

# Fiscal Year 2002 Half Year Results

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November 11, 2002

Happinet Corporation



Estimates of future performance are provided as a reference for investors.  
They are based on projections and estimates and should not be construed as an assurance or guarantee of future performance.  
When using this information, please keep in mind that final results may vary.

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### Business Results

Business Results	2000/3	2000/9	2001/3	2001/9	2002/3	2002/9	Comments	
	Term End	Half Year	Term End	Half Year	Term End	Half Year		
Consolidated	Sales	thousand yen 100,823,488	62,945,435	126,670,293	57,050,522	140,888,629	55,783,291	Profit improved due to the increase in sales in the generally higher-margin toy business, and decrease in sales in our generally lower-margin video game business.
	Recurring profit	thousand yen 2,087,331	1,350,563	2,090,789	651,283	1,518,069	657,386	
	Net profit	thousand yen 1,232,370	718,120	1,080,496	264,139	735,100	420,725	
	Net assets	thousand yen 15,128,472	16,043,677	16,103,886	16,096,539	16,432,387	16,620,954	
	Total assets	thousand yen 38,580,005	37,194,916	37,140,060	35,048,264	53,698,026	44,400,878	
	Net assets per share	yen 1635.51	1,334.20	1,339.21	1,338.60	1,366.61	1,390.24	
	EPS	yen 138.53	63.57	89.86	21.97	61.13	35.01	
	No. of employees	people 445	481	468	478	556	537	
Parent	Sales	thousand yen 94,698,747	50,286,478	101,810,288	45,234,060	89,867,180	17,256,998	In October 2001, our toy business division was merged into our subsidiary, Happinet JP.
	Recurring profit	thousand yen 2,041,129	701,920	922,957	497,800	1,360,000	120,317	
	Net profit	thousand yen 1,125,364	650,912	469,903	273,021	722,884	205,127	
	Net assets per share	yen 1,591.39	1,269.60	1,254.52	1,254.64	1,280.52	1,290.71	
	Dividend (Interim dividend)	28.00 yen (12.50)	(12.50)	(12.50)	(12.50)	(12.50)	(12.50)	
	EPS	yen 126.50	31.90	39.08	22.70	60.12	17.07	
	Payout ratio	% 22.5	-	64.0	-	41.6	-	
	No. of employees	people 321	343	342	324	174	185	

- Note: 1. Sales tax is not included in either the consolidated or parent sales figures.  
2. The company completed a public offering of 500,000 new shares during FY99.  
3. The company made a stock-split (1 share → 1.3 shares) during the first half of FY00.

**1. FY2002 Half-Year Consolidated Results (profit and loss statement)**

(Unit: m¥, %, persons, ¥; Figures rounded)

	2001/9			2002/9			Comments	(Reference) 9/30 revised figures
	Of total (%)	YoY Change		Of total (%)	YoY Change			
Sales	57,051	100.0	90.6	55,783	100.0	97.8		56,000
Cost of sales	51,226	89.8	91.0	48,290	86.6	94.3	Incl. inventory revaluation loss: current:110, previous term:704	
Gross profit	5,824	10.2	87.4	7,493	13.4	128.6	Gross profit improved due to the increase in sales in the generally higher-margin toy business, and decrease in sales in our generally lower-margin video game business.	
SG&A costs	5,291	9.3	98.0	6,958	12.5	131.5	Resulting from increases in distribution and salary expenses	
Personnel costs	1,758	3.1	93.8	2,040	3.7	116.0	Resulting from M&A activity	
Subcontracted personnel costs	400	0.7	136.3	512	0.9	128.1		
Depreciation	191	0.3	95.9	191	0.3	100.0		
Operating profit	534	0.9	42.2	535	1.0	100.3		
Non-operating income	157	0.3	137.3	158	0.3	100.9		
Interest and dividends received	5	0.0	71.4	6	0.0	138.1		
Others	152	0.3	141.3	152	0.3	99.8		
Non-operating expenses	40	0.1	137.3	36	0.1	91.9		
Interest paid	0	0.0	1.2	0	0.0	132.5		
Others	40	0.1	154.8	36	0.1	91.9		
Recurring profit	651	1.1	48.2	657	1.2	100.9		600
Extraordinary profit	1	0.0	0.7	169	0.3	12614.7	Resulting from shares of Playstation.Com Japan being sold	
Extraordinary losses	132	0.2	74.5	60	0.1	45.4		
Pretax profit (Half Year)	521	0.9	38.2	767	1.4	147.2		
Enterprise, corp., inhabitant's taxes	237	0.4	36.8	335	0.6	140.9		
Minority interest (-indicates loss)	19	-	-	11	-	-		
Net income (Half Year)	264	0.5	36.8	421	0.8	159.3		400
Surplus, opening	10,380	-	108.1	10,812	-	104.2		
Surplus, increase	264	-	-	420	-	-		
Surplus, decrease	150	-	-	150	-	-		
Surplus (Half Year), closing	10,494	-	103.2	11,082	-	105.6		
EPS (Half Year) (¥)	21.97	-	34.6	35.01	-	159.4		
Average number of shares (thousand of shares)	12,025			12,016				
Number of employees	478	-	99.4	537	-	112.3		

Note: 1. No. of employees includes staff delegated from other companies, contracted staff members, and part-timers but excludes staff delegated to other companies and temporary staff members.

## 1. FY2002 Half-Year Consolidated Results

### 1. Sales by product area

(Unit: 100 m¥, %)

Product	Term	2001/9(Half Year)			2002/3			2002/9(Half Year)			
		Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
Toys		163	28.6	103.8	409	29.0	114.6	225	40.3	137.9	Strong results of Bandai main products, and also other manufacturers' transaction increased Lack of Playstation2 lead titles
Childcare goods		15	2.7	78.9	29	2.1	80.6	15	2.6	98.3	
Video games		250	43.8	85.6	672	47.7	116.3	151	27.0	60.3	
Amusements		28	4.9	66.7	55	3.9	80.9	28	5.0	100.4	
Videos		102	18.0	92.7	225	16.0	107.7	126	22.6	123.4	
Others		12	2.0	133.3	18	1.3	100.0	14	2.4	113.5	
<b>Total</b>		<b>570</b>	<b>100.0</b>	<b>90.6</b>	<b>1,408</b>	<b>100.0</b>	<b>111.2</b>	<b>558</b>	<b>100.0</b>	<b>97.9</b>	

### 2. Sales by sales channel

(Unit:100m¥, %)

Channel	Term	2002/3			2002/9(Half-Year)		
		Of total(%)	YoY Change		Of total(%)	YoY Change	
Wholesalers		160	11.4	-	63	11.3	-
Specialty stores		371	26.3	-	156	27.9	-
Department stores		33	2.3	-	11	1.9	-
General merchandise stores		333	23.7	-	130	23.3	-
Discount Store/Home Center		56	4.0	-	21	3.7	-
Suburban retail outlets		327	23.2	-	87	15.7	-
Others		128	9.1	-	90	16.2	-
<b>Total</b>		<b>1,408</b>	<b>100.0</b>	<b>-</b>	<b>558</b>	<b>100.0</b>	<b>-</b>

Note:1. YoY Change is not available as there were no consolidated records until the previous half year period.

# 1. FY2002 Half Year Consolidated Results

## 3. Sales by product line

### Toys

(Unit: 100 m¥, %)

Item	Term	2002/3		2002/9(Half-Year)			<Reference>2001/9(Parent)		
		Of total (%)	YoY Change	Of total (%)	YoY Change		Of total (%)		
Bandai Character		219	53.5	-	119	53.0	-	98	66.7
Bandai Innovative		64	15.6	-	22	9.7	-	21	14.2
Bandai Mattel		17	4.2	-	6	2.5	-	7	4.9
Other Bandai		23	5.6	-	21	9.3	-	0	0.1
Other manufacturers		86	21.0	-	57	25.6	-	22	14.1
<b>Total</b>		<b>409</b>	<b>100.0</b>	<b>-</b>	<b>225</b>	<b>100.0</b>	<b>-</b>	<b>148</b>	<b>100.0</b>

Note:1. YoY Change is not available as there were no consolidated records until the previous half year.

### <Reference> -Top sellers-

(Unit: 100 m¥)

	2002/9(Half Year)		<Reference>2001/9(Half-Year Parent)	
	Product	Sales	Product	Sales
Bandai Character	HURRICANEGER	36	Gao Ranger	32
	Masked Rider Series	30	Masked Rider Series	19
	Gekito! Crash Gear Turbo	14	Ultraman Series	17
	Digimon	9	Digimon	10
	Ultraman Series	6	Magical Doremi#	8
Bandai Innovative	Can Badge good !	4	Super Note Club	4
	Anpanman	3	Bungee Ball	2
	Super Note Club	3	Anpanman	2
	TECS (Thomas)	1	TECS (Thomas)	2
	Pico	1	Pico	2

# 1. FY2002 Half Year Consolidated Results

## 3. Sales by product line

### Video games

(Unit: 100 m¥, %)

Item	Term	2001/9 (Half Year)			2002/3			2002/9 (Half Year)			
		Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
PlayStation 2		185	74.2	111.4	400	59.5	134.7	88	58.6	47.8	Lack of lead titles and saturation of Playstation 2
PlayStation		29	11.8	31.9	78	11.6	47.3	18	12.0	62.1	
Wonder Swan		29	11.6	152.6	60	8.9	66.7	18	12.3	63.8	
Game Boy Advance		-	-	-	7	1.0	-	5	3.4	-	
Game Cube		-	-	-	4	0.6	-	3	2.1	-	
Others		6	2.4	50.0	123	18.3	723.5	18	11.7	293.2	
<b>Total</b>		<b>249</b>	<b>100.0</b>	<b>86.5</b>	<b>672</b>	<b>100.0</b>	<b>118.1</b>	<b>151</b>	<b>100.0</b>	<b>60.5</b>	

### PlayStation products

(Unit: 100 m¥, %)

Item	Term	2001/9(Half Year)			2002/3			2002/9 (Half Year)			
		Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
PS2 hardware		121	56.3	89.6	252	52.7	116.1	48	45.0	39.6	
		(330,000 units)			(790,000 units)			(170,000 units)			
PS2 software		50	23.2	192.3	117	24.5	177.3	34	32.3	68.8	
		(900,000 units)						(700,000 units)			
PS2 accessories		14	6.7	233.3	31	6.5	221.4	6	5.7	43.6	
PS hardware		1	0.7	10.0	8	1.7	25.8	1	0.8	87.0	
		(20,000 units)			(40,000 units)			(8,000 units)			
PS software		25	11.8	33.3	63	13.2	49.6	16	15.1	64.0	
		(810,000 units)						(480,000 units)			
PS accessories		3	1.3	60.0	7	1.5	100.0	1	1.1	37.3	
<b>Total</b>		<b>214</b>	<b>100.0</b>	<b>83.3</b>	<b>478</b>	<b>100.0</b>	<b>103.5</b>	<b>106</b>	<b>100.0</b>	<b>49.7</b>	

### Amusements

(Unit: 100 m¥, %)

Item	Term	2001/9(Half Year)			2002/3			2002/9 (Half Year)			
		Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
Vending machine products		14	50.1	77.8	29	52.7	85.3	14	51.2	102.9	
Vending machine prizes		9	32.5	50.0	17	30.9	77.3	9	30.7	95.8	
Vending equipment		1	3.9	50.0	1	1.8	25.0	1	1.9	54.0	
Others		4	13.5	100.0	8	14.5	100.0	5	16.2	113.8	
<b>Total</b>		<b>28</b>	<b>100.0</b>	<b>66.7</b>	<b>55</b>	<b>100.0</b>	<b>80.9</b>	<b>28</b>	<b>100.0</b>	<b>100.4</b>	

## 1. FY2002 Half Year (Consolidated balance sheet (1))

(Unit: m¥; Figures rounded)

	2001/9	2002/3	2002/9		Main reason behind increase or decrease in assets
				Change	
(Assets)					
(1) Current assets	30,089	47,446	38,158	-9,287	
1. Cash and deposits	2,968	10,756	7,362	-3,394	
2. Accounts and bills receivable	18,209	25,828	16,517	-9,311	Note:1
3. Inventories	7,065	8,227	11,967	3,740	Note:1
4. Deferred tax assets	540	512	413	-99	
5. Others	1,419	2,325	2,035	-290	
6. Reserves	-113	-202	-136	66	
(2) Fixed assets	4,960	6,252	6,243	-10	
1. Tangible assets	2,674	2,991	2,797	-194	
Buildings and structures	680	812	742	-70	
Land	784	1,263	1,232	-31	
Others	1,210	916	823	-94	
2. Intangible assets	815	1,015	894	-121	
Goodwill	-	80	70	-10	
Others	815	935	824	-111	
3. Investments and other assets	1,471	2,246	2,552	306	
Long-term securities	683	1,301	1,461	160	Purchase of Nintendo shares
Prepaid long-term expenses	23	37	34	-3	
Guarantees paid	476	482	457	-25	
Deferred tax assets	179	290	463	173	
Others	343	319	282	-37	
Reserves	-233	-183	-145	38	
Total assets	35,048	53,698	44,401	-9,297	

Note:1. Resulting from sales of "Xbox" commencing in February 2002.

## 1. FY2002 Half Year (Consolidated balance sheet (2))

(Unit: m¥; Figures rounded)

	2001/9	2002/3	2002/9		Main reason behind increase or decrease in assets
				Change	
<b>(Liabilities)</b>					
(1) Current liabilities	18,073	36,141	26,513	-9,629	
1.Accounts and bills payable	15,354	30,612	24,379	-6,233	Note:1
2.Short-term loan	-	-	-	-	
3.Deferred payments	1,064	2,571	1,138	-1,433	Note:1
4.Enterprise and other taxes owed	496	724	289	-435	
5.Reserves against bonuses	339	383	380	-4	
6.Others	820	1,851	327	-1,523	
(2) Fixed liabilities	779	1,025	1,160	135	
1.Deferred tax liabilities	-	57	166	109	
2.Severance and past service obligations	321	404	413	9	
3.Guarantees received	411	527	554	27	
3.Consolidated adjustment account	47	37	28	-9	
<b>Total liabilities</b>	<b>18,852</b>	<b>37,167</b>	<b>27,673</b>	<b>-9,493</b>	
<b>Minority interests</b>	<b>100</b>	<b>99</b>	<b>107</b>	<b>8</b>	
<b>(Shareholder's equity)</b>					
(1) Capital	2,751	2,751	2,751	0	
(2) Capital reserves	2,776	2,776	2,776	0	
(3) Consolidated surplus	10,494	10,812	11,083	270	
(4) Securities valuation account	75	94	80	-14	
(5) Treasury stock	-0	-1	-69	-68	
<b>Total shareholders' equity</b>	<b>16,097</b>	<b>16,432</b>	<b>16,621</b>	<b>189</b>	
<b>Liabilities, minority interests, and shareholders' equity</b>	<b>35,048</b>	<b>53,698</b>	<b>44,401</b>	<b>-9,297</b>	
<b>Shareholders' equity per share (¥)</b>	<b>1,338.60</b>	<b>1,366.61</b>	<b>1,390.25</b>		
<b>Average number of shares (thousand of shares)</b>	<b>12,025</b>	<b>12,024</b>	<b>11,956</b>		

Note:1. Resulting from sales of "Xbox" commencing in February 2002.



## 1. FY2002 Half Year-Consolidated cash flow statement

(Unit: m¥; Figures rounded)

	2001/9	2002/9	Comments
(1) Cash flow from operating activities			
Current pretax profit (Half Year)	521	767	
Depreciation	191	278	
Change in trade receivables	2,744	9,341	
Change in inventories	△ 1,281	△ 3,740	
Change in trade payables	△ 2,870	△ 6,233	
Change in accounts receivable-others	344	406	
Change in accounts payable-others	57	△ 1,360	
Others	200	△ 1,685	
Tax paid	△ 368	△ 754	
Net cash provided by operating activities	△ 464	△ 2,981	
(2) Cash flow from investing activities			
Spending on tangible & intangible assets	△ 476	△ 98	
Expenditures concerning acquisitions of investment securities	△ 9	△ 190	
Gains from sales of investment securities	7	120	
Others	7	△ 22	
Net cash provided by investing activities	△ 472	△ 191	
(3) Cash flow from financing activities			
Change in borrowings (net)	-	-	
Dividends paid	△ 159	△ 150	
Others	0	△ 71	
Net cash provided by financing activities	△ 159	△ 221	
(4) Change in cash and equivalents	△ 1,095	△ 3,394	
(5) Cash & equivalents opening balance	4,013	10,756	
(6) Change in cash and equivalents resulting from changes in consolidation	50	-	
(7) Cash and equivalents closing balance	2,968	7,362	

Note:1. 09/30/2002 was a bank holiday and fund settlements of approx. 1.3 billion yen were made on the following business day.

The fund balance at term end would have been 4.3 billion yen if settlements from the following business day were included.

## 2. FY2002 Half Year Results (Parent profit and loss statement)

(Unit: m¥, %, people, ¥; Figures rounded)

	2001/9			2002/9			Comments	(Reference) 9/30 revised figures
		Of total (%)	YoY Change		Of total (%)	YoY Change		
Sales	45,234	100.0	90.0	17,257	100.0	38.2		17,000
Cost of sales	41,210	91.1	90.0	15,977	92.6	38.8	Inventory evaluation loss included, current: 36, previous term: 529	
Gross profit	4,024	8.9	89.5	1,280	7.4	31.8		
SG&A costs	3,878	8.6	96.1	1,447	8.4	37.3		
Personnel costs	1,138	2.5	84.5	778	4.5	68.4		
Subcontracted personnel costs	155	0.3	62.4	150	0.9	96.6		
Depreciation	184	0.4	95.6	244	1.4	132.6		
Operating profit	146	0.3	31.4	-167	-1.0	-114.6		
Non-operating income	378	0.8	147.7	291	1.7	77.0		
Interest and dividends received	210	0.5	684.8	156	0.9	74.1		
Others	168	0.4	74.6	135	0.8	80.6		
Non-operating expenses	26	0.1	147.0	4	0.0	14.3		
Interest paid	0	0.0	25.0	0	0.0	125.0		
Others	26	0.1	148.0	4	0.0	14.2		
Recurring profit	498	1.1	70.9	120	0.7	24.2		50
Extraordinary profit	1	0.0	0.7	186	1.1	13,895.6		
Extraordinary loss	131	0.3	56.4	52	0.3	39.8		
Pretax profit (Half Year)	368	0.8	56.5	254	1.5	69.1		
Enterprise, corp., inhabitant's taxes	95	0.2	32.6	49	0.3	51.9		
Net profit (Half Year)	273	0.6	75.8	205	1.2	75.1		150
Surplus, opening	9,361	-	101.8	9,783	-	104.5		
Surplus, increased	273	-	-	205	-	-		
Surplus, decreased	150	-	-	150	-	-		
Surplus (Half Year), closing	9,484	-	100.9	9,838	-	103.7		
EPS (Half Year), (¥)	22.70	-	-	17.07	-	-		
Average number of shares (thousand of shares)	12,025			12,016				
Number of employees	324	-	94.5	185	-	57.1		

Note: 1. No. of employees includes staff delegated from other companies, contracted staff members, and part-timers but excludes staff delegated to other companies and temporary staff members.

2. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

## 2. FY2002 Half Year Parent Results (balance sheet 1)

(Unit: m¥; Figures rounded)

	2001/9	2002/3	2002/9		Main reason behind increase or decrease in assets
				Change	
(Assets)					
(1) Current assets	24,427	29,761	19,262	-10,500	
1.Cash and deposits	1,699	8,177	6,016	-2,161	Note:1
2.Accounts and bills receivable	15,608	11,643	3,618	-8,025	Note:1
3.Products	5,952	4,314	6,306	1,992	
4.Deferred tax assets	346	338	216	-121	
5.Short-term receivables	300	3,900	2,385	-1,515	Note:1
6.Others	618	1,516	778	-738	
7.Reserves	-95	-127	-58	69	
(2) Fixed assets	5,277	9,548	9,519	-28	
1.Tangible assets	2,617	2,077	1,900	-177	
Buildings	654	658	601	-57	
Land	767	517	486	-31	
Others	1,196	903	813	-89	
2.Intangible assets	728	825	716	-109	
Software	704	801	692	-109	
Others	24	24	24	-1	
3.Investments and other assets	1,933	6,645	6,903	259	
Long-term securities	441	401	418	17	
Securities held in affiliates	821	5,589	5,792	203	
Deferred tax assets	140	102	142	40	
Others	750	715	663	-52	
Reserves	-218	-162	-112	50	
Total assets	29,705	39,309	28,781	-10,528	

Note:1. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

## 2. FY2002 Half Year Parent Results (balance sheet 2)

(Unit: m¥; Figures rounded)

	2001/9	2002/3	2002/9		Main reason behind in increase or decrease in assets
				Change	
<b>( Liabilities )</b>					
(1) Current liabilities	14,189	23,537	12,985	-10,553	
1.Accounts and bills payable	12,425	19,570	12,073	-7,497	Note: 1
2.Short-term loans	-	-	-	-	
3.Enterprise and other taxes owed	252	716	5	-711	
4.Reserves against bonuses	130	129	135	5	
5.Others	1,382	3,122	773	-2,349	
(2) Fixed liabilities	429	374	365	-9	
1.Deferred tax liabilities	-	-	-	-	
2.Reserves against severance and past	197	94	108	14	
3.Others	232	280	257	-23	
<b>Total Liabilities</b>	<b>14,618</b>	<b>23,912</b>	<b>13,350</b>	<b>-10,562</b>	
<b>(Shareholders' equity)</b>					
(1) Capital	2,751	2,751	2,751	0	
(2) Capital reserve	2,776	2,776	2,776	0	
(3) Earned surplus reserves	176	176	176	0	
(4) Other surplus	9,308	9,608	9,662	55	
1.Voluntary reserves	8,740	8,740	9,160	420	
2.Unappropriated earned reserves	568	868	502	-365	
(5) Securities valuation account	76	87	134	47	
(6) Treasury stock	-0	-1	-69	-68	
<b>Total shareholders' equity</b>	<b>15,087</b>	<b>15,397</b>	<b>15,431</b>	<b>34</b>	
<b>Liabilities and shareholders' equity</b>	<b>29,705</b>	<b>39,309</b>	<b>28,781</b>	<b>-10,528</b>	

1 shareholders' equity per share (yen)	1,254.64	1,280.52	1,290.71	
Average number of shares (thousand of shares)	12,025	12,024	11,956	

Note:1. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

### 3. 2002 Forecast (Consolidated profit and loss statement)

(Unit: m¥, %, ¥; Figures rounded)

	2002/3			2003/3 plan			Comments
	Of total (%)	YoY Change		Of total (%)	YoY Change		
Sales	140,889	100.0	111.2	130,000	100.0	92.3	
Cost of sales	127,104	90.2	111.7	114,559	88.1	90.1	Gross profit improved due to the increase in sales in the generally higher-margin toy business, and decrease in sales in our generally lower-margin video game business.
Gross profit	13,784	9.8	107.4	15,441	11.9	112.0	
SG&A costs	12,538	8.9	114.3	14,201	10.9	113.3	Improving due to success in curtailing distribution costs in the second-half term
Personnel costs	3,738	2.7	99.0	4,000	3.1	107.0	
Subcontracted personnel costs	913	0.6	131.7	930	0.7	101.8	
Depreciation	493	0.3	123.6	555	0.4	112.6	
Operating profit	1,247	0.9	66.7	1,240	1.0	99.5	
Non-operating income	397	0.3	146.3	316	0.2	79.6	
Interest and dividends received	12	0.0	67.6	11	0.0	93.8	
Others	385	0.3	151.7	305	0.2	79.2	
Non-operating expenses	126	0.1	256.6	56	0.0	44.6	
Interest paid	25	0.0	328.6	0	-	-	
Others	101	0.1	243.6	56	0.0	55.5	
Recurring profit	1,518	1.1	72.6	1,500	1.2	98.8	
Extraordinary profit	50	0.0	23.7	126	0.1	253.4	
Extraordinary losses	194	0.1	69.8	60	0.0	31.0	
Pretax profit	1,374	1.0	67.9	1,566	1.2	113.9	
Enterprise, corp., inhabitant's taxes	621	0.4	68.4	676	0.5	108.9	
Minority interest (-indicates loss)	19	-	-	30	-	-	
Net profit	735	0.5	68.0	860	0.7	117.0	
Surplus, opening	10,380	-	108.1	10,812	-	104.2	
Surplus, increase	735	-	-	860	-	-	
Surplus, decrease	303	-	-	300	-	-	
Surplus, closing	10,812	-	104.2	11,372	-	105.2	
EPS (¥)	61.13	-	-	71.93	-	-	
Average number of shares (thousand of shares)	12,025			12,016			
Number of employees	556	-	118.8	537	-	96.6	
Facility investment amount	1,147	-	137.4	227	-	19.8	

Note: 1. No. of employees includes staff delegated from other companies, contracted staff members, and part-timers but excludes staff delegated to other companies and temporary staff members.

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When using this information, please keep in mind that final results may vary.

### 3. FY2002 Forecast (Consolidated)

#### 1. Sales by product area (Plan)

(Unit: 100 m¥, %)

Term \ Item	2002/3			2002/9 (Half Year)			2003/3 estimates			
	Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
Toys	409	29.0	114.6	225	40.3	137.9	532	40.9	130.1	Negatively affected by lack of lead titles, etc.
Childcare goods	29	2.1	80.6	15	2.6	98.3	28	2.2	96.6	
Video games	672	47.7	116.3	151	27.0	60.3	390	30.0	58.0	
Amusements	55	3.9	80.9	28	5.0	100.4	58	4.5	105.5	
Videos	225	16.0	107.7	126	22.6	123.4	270	20.8	120.0	
Others	18	1.3	100.0	14	2.4	113.5	22	1.7	122.2	
<b>Total</b>	<b>1,408</b>	<b>100.0</b>	<b>111.2</b>	<b>558</b>	<b>100.0</b>	<b>97.9</b>	<b>1,300</b>	<b>100.0</b>	<b>92.3</b>	

#### 2. Sales by product line (Plan)

##### Toys

(Unit: 100 m¥, %)

Term \ Item	2002/3			2002/9 (Half Year)			2003/3 estimates			
	Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
Bandai Character	219	53.5	-	119	53.0	-	258	48.5	117.9	Strong sales of character products for boys.
Bandai Innovative	64	15.6	-	22	9.7	-	76	14.3	119.2	
Bandai Mattel	17	4.2	-	6	2.5	-	13	2.5	76.7	Strong sales of hobby related products for girls Increased due to the merger of our toy business division into our subsidiary, Happinet JP.
Other Bandai	23	5.6	-	21	9.3	-	43	8.1	188.2	
Other manufacturers	86	21.0	-	57	25.6	-	141	26.5	164.1	
<b>Total</b>	<b>409</b>	<b>100.0</b>	<b>-</b>	<b>225</b>	<b>100.0</b>	<b>-</b>	<b>532</b>	<b>100.0</b>	<b>130.1</b>	

##### Video games

(Unit: 100 m¥, %)

Term \ Item	2002/3			2002/9 (Half Year)			2003/3 estimates			
	Of total (%)	YoY Change		Of total (%)	YoY Change		Of total (%)	YoY Change		
PlayStation 2	400	59.5	134.7	88	58.6	47.8	226	57.9	56.5	Lack of lead titles; hardware market saturation
PlayStation	78	11.6	47.3	18	12.0	62.1	33	8.5	42.4	
Wonder Swan	60	8.9	66.7	18	12.3	63.8	37	9.5	62.0	
Game Boy Advance	7	1.0	-	5	3.4	-	11	2.8	155.7	
Game Cube	4	0.6	-	3	2.1	-	7	1.7	168.5	
Others	123	0.4	723.5	18	11.7	293.2	76	19.5	61.9	
<b>Total</b>	<b>672</b>	<b>100.0</b>	<b>118.1</b>	<b>151</b>	<b>100.0</b>	<b>60.5</b>	<b>390</b>	<b>100.0</b>	<b>58.0</b>	

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#### 4. FY2002 Parent Forecast (profit and loss statement)

(Unit: m¥, %; Figures rounded)

	2002/3			2003/3 plan			Comments
		Of total (%)	YoY Change		Of total (%)	YoY Change	
Sales	89,867	100.0	88.3	43,000	100.0	47.8	
Cost of sales	83,604	93.0	89.5	40,589	94.4	48.5	
Gross profit	6,263	7.0	74.4	2,411	5.6	38.5	
SG&A costs	5,436	6.0	65.8	2,479	5.8	45.6	
Personnel costs	1,899	2.1	69.3	1,535	3.6	80.8	
Subcontracted personnel costs	287	0.3	52.9	280	0.7	97.4	
Depreciation	444	0.5	115.1	488	1.1	109.8	
Operating profit	827	0.9	556.1	-68	-0.2	-8.2	
Non-operating profit	575	0.6	71.3	376	0.9	65.4	
Interest and dividends received	219	0.2	90.9	163	0.4	74.5	
Others	356	0.4	63.0	213	0.5	59.8	
Non-operating expenses	42	0.0	133.3	8	0.0	19.2	
Interest paid	4	0.0	55.3	0	0.0	0.0	
Others	38	0.0	157.7	8	0.0	21.3	
Recurring profit	1,360	1.5	147.4	300	0.7	22.1	
Extraordinary profit	1	0.0	0.7	139	0.3	10373.1	
Extraordinary losses	187	0.2	49.6	52	0.1	27.8	
Pretax profit	1,174	1.3	160.2	387	0.9	33.0	
Enterprise, corporation, inhabitant's taxes	451	0.5	171.7	127	0.3	28.1	
Net profit	723	0.8	153.8	260	0.6	36.0	
Surplus, opening	9,361	-	101.8	9,783	-	104.5	
Surplus, increase	723	-	-	260	-	-	
Surplus, decrease	301	-	-	300	-	-	
Surplus, closing	9,783	-	104.5	9,743	-	99.6	
EPS (¥)	60.12	-	-	21.75	-	-	
Average number of shares (thousand of shares)	12,025			12,016			
Number of employees	175	-	51.2	185	-	105.7	

Note: 1. No. of employees includes staff delegated from other companies, contracted staff members, and part-timers but excludes staff delegated to other companies and temporary staff members  
2. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

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## 5. Group Companies

(Unit: m¥, %)

	Happinet JP Corporation							Happinet Pictures Corporation						
	2001/9 (Interim)	2002/3		2002/9 (Interim)		2003/3 estimates		2001/9 (Interim)	2002/3		2002/9 (Interim)		2003/3 estimates	
		YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change		YoY Change	YoY Change	YoY Change	YoY Change		
Sales	2,473	32,957	-	27,902	1128.3	64,600	196.0	11,389	23,392	94.2	12,402	108.9	26,717	114.2
Recurring profit	-173	266	-	437	-	451	169.5	363	353	24.2	222	61.0	595	168.6
Net profit	-99	174	-	242	-	257	147.7	211	202	17.6	124	58.8	345	170.8

(Unit: m¥, %)

	Happinet Logistics Service Corporation							Happinet Robin Corporation						
	2001/9 (Interim)	2002/3		2002/9 (Interim)		2003/3 estimates		2001/9 (Interim)	2002/3		2002/9 (Interim)		2003/3 estimates	
		YoY Change	YoY Change	YoY Change	YoY Change	YoY Change	YoY Change		YoY Change	YoY Change	YoY Change	YoY Change		
Sales	1,597	4,015	-	2,605	163.1	5,668	217.6	1,213	2,330	94.1	1,315	108.4	3,307	141.9
Recurring profit	59	▲ 420	-	▲ 17	-29.3	118	-	66	27	168.8	30	45.7	152	563.0
Net profit	37	▲ 244	-	▲ 10	-25.9	68	-	40	16	320.0	19	48.1	88	550.0

Note:1. In October 2001, our toy business division was merged into our subsidiary, Happinet JP.

Toyokuni Corporation, which became a wholly owned Happinet subsidiary on October 1, 2001, merged with Happinet JP Corporation on March 1, 2002.

Happinet JP Corporation took over the trading rights of Matsui Sakae Toys Co., Ltd. on March 1, 2002.

2. On July 1, 2002, Beam Entertainment Corporation changed its company name to Happinet Pictures Corporation.

3. On September 1, 2002, Hearty Robin Corporation changed its company name to Happinet Robin Corporation.

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