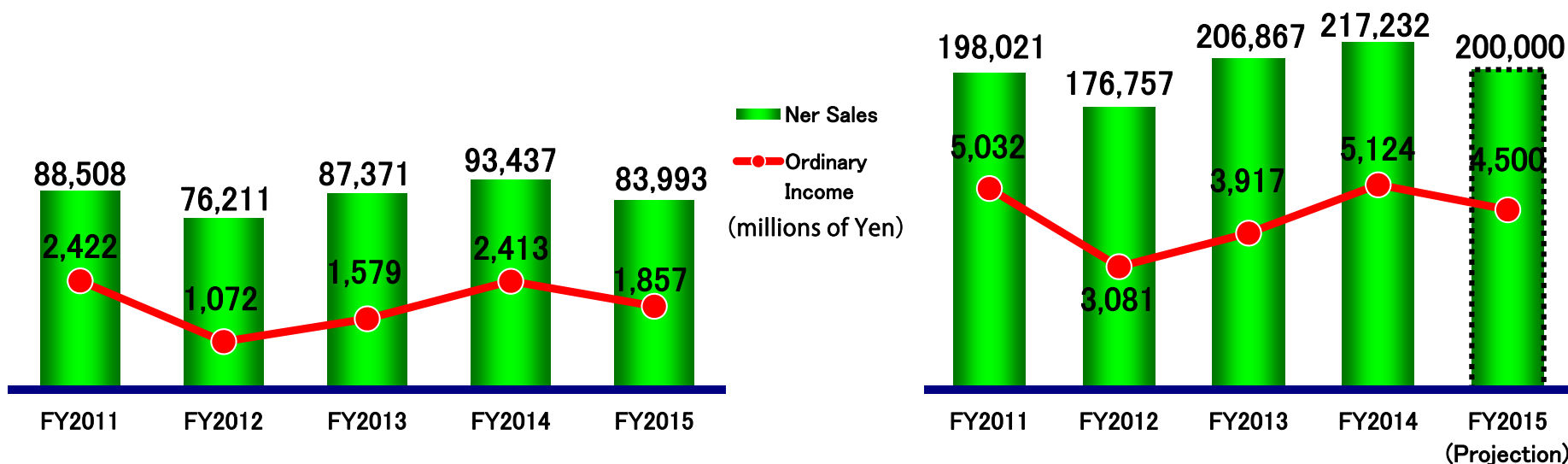
(millions of Yen)

	1st half of FY2015 (Total)	FY2015 (Projection)
Net sales	<b>83,993</b>	<b>200,000</b>
Operating income	<b>1,837</b>	<b>4,500</b>
Ordinary Income	<b>1,857</b>	<b>4,500</b>
Profit attributable to owners of parent	<b>1,185</b>	<b>3,000</b>

Reference Results of the past 5 years/ Full-Year Projection

Transition of 1st half of FY2015 (Total)

Transition of Full-Year





*Happinet*

