



HAPPINET CORPORATION

Stock Listing :Tokyo Stock Exchange

Code Number :7552



Fiscal Year 2017

First Half Results Briefing

November 15, 2017



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FY2017 First Half Results Summary

Seichi Enomoto

Representative Director

President and Chief Operating Officer

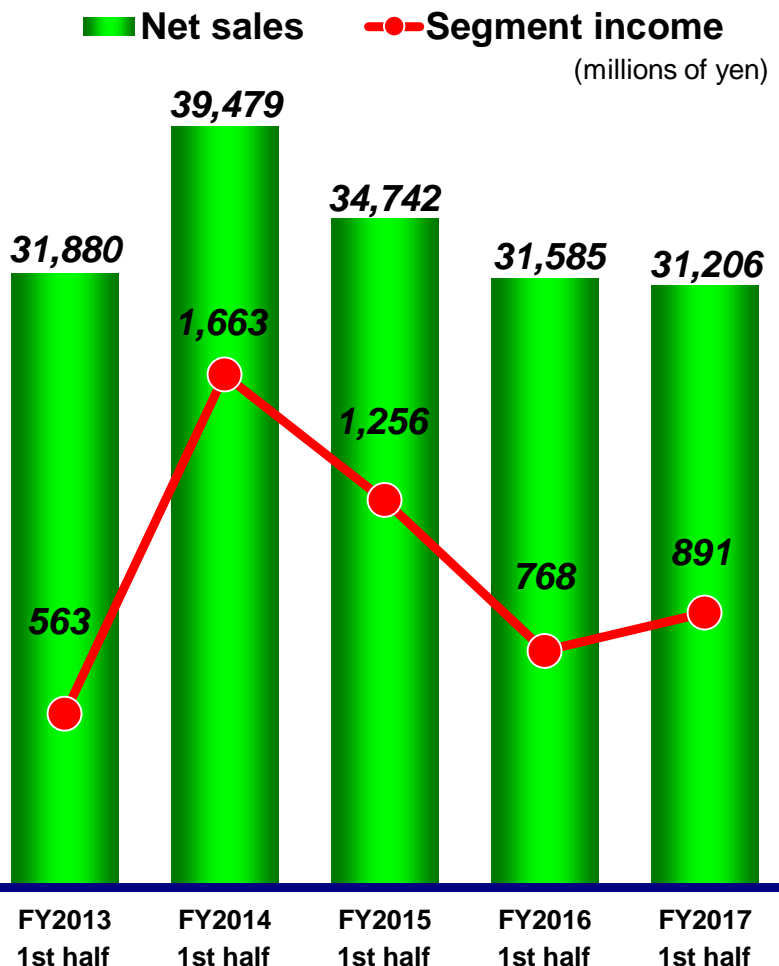
(millions of Yen)

	First Half FY2016	First Half FY2017	YOY
Net sales	72,448	84,827	17.1%
Operating profit	844	1,761	108.6%
Ordinary profit	741	1,640	121.1%
Profit attributable to owners of parent	329	1,044	217.0%



Toy Business

Net sales ratio
36.8%



■ FY2017 First Half Results Summary

Bandai goods, including those associated with “*KAMEN RIDER BUILD*”, which began to be broadcast in September, “*ULTRAMAN GEED*”, and hobby products for girls performed well but were not strong enough to significantly lead the market. Consequently, sales from the toy business declined year on year.

However, segment income increased year on year thanks in part to a decrease in selling, general and administrative expenses.

	1st half of FY2013	1st half of FY2014	1st half of FY2015	1st half of FY2016	1st half of FY2017
Clearance amounts	0.48 billion yen	0.63 billion yen	0.52 billion yen	0.34 billion yen	0.39 billion yen
Inventory amounts	3.8 billion yen	3.4 billion yen	4.6 billion yen	3.3 billion yen	3.1 billion yen
Inventory turnover rate	20.2	26.6	19.8	22.9	21.1

Visual and Music Business

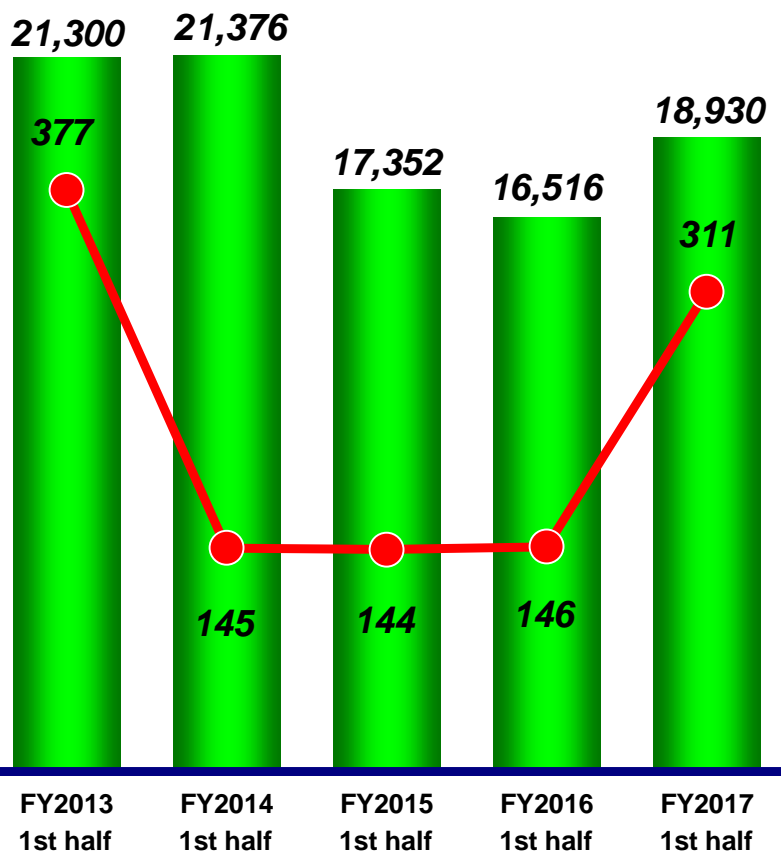


Net sales ratio
22.3%

■ FY2017 First Half Results Summary

Both net sales and segment income increased year on year with the strong performance of packages such as those of the film “*Your Name*” and the film “*KISEKI Sobito of That Day*”, which is Happinet’s managed title.

■ Net sales ● Segment income
(millions of yen)



	1st half of FY2013	1st half of FY2014	1st half of FY2015	1st half of FY2016	1st half of FY2017
Clearance amounts	0.01 billion yen	0.02 billion yen	0.03 billion yen	0.03 billion yen	0.06 billion yen
Inventory amounts	2.1 billion yen	2.0 billion yen	1.9 billion yen	2.0 billion yen	2.0 billion yen
Inventory turnover rate	21.9	23.9	19.1	17.6	20.4

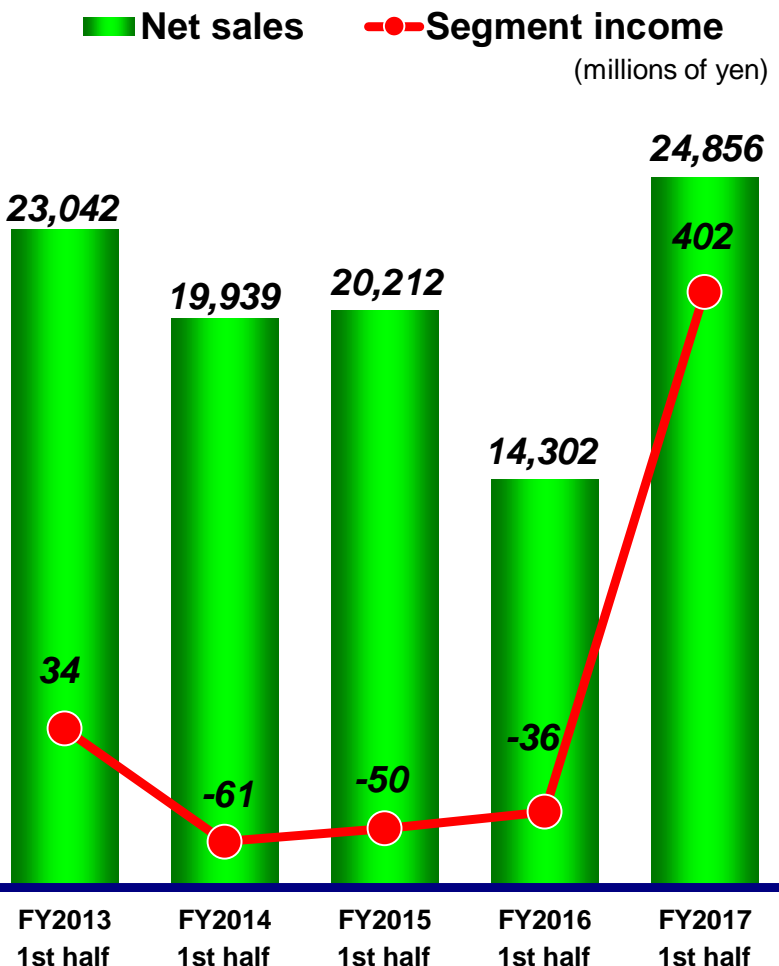
Video-Game Business



Net sales ratio
29.3%

■ FY2017 First Half Results Summary

Both net sales and segment income increased significantly year on year thanks to hit products, including “*Nintendo Switch*” from Nintendo, its related software such as “*Splatoon 2*”, and software for “*Nintendo 3DS*” and “*PlayStation 4*” such as “*Dragon Quest XI: Echoes of an Elusive Age*”.



	1st half of FY2013	1st half of FY2014	1st half of FY2015	1st half of FY2016	1st half of FY2017
Clearance amounts	0.15 billion yen	0.09 billion yen	0.14 billion yen	0.02 billion yen	0.01 billion yen
Inventory amounts	1.5 billion yen	1.2 billion yen	1.0 billion yen	0.8 billion yen	1.0 billion yen
Inventory turnover rate	38.6	26.6	34.1	38.6	70.5

Amusement Business



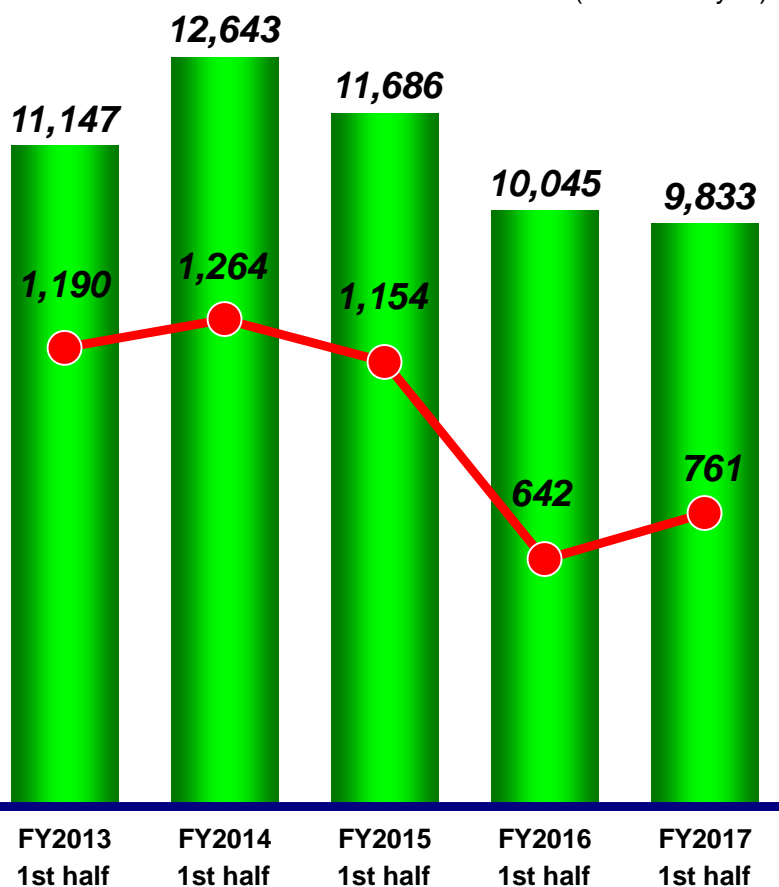
Net sales ratio
11.6%

■ FY2017 First Half Results Summary

Capsule toys performed well thanks to the acquisition of excellent locations, including a limited time offer at train stations and expressway service areas and an increase in machine numbers at large shopping malls. However, card game products were in a slump, resulting in a year-on-year decline in net sales.

Segment income exceeded the year-ago level due in part to the review of locations.

■ Net sales ● Segment income
(millions of yen)



	1st half of FY2013	1st half of FY2014	1st half of FY2015	1st half of FY2016	1st half of FY2017
Clearance amounts	0.19 billion yen	0.10 billion yen	0.12 billion yen	0.11 billion yen	0.06 billion yen
Inventory amounts	1.5 billion yen	1.7 billion yen	1.8 billion yen	1.7 billion yen	1.5 billion yen
Inventory turnover rate	15.1	14.8	13.8	12.3	12.6

FY2017 First Half Financial Results

Toru Shibata

Director

Executive Officer

Head of the Corporate Management Division

Changes in business results

		1st Half of FY2013	1st Half of FY2014	1st Half of FY2015	1st Half of FY2016	1st Half of FY2017	FY2013	FY2014	FY2015	FY2016
Net sales	¥million	87,371	93,437	83,993	72,448	84,827	206,867	217,232	187,274	174,059
Operating profit	¥million	1,551	2,362	1,837	844	1,761	3,888	5,056	3,450	3,698
Ordinary profit	¥million	1,579	2,413	1,857	741	1,640	3,917	5,124	3,497	3,479
Profit attributable to owners of parent	¥million	1,375	1,814	1,185	329	1,044	2,466	4,049	2,359	2,040
Comprehensive income	¥million	1,434	1,957	1,291	699	1,961	2,654	4,349	2,328	2,559
Net assets	¥million	24,522	27,356	30,535	30,623	33,838	25,694	29,580	31,355	32,311
Total assets	¥million	60,264	61,985	62,443	58,329	65,137	53,879	59,893	56,793	61,337
Net assets per share	¥	1,086.78	1,200.85	1,334.12	1,394.01	1,532.75	1,128.25	1,293.00	1,364.82	1,464.82
Profit per share	¥	61.13	80.21	52.33	14.63	48.06	109.40	178.91	104.06	92.32
Dividends per share (Interim dividends)	¥	(11.25)	(13.50)	(15.00)	(15.00)	(15.00)	24.75 (11.25)	28.50 (13.50)	30.00 (15.00)	35.00 (15.00)
No. of employees	people	981	959	904	865	850	972	933	883	843

- Notes: 1. Consolidated sales figures do not include consumption tax.
2. In December 2015, creates capital and business alliance with BROCCOLI Co., Ltd. (now an equity-method affiliate)
3. FY2016 dividends include a commemorative dividend of ¥5 per share.

Consolidated results (1) Profit & loss statement



(millions of Yen,%)

	First Half of FY2016			First Half of FY2017		
		% of total	YoY		% of total	YoY
Net sales	72,448	100.0	-13.7	84,827	100.0	17.1
Cost of sales *	62,911	86.8	-14.3	74,561	87.9	18.5
Gross profit	9,537	13.2	-10.1	10,266	12.1	7.6
SG&A expenses	8,693	12.0	-0.9	8,504	10.0	-2.2
logistics cost	1,584	2.2	-6.2	1,623	1.9	2.5
Personnel	3,808	5.3	-5.1	3,693	4.4	-3.0
Depreciation	192	0.3	27.5	149	0.2	-22.6
Operating profit	844	1.2	-54.0	1,761	2.1	108.6
Non-operating income	43	0.1	-13.8	65	0.1	48.1
interest and dividend income	28	0.0	-16.9	48	0.1	67.6
Other	15	0.0	-7.3	17	0.0	11.4
Non-operating expenses	146	0.2	371.9	186	0.2	27.2
interest expenses	0	0.0	-51.5	0	0.0	-3.8
Share of loss of entities accounted for using equity method	142	0.2	-	186	0.2	30.9
Other	4	0.0	-85.4	0	0.0	-89.8
Ordinary profit	741	1.0	-60.1	1,640	1.9	121.1
Extraordinary income	0	0.0	-	27	0.0	-
Extraordinary losses	80	0.1	1,881.9	0	0.0	-99.9
Profit before income taxes	661	0.9	-64.3	1,667	2.0	152.2
Income taxes	331	0.5	-50.3	623	0.7	87.8
Profit attributable to owners of parent	329	0.5	-72.2	1,044	1.2	217.0

*including stock clearances of ¥515m in FY2016, ¥536m in FY2017.

Earnings per share (¥)	14.63	-	-72.0	48.06	-	228.4
No. of employees at end of period (people) **	865	-	-4.3	850	-	-1.7

**The number of employees includes employees temporarily transferred from other companies and contract employees, but excludes employees temporarily transferred to other companies and temporary employees.

Capital expenditures	347	-	34.2	442	-	27.3
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① Change by business segment

■ Net sales

(millions of Yen,%)

Segment	Period	FY2016						FY2017					
		1st Half	% of total	YoY	Full Year	% of total	YoY	1st Half	% of total	YoY	Full Year	% of total	YoY
Toy business		31,585	43.6	-9.1	73,725	42.4	-4.1	31,206	36.8	-1.2	75,000	41.7	1.7
Visual and Music business		16,516	22.8	-4.8	34,890	20.0	-9.1	18,930	22.3	14.6	37,000	20.6	6.0
Video-game business		14,302	19.7	-29.2	44,793	25.7	-10.4	24,856	29.3	73.8	46,000	25.6	2.7
Amusement business		10,045	13.9	-14.0	20,649	11.9	-6.2	9,833	11.6	-2.1	22,000	12.1	6.5
Total		72,448	100.0	-13.7	174,059	100.0	-7.1	84,827	100.0	17.1	180,000	100.0	3.4

■ Segment income

(millions of Yen,%)

Segment	Period	FY2016						FY2017					
		1st Half	% of total	YoY	Full Year	% of total	YoY	1st Half	% of total	YoY	Full Year	% of total	YoY
Toy business		768	91.0	-38.9	3,044	82.3	6.9	891	50.6	16.0	3,250	77.4	6.7
Visual and Music business		146	17.4	1.6	418	11.3	-10.4	311	17.7	112.5	550	13.1	31.4
Video-game business		-36	-4.4	-	384	10.4	-	402	22.8	-	450	10.7	17.0
Amusement business		642	76.0	-44.4	1,281	34.7	-22.4	761	43.2	18.5	1,350	32.1	5.3
Eliminations and corporate		-675	-80.0	-	-1,430	-38.7	-	-604	-34.3	-	-1,400	-33.3	-
Total		844	100.0	-54.0	3,698	100.0	7.2	1,761	100.0	108.6	4,200	100.0	13.6

② Main business summary

■ Toy business

(100millions of Yen,%)

period	First Half of FY2016			First Half of FY2017			FY2016		
		% of total	YoY		% of total	YoY		% of total	YoY
Manufacturer									
BANDAI CO.,Ltd	154	48.9	-18.9	151	48.5	-2.1	376	51.0	-10.4
TOMY COMPANY,LTD	30	9.7	61.2	32	10.5	7.5	70	9.6	41.6
Happinet originals	8	2.8	59.0	7	2.5	-11.1	17	2.4	10.6
Other manufactures	122	38.6	-7.8	120	38.5	-1.5	272	37.0	-3.6
Total	315	100.0	-9.1	312	100.0	-1.2	737	100.0	-4.1

■ Visual and Music business

(100millions of Yen,%)

period	First Half of FY2016			First Half of FY2017			FY2016		
		% of total	YoY		% of total	YoY		% of total	YoY
Division									
Wholesale	107	65.0	-3.9	129	68.3	20.5	222	63.8	-10.2
Exclusive titles	19	11.6	5.4	23	12.3	21.1	44	12.8	-5.8
Visual	126	76.6	-2.6	152	80.6	20.6	267	76.6	-9.5
Music	38	23.4	-11.5	36	19.4	-5.0	81	23.4	-7.7
Total	165	100.0	-4.8	189	100.0	14.6	348	100.0	-9.1

■ Sales of video game platform

(100millions of Yen,%)

Manufacturer	period	First Half of FY2016		First Half of FY2017			FY2016			
			% of total	YoY		% of total	YoY		% of total	YoY
Nintendo		101	71.2	-35.2	212	85.5	108.9	338	75.6	-16.5
S I E *		37	26.0	11.8	33	13.4	-10.2	99	22.1	24.8
Other		4	2.8	-65.9	2	1.1	-35.5	10	2.3	-33.6
Total		143	100.0	-29.2	248	100.0	73.8	447	100.0	-10.4

※ S I E . . . Sony Interactive Entertainment LLC

■ Amusement Business

(100millions of Yen,%)

Division	period	First Half of FY2016		First Half of FY2017			FY2016			
			% of total	YoY		% of total	YoY		% of total	YoY
Capsule toy		48	48.4	-11.8	53	54.4	10.1	94	45.8	-8.6
Kid's card game		42	42.3	-12.5	37	38.2	-11.6	91	44.4	-1.7
Other		9	9.3	-29.1	7	7.4	-22.1	20	9.8	-13.9
Total		100	100.0	-14.0	98	100.0	-2.1	206	100.0	-6.2

■ Breakdown of Nintendo sales

(100millions of Yen,%)

Item	period	First Half of FY2016			First Half of FY2017			FY2016		
			% of total	YoY		% of total	YoY		% of total	YoY
Stationary	console	10	10.7	-56.1	89	42.0	716.2	52	15.5	-17.6
	Software	8	7.9	-57.8	37	17.4	360.2	27	8.2	-38.0
	Accessories	2	2.1	-65.2	14	6.9	579.3	7	2.2	-53.3
Portable	console	30	29.6	-6.4	31	14.9	4.9	76	22.7	-10.7
	Software	43	42.8	-38.9	30	14.1	-31.0	144	42.6	-15.1
	Accessories	2	2.3	-30.7	2	1.2	10.4	6	1.9	-47.2
Other		4	4.6	-	7	3.5	59.1	23	6.9	82.9
Total		101	100.0	-35.2	212	100.0	108.9	338	100.0	-16.5

■ Breakdown of *SIE sales

(100millions of Yen,%)

Item	period	First Half of FY2016			First Half of FY2017			FY2016		
			% of total	YoY		% of total	YoY		% of total	YoY
Stationary	console	5	15.5	29.7	10	30.4	76.3	23	23.3	109.3
	Software	12	33.8	29.2	9	28.7	-23.9	32	32.7	43.3
	Accessories	0	1.6	44.8	1	3.6	100.8	2	2.3	58.4
Portable	console	3	8.8	-8.2	1	4.7	-51.8	9	9.1	-19.2
	Software	14	38.4	-1.5	10	31.0	-27.7	30	31.1	-2.4
	Accessories	0	1.9	17.2	0	1.6	-22.8	1	1.5	-3.5
Total		37	100.0	11.8	33	100.0	-10.2	99	100.0	24.8

Consolidated results (2)Balance Sheet



(millions of Yen,%)

	FY2016		FY2017	
	1st Half	Full year	1st Half	Change
(Assets)				
Cash and deposits	12,021	11,605	12,350	745
Notes and accounts receivable - trade	22,767	28,258	28,884	626
Inventories	8,008	6,300	7,885	1,585
Advance payments-trade	1,010	782	844	61
Deferred tax assets	692	736	608	-128
Other	1,508	1,294	1,378	83
Allowance for doubtful accounts	-1	-1	-2	-0
Total current assets	46,006	48,975	51,949	2,974
Property, plant and equipment	761	777	765	-11
Buildings and structures, net	378	432	433	1
Land	65	65	65	-
Other	316	279	266	-12
Intangible assets	1,182	1,005	1,291	286
Investments and other assets	10,379	10,579	11,130	551
Investment securities	6,727	7,105	8,151	1,046
Deferred tax assets	1,059	947	495	-452
Other	2,616	2,535	2,487	-48
Allowance for doubtful accounts	-22	-9	-3	5
Total non-current assets	12,323	12,361	13,188	826
Total assets	58,329	61,337	65,137	3,800

Consolidated results (2)Balance Sheet



(millions of Yen,%)

	FY2016		FY2017	
	1st Half	Full year	1st Half	Change
(Liabilities)				
Notes and accounts payable-trade	21,039	21,550	23,646	2,095
Accounts payable-other	2,142	2,184	2,512	328
Income taxes payable	183	624	350	-274
Provision for bonuses	213	242	201	-41
Other	344	586	619	32
Total current liabilities	23,923	25,188	27,329	2,140
Net defined benefit liability	2,848	2,906	2,981	75
Deferred tax liabilities	0	-	83	83
Other	934	931	904	-27
Total non-current liabilities	3,782	3,837	3,969	131
Total liabilities	27,706	29,026	31,299	2,272
(Net assets)				
Capital stock	2,751	2,751	2,751	-
Capital surplus	2,784	2,784	2,795	11
Retained earnings	25,668	27,054	27,665	610
Treasury shares	-1,996	-1,997	-1,917	80
Total shareholder's equity	29,207	30,592	31,294	701
Valuation difference on available-for-sale securities	1,019	1,167	2,079	911
Deferred gains or losses on hedges	-1	-0	4	5
Total accumulated other comprehensive income	1,017	1,167	2,084	916
Subscription rights to shares	398	551	459	-91
Total Net assets	30,623	32,311	33,838	1,527
Total liabilities and Net assets	58,329	61,337	65,137	3,800
Net assets per share(¥)	1,394.01	1,464.82	1,532.75	67.93

Consolidated results (3) Statements of Cash Flows



(millions of Yen,%)

	First Half of FY2016	First Half of FY2017	Change
profit before income taxes	661	1,667	1,006
Depreciation	213	165	-48
Share of loss of entities accounted for using equity method	142	186	43
Decrease (increase) in notes and accounts receivable - trade	133	-625	-758
Decrease (increase) in inventories	-1,964	-1,585	379
Increase (decrease) in notes and accounts payable - trade	2,772	2,095	-676
Increase (decrease) in accounts payable - other	-234	282	516
Decrease (increase) in accounts receivable - other	1,148	-94	-1,243
Other	-4	35	40
Income taxes paid	-396	-624	-227
Net cash provided by (used in) operating activities	2,470	1,502	-968
Purchase of property, plant and equipment and intangible assets	-412	-393	18
Proceeds from sales of property, plant and equipment and intangible assets	0	0	-0
Purchase of investment securities	-5	-7	-2
Proceeds from sales of investment securities	-	78	78
Other, net	0	-	-0
Net cash provided by (used in) investing activities	-418	-322	95
Proceeds from disposal of treasury shares	-	0	0
Purchase of treasury shares	-1,090	-0	1,090
Cash dividends paid	-339	-433	-93
Other, net	-0	-	0
Net cash provided by (used in) financing activities	-1,430	-434	996
Effect of exchange rate change on cash and cash equivalents	-13	-0	13
Net increase (decrease) in cash and cash equivalents	608	745	137
Cash and cash equivalents at beginning of period	11,412	11,605	192
Cash and cash equivalents at end of period	12,021	12,350	329

Noteworthy Products for FY2017 Second Half

Seichi Enomoto
Representative Director
President and Chief Operating Officer

Implement organizational reform, expand business areas, and promote operational reform toward new growth

■ Priority measures

- **Form an aggressive alliance to expand business areas**
- **Seek to expand the range of new products to realize growth**
- **Promote business reform and improve profitability**
- **Pursue the capital policy to increase corporate value and build a stable management structure**

Toy Business

Noteworthy products for the second half

■ KAMEN RIDER BUILD



TV anime started from Sep.2017!

The main toy of KAMEN RIDER BUILD

© Ishimori Production, TV Asahi, ADK, Toei Video, Toei

Broadcast on TV Asahi Network since September 2017!

■ PIKACHIN-KIT

Toys that appear in the anime
Coming Soon!!

Anime & Live action
To be released on
January 13, 2018

The TV anime will begin to be broadcast on TV Tokyo Network on: Saturday, January 6, 2018 (9:30am -)

■ Hobby products for girls (for enjoying making things)



© BANDAI



© TOMY
© MOOSE ENTERPRISE (INT) PTY LTD,2016

■ Remin & Solan



© Disney



レミン&ソラン
Remin & Solan

Cumulative in-store sales have exceeded
¥500 million!
(Research by Happinet)

Those have been selling well as a new series of care dolls since the release in July 2017!

Toy Business

Happinet's original products

“X-BASE” (pronounced “cross base”), a wireless LED Lighting system

- It can be mounted easily with **commercially available adhesives**
- **A compact product** that can be mounted anywhere
- It emits light even **in water**.
- Available in **seven different colors**



To be released on
December 2, 2017



Light is emitted
strongly on the
display stage.



Visual and Music Business

Noteworthy titles (package)

■ Strengthening sales of in-house titles



To be released on
December 22, 2017

In-house title:
“*GameCenter CX 14*”,
a highly popular
game-variety show

© 2017 Fuji Television, Gascoin Company/ stylejam



To be released on
April 2, 2018

In-house title:
“*DIGIMON TAMERS*”, a
highly popular TV series
of DIGIMON
Blu-ray BOX

© Akiyoshi Hongo, Toei Animation

■ Titles to be released in the second half

Title	Box office income (Billion yen)	(Planned) Date of release
<i>Beauty and the Beast</i>	12.5	October 4
<i>The Fate of the Furious / Fast & Furious 8</i>	4.1	October 6
<i>Touken Ranbu the Stage</i>	—	October 18
<i>Best Album of Namie Amuro</i>	—	November 8
<i>Pirates of the Caribbean</i>	6.7	November 8
<i>Despicable Me 3</i>	7.2	December 6

Visual and Music Business

Noteworthy titles (production)

■ The Miracles of the Namiya General Store



The original is a blockbuster novel by Keigo Higashino, whose cumulative total sales have exceeded 10 million copies worldwide!

It was shown at 346 theaters and became a big hit, having debuted in first place in terms of box office!!

It features an impressive cast, including the first joint appearance of Ryosuke Yamada and Toshiyuki Nishida!!!

© 2017 "The Miracles of the Namiya General Store" Production Committee

Released on September 23, 2017



■ Hikari

Starring Arata Iura and Eita, this movie was adapted from a novel of the same title by Shion Miura, a popular novelist.

Directed and written by: Tastsushi Omori

Music by: Jeff Mills

To be released on November 25, 2017

© Shion Miura/ Shueisha © 2017 Hikari Production Committee

■ citrus

TV anime of a popular manga serialized in Comic Yurihime!

To be broadcast on TV starting in January 2018



© Saburouta. Ichijinsha/ citrus Production Committee

Video-Game Business

Noteworthy products for the second half

■ Nintendo Switch



Super Mario Odyssey
Released on October 27, 2017
More than 450,000 units were sold in the first week after the release!! (Research by Happinet/ Domestic sales/ Excluding downloads) © 2017 Nintendo

■ Nintendo 3DS



Pocket Monster Ultra Sun Ultra Moon
To be released on November 17, 2017
Cumulative total sales of the previous title: 3.8 million units

© 2017 Pokémon. © 1995-2017 Nintendo/Creatures Inc. /GAME FREAK inc.

■ PlayStation® 4



Monster Hunter World
To be released on January 26, 2018
Cumulative total sales of the series: 40 million units

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■ Nintendo Classic Mini: Super Famicom



It includes a total of 21 software titles featuring popular characters, such as Mario and Zelda

A re-creation of the home video game console that took the world by storm in the 1990s

Video-Game Business

Happinet's managed titles

■ *HYAKKI CASTLE*



An authentic real-time dungeon RPG featuring exploration of Hyakki Castle, a mysterious castle in the 18th century, during the Edo Period in Japan

Launched on November 15, 2017
on "Steam" PC game platform

■ *DODGEBALL RISING*



Planned to
launch on
December 14,
2017

It is a game of dodgeball,
a sport familiar to people
all over the world!!

The setting of the game is based on Japan in the Edo Period, when samurais and ninjas existed. Due to a decree banning the wearing of swords, sword battles have been replaced by **dodgeball matches** as the method of dueling!



Asakusa Studios

A new game brand of Happinet, which delivers games to the world

Amusement Business

Noteworthy products for the second half

Lot Gashapon

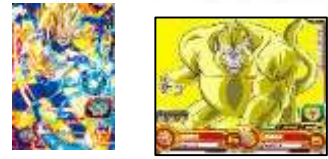


The latest in the series has been available since November 1, drawing high praise!

Attracting consumers with the jackpot prize that is available only from this vending machine

© Ishimori Production, TV Asahi, ADK, Toei Video, Toei

DATA CARDDASS



© Bird Studio / Shueisha, Fuji Television, Toei Animation © BANDAI

The seventh of the highly popular series!! It has been available since November 9, drawing high praise!



© Yuki Tabata/ Shueisha, TV Tokyo, Black Clover Production Committee © BANDAI

Popular character from Shonen Jump Launched on November 2

Capsule toys



Works in conjunction with DX Build Driver



Gashapon An original full bottle has been available since September.

© Ishimori Production, TV Asahi, ADK, Toei Video, Toei



Products intended for a wide range of people, including those featuring popular characters and artists, will be offered continuously.

Amusement Business

Location development

■ Expressway service areas (SA)



Permanent installation

- Dangozaka SA (Oct.)
- Shisui SA (Oct.)
- Abukuma Kogen SA (Nov.)
- Adatarara SA (Nov.)

Approximately **30 to 50** machines per SA

■ Airport facilities

Installation in more locations



- Sendai Airport (Oct.)
- Event Space in Terminal 2 of Haneda Airport

■ Commercial facilities

More events and more locations for permanent installation

- LaLaport Shonan Hiratsuka (Oct. to Dec.)
- MOP Shiga Ryuo (Nov. -)
- LaLagarden Nagamachi (Dec. to Jan.)
- Arcakit Kinshicho (Dec. -)



* An event held at LaLaport TOKYO-BAY in January 2017

■ Railway facilities



* An event held in Tokyo Solamachi

Expanding events at train station facilities

- JR Sendai Station (Oct.)
- RAMLA Iidabashi (Sept. to Oct.)
- SHINSHIZUOKA CENOVA (Sept. to Oct.)
- S-PAL Sendai (Dec. to Jan.)

Sales promotional activities will also be carried out in accordance with local needs.

FY2017 Full-Year Projection

Seichi Enomoto

Representative Director

President and Chief Operating Officer

(millions of Yen)

	FY2016	FY2017	YOY
Net sales	174,059	180,000	3.4%
Operating profit	3,698	4,200	13.6%
Ordinary profit	3,479	4,000	14.9%
Profit attributable to owners of parent	2,040	2,500	22.5%

■ Net sales projection by business segment

(millions of Yen,%)

	FY2016			FY2017		
		% of total	YoY		% of total	YoY
Toy business	73,725	42.4	-4.1	75,000	41.7	1.7
Visual and Music business	34,890	20.0	-9.1	37,000	20.6	6.0
Video-game business	44,793	25.7	-10.4	46,000	25.6	2.7
Amusement business	20,649	11.9	-6.2	22,000	12.1	6.5
Total	174,059	100.0	-7.1	180,000	100.0	3.4

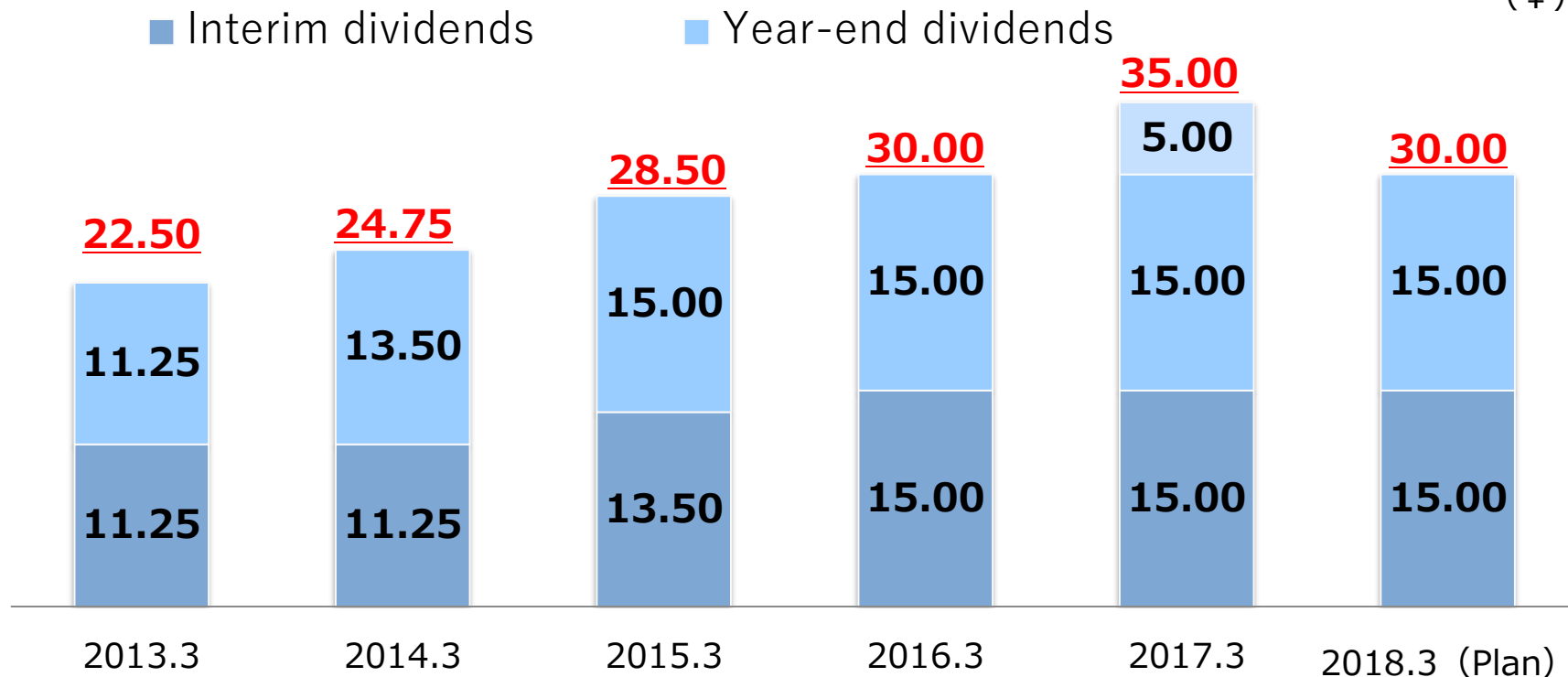
■ Income projection by business segment

(millions of Yen,%)

	FY2016			FY2017		
		% of total	YoY		% of total	YoY
Toy business	3,044	82.3	6.9	3,250	77.4	6.7
Visual and Music business	418	11.3	-10.4	550	13.1	31.4
Video-game business	384	10.4	—	450	10.7	17.0
Amusement business	1,281	34.7	-22.4	1,350	32.1	5.3
Eliminations and corporate	-1,430	-38.7	—	-1,400	-33.3	—
Total	3,698	100.0	7.2	4,200	100.0	13.6

■ Change in the annual dividends per share

(¥)



■ Dividend payout ratio (consolidated)

(%)

FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
25.1	22.6	15.9	28.8	37.9	—

Notes

This material is for informational purposes only, and is not intended to solicit any action.

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