

# HAPPINET CORPORATION

Financial Summary

**Consolidated Financial Results for the 2<sup>nd</sup> Quarter of**

**the Fiscal Year Ending March 31, 2012**

November 10, 2011

## DISCLAIMER

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This document contains forward-looking statements that are based on management’s estimates, assumptions and projections at the time of publication. A number of factors could cause actual results to differ materially from expectation.

**Consolidated Financial Results**  
**for the 2<sup>nd</sup> Quarter of the Fiscal Year Ending March 31, 2012 [Japanese GAAP]**

|  |                                      |  |  |
|--|--------------------------------------|--|--|
| Company name                                   | HAPPINET CORPORATION                 |  |  |
| Stock listing                                  | Tokyo Stock Exchange                 |  |  |
| Code No.                                       | 7552                                 | URL: <a href="http://www.happinet.co.jp/">http://www.happinet.co.jp/</a> |  |
| Representative                                 | Kazuhiko Note, President and COO     |  |  |
| Contact  | Hideo Asatsu, Board Director and CFO |  |  |
| Scheduled filing date of the quarterly report  | November 11, 2011                    |  |  |
| Scheduled starting date for dividend payments  | December 5, 2011                     |  |  |
| The additional materials of quarterly results: | Yes                                  |  |  |
| Quarterly results presentation:                | Yes (For analysts)                   |  |  |

**1. Consolidated Results for the 2<sup>nd</sup> Quarter of the Fiscal Year Ending March 31, 2012**  
**(April 1, 2011 - September 30, 2011)**

**(1) Consolidated Operating Results (For the six months Ended September 30, 2011)**

|  | Net sales |       | Operating income |      | Ordinary income |      |
|--|-----------|-------|------------------|------|-----------------|------|
|  | ¥ million | %     | ¥ million        | %    | ¥ million       | %    |
| <b>2<sup>nd</sup> Quarter of the Fiscal Year Ending March 31, 2012</b> | 88,508    | 4.0   | 2,316            | 86.8 | 2,422           | 84.2 |
| 2 <sup>nd</sup> Quarter of the Fiscal Year Ended March 31, 2011        | 85,090    | (5.3) | 1,240            | 33.3 | 1,314           | 24.2 |

Note: Comprehensive income: As of September 30, 2011 1,413million yen (201.7%),  
 As of September 30, 2010 468million yen (-%)

|  | Net income |       | Net income per share | Net income per share (diluted) |
|--|------------|-------|----------------------|--------------------------------|
|  | ¥ million  | %     | ¥                    | ¥                              |
| <b>2<sup>nd</sup> Quarter of the Fiscal Year Ending March 31, 2012</b> | 1,526      | 114.2 | 68.14                | —                              |
| 2 <sup>nd</sup> Quarter of the Fiscal Year Ended March 31, 2011        | 712        | 8.4   | 31.81                | —                              |

A stock split in which two shares were issued for each outstanding common share on December 1, 2011, the effective date resolved by a meeting of the Board of Directors held on November 1, 2011.

Therefore, supposing that the stock split was carried out at the beginning of the period of the Fiscal Year ended March 31, 2011, Net income per share was estimated.

## (2) Consolidated Financial Position

|                                 | Total assets |  | Net assets |  | Equity ratio |  |
|---------------------------------|--------------|--|------------|--|--------------|--|
|                                 | ¥ million    |  | ¥ million  |  | %            |  |
| <b>As of September 30, 2011</b> | 50,392       |  | 21,053     |  | 41.8         |  |
| As of March 31, 2011            | 48,507       |  | 19,802     |  | 40.8         |  |

(Reference)

Shareholder's equity: 21,041 million yen (As of September 30, 2011),  
19,796 million yen (As of March 31, 2011)

## 2. Dividend

|   | Dividend per share |              |           |                 |              |
|---|--------------------|--------------|-----------|-----------------|--------------|
|   | End of 1Q          | End of 2Q    | End of 3Q | Fiscal Year-end | Total        |
|   | ¥                  | ¥            | ¥         | ¥               | ¥            |
| Fiscal Year Ended March 31, 2011                                | —                  | 15.00        | —         | 15.00           | 30.00        |
| <b>Fiscal Year Ending March 31, 2012</b>                        | —                  | <b>22.50</b> |           |                 |              |
| <b>(Projection)</b><br><b>Fiscal Year Ending March 31, 2012</b> |                    |              | —         | <b>11.25</b>    | <b>33.75</b> |

Note: Revision of the last projections we showed: No

A stock split in which two shares were issued for each outstanding common share on December 1, 2011, the effective date resolved by a meeting of the Board of Directors held on November 1, 2011.

Therefore, Dividend per share for the Fiscal Year ending March 31, 2012 (Projections) was estimated by taking into account the effect of the stock split.

Please refer to the “Proper use of earnings projections, and other special matters” on the next page for further details.

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

|           | Net sales |     | Operating income |     | Ordinary income |     | Net income |      | Net income per share |
|-----------|-----------|-----|------------------|-----|-----------------|-----|------------|------|----------------------|
|           | ¥ million | %   | ¥ million        | %   | ¥ million       | %   | ¥ million  | %    | ¥                    |
| Full Year | 192,000   | 0.6 | 3,100            | 8.6 | 3,200           | 6.2 | 1,600      | 16.2 | 71.42                |

Note: Revision of the last projections we showed: No

A stock split in which two shares were issued for each outstanding common share on December 1, 2011, the effective date resolved by a meeting of the Board of Directors held on November 1, 2011.

Therefore, Net income per share in the Consolidated Projections for the Fiscal Year ending March 31, 2012 was estimated by taking into account the effect of the stock split.

#### 4. Other Information

(1) Significant changes in consolidated subsidiaries during the period: No

Note: Changes in specified subsidiaries affecting the scope of consolidation during the period.

(2) Application of special accounting methods for quarterly consolidated financial statements: No

(3) Changes in accounting principles, accounting estimation change and error correction.

a) Changes due to changes in accounting standards: Yes

b) Changes due to changes in accounting standard except a): No

c) Changes due to accounting estimation change: No

d) Error correction: No

(4) Number of shares issued (common shares)

a) Number of shares issued at the end of the period (including treasury shares)

|  |                   |
|--|-------------------|
| 2 <sup>nd</sup> quarter of the fiscal year ending March 31, 2012 | 24,050,000 shares |
| Fiscal year ended March 31, 2011                                 | 24,050,000 shares |

b) Number of treasury shares at the end of the period

|  |                  |
|--|------------------|
| 2 <sup>nd</sup> quarter of the fiscal year ending March 31, 2012 | 1,647,630 shares |
| Fiscal year ended March 31, 2011                                 | 1,647,410 shares |

c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

|  |                   |
|--|-------------------|
| For the 2 <sup>nd</sup> quarter of the fiscal year ending March 31, 2012 | 22,402,559 shares |
| For the 2 <sup>nd</sup> quarter of the fiscal year ended March 31, 2011  | 22,406,424 shares |

A stock split where 2 shares were issued per each outstanding common share on December 1, 2011 as the effective date was resolved at the Board of Directors held on November 1, 2011.

Therefore, suppose such stock split enforced at the beginning of the period of the Fiscal Year ended March 31, 2011, Number of shares issued (common shares) is estimated.

\* Information regarding the implementation of quarterly review procedures

At the time of release of this report, the quarterly review procedures based on “the Financial Instruments and Exchange Act.” have not been completed.

\*Proper use of earnings projections, and other special matters

(Caution about Projections)

The above projections are based on information available to the Company as of the date of the announcement of these materials. Actual business results may differ from the projections due to various factors in the future.

(About stock splits)

A stock split in which two shares were issued for each outstanding common share held by shareholders registered or recorded in the final shareholders registry as of November 30, 2011 on December 1, 2011, the effective date was resolved by a meeting of the Board of Directors held on November 1, 2011.

Supposing the stock split was carried at the beginning of the period of the Fiscal Year ended March 31, 2011, Dividend per share is as follows:

|                                       |        |                                    |        |
|---------------------------------------|--------|------------------------------------|--------|
| Record Date: As of September 30, 2010 | ¥7.50  | As of March 31, 2011               | ¥ 7.50 |
| Annual Dividend                       | ¥15.00 |                                    |        |
| Record Date: As of September 30, 2011 | ¥11.25 | As of March 31, 2012 (Projections) | ¥11.25 |
| Annual Dividend (Projections)         | ¥22.50 |                                    |        |