

Fiscal Year 2003 Half Year Results

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Happinet Corporation



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Business Results

		2001/3	2001/9	2002/3	2002/9	2003/3	2003/9	Comments
		Full year	Half year	Full year	Half year	Full year	Half year	
Consolidated	Sales	thousand yen 126,670,29	57,050,522	140,888,629	55,783,291	122,515,841	52,484,708	
	Recurring profit	thousand yen 2,090,789	651,283	1,518,069	657,385	1,380,129	458,454	
	Net profit	thousand yen 1,080,496	264,139	735,100	420,724	766,689	-1,089,168	
	Net assets	thousand yen 16,103,886	16,096,539	16,432,387	16,620,954	16,512,301	15,770,631	
	Total assets	thousand yen 37,140,060	35,048,264	53,698,026	44,400,884	39,975,413	39,069,727	
	Net assets per share	yen 1,339.21	1,338.60	1,366.61	1,390.24	1,408.83	1,312.08	
	EPS	yen 89.86	21.97	61.13	35.01	64.40	-91.32	
	No. of employees	people 468	478	556	543	510	503	
Parent	Sales	thousand yen 101,810,288	45,234,060	89,867,180	17,256,998	39,441,524	11,238,047	
	Recurring profit	thousand yen 922,957	497,800	1,360,000	120,317	362,764	45,269	
	Net profit	thousand yen 469,903	273,021	722,884	205,127	306,920	-848,963	
	Net assets per share	yen 1,254.52	1,254.64	1,280.52	1,290.71	1,292.89	1,206.42	
	Dividend (Interim dividend)	25.00 (12.50)	(12.50)	25.00 (12.50)	(12.50)	25.00 (12.50)	(12.50)	
	EPS	yen 39.08	22.70	60.12	17.07	25.78	-71.18	
	Payout ratio	% 64.0	-	41.6	-	96.98	-	
	No. of employees	people 342	324	174	184	174	137	

Note: Sales tax is not included in either the consolidated or parent sales figures.

1. Fiscal 2003 Half Year Consolidated Results (Profit and Loss Statement)

(Units: million yen, %, persons, yen; figures are rounded)

	2002/9 (Half year)			2003/9 (Half year)			Comments	(Reference) 9/30 revised figures
		Of total (%)	YoY change		Of total (%)	YoY change		
Sales	55,783	100.0	97.8	52,485	100.0	94.1		51,000
Cost of sales	48,290	86.6	94.3	45,666	87.0	94.6	Includes inventory revaluation loss: current: 527, previous term: 110	
Gross profit	7,493	13.4	128.6	6,819	13.0	91.0		
SG&A costs	6,958	12.5	131.5	6,460	12.3	92.8		
Personnel costs	2,040	3.7	116.0	1,849	3.5	90.6		
Subcontracted personnel costs	512	0.9	128.1	391	0.7	76.2		
Depreciation	277	0.5	145.3	257	0.5	92.5		
Operating income	535	1.0	100.2	359	0.7	67.1		
Non-operating income	159	0.3	101.1	105	0.2	66.2		
Interest and dividends received	6	0.0	138.1	8	0.0	130.2		
Others	152	0.3	100.0	97	0.2	63.5		
Non-operating expenses	36	0.1	91.9	6	0.0	15.3		
Interest paid	0	0.0	132.5	0	0.0	111.3		
Others	36	0.1	91.9	5	0.0	15.1		
Recurring profit	657	1.2	100.9	458	0.9	69.7		400
Extraordinary profit	169	0.3	12,614.7	9	0.0	5.1		
Extraordinary losses	60	0.1	45.4	2,233	4.3	3,730.3	Loss on sale of property, plant and equipment 309 Retirement benefit expenses 256 Investment securities revaluation loss 318 Loss on closing of warehouse 219 Inventory revaluation loss 1,100	
Pretax profit (half year)	767	1.4	147.2	-1,766	-3.4	-		
Enterprise, corporate, and inhabitants' taxes	335	0.6	140.9	-676	-1.3	-		
Minority interests	11	0.0	59.1	-	-	-		
Net income (half year)	421	0.8	159.3	-1,089	-2.1	-		-1,100
Surplus, opening	10,812	-	104.2	11,279	-	104.3		
Surplus, increase	421	-	-	-1,089	-	-		
Surplus, decrease	150	-	-	164	-	-		
Surplus, closing (half year)	11,083	-	105.6	10,026	-	90.5		
EPS (yen) Half Year	35.01	-	-	-91.32	-	-		
Average no. of shares (thousands of shares)	12,016			11,927				
No. of employees at period end	543	-	113.5	503	-	92.9		

Note 1: The number of employees includes employees seconded from other companies, contracted staff members, and part-time employees but excludes employees seconded to other companies and temporary staff members.

1. Fiscal 2003 Half Year Consolidated Results

1. Sales by product area

(Units: 100 million yen, %)

Product	Term	2002/9 (Half year)		2003/3			2003/9 (Half year)			
		Of total (%)	YoY change	Of total (%)	YoY change	Of total (%)	YoY change			
Toys		225	40.3	137.9	520	42.4	127.1	245	46.7	109.0
Childcare goods		15	2.6	98.3	27	2.2	93.1	9	1.8	63.3
Video games		151	27.0	60.3	343	28.0	51.0	93	17.6	61.4
Amusements		28	5.0	100.4	55	4.5	100.0	25	4.8	90.4
Video-related		126	22.6	123.4	260	21.2	115.6	126	24.0	99.9
Others		14	2.4	113.5	20	1.6	111.1	27	5.1	196.3
Total		558	100.0	97.9	1,225	100.0	87.0	525	100.0	94.1

2. Sales by sales channel

(Units: 100 million yen, %)

Channel	Term	2002/9 (Half year)		2003/3			2003/9 (Half year)			
		Of total (%)	YoY change	Of total (%)	YoY change	Of total (%)	YoY change			
Wholesalers		63	11.3	-	127	10.4	79.4	63	12.1	100.2
Specialty stores		156	27.9	-	328	26.8	88.4	138	26.3	88.9
Department stores		11	1.9	-	20	1.6	60.6	7	1.3	66.4
General merchandise stores		130	23.3	-	302	24.7	90.7	108	20.6	83.3
Discount stores/home centers		21	3.7	-	44	3.6	78.6	21	4.1	103.6
Suburban retail outlets		87	15.7	-	188	15.3	57.5	79	15.1	90.6
Others		90	16.2	-	216	17.6	168.8	107	20.4	118.8
Total		558	100.0	-	1,225	100.0	87.0	525	100.0	94.1

1. Fiscal 2003 Half Year Consolidated Results

3. Sales by product line

Toys

(Units: 100 million yen, %)

Item	Term	2002/9 (Half year)			2003/3			2003/9 (Half year)		
		Of total (%)	YoY change		Of total (%)	YoY change		Of total (%)	YoY change	
Bandai		167	74.4	-	365	70.2	113.0	176	71.9	105.2
Other manufacturers		57	25.6	-	155	29.8	180.2	69	28.1	120.0
Total		225	100.0	-	520	100.0	127.1	245	100.0	109.0

[Reference] Top sellers

(Unit: 100 million yen)

	2002/9 (Half year)		2003/9 (Half year)	
	Product	Sales	Product	Sales
Bandai Character	HURRICANEGER	36	Abarenja	35
	Masked Rider Series	30	Masked Rider Series	30
	Crash Gear	14	Gundam	7
	DEGIMON	9	Ultraman Series	6
	Ultraman Series	6	Nadja AppleField	5
Bandai Innovative	Can Badge Good!	4	Can Badge Good!	3
	Anpanman	3	Anpanman	3
	Super Note Club	3	Super Note Club	2
	TECS (Thomas)	1	TECS (Thomas)	1
	Pico	1	Pico	1
Other manufacturers			TOMY YubinoriPipi	1.3
			TOMY Kyarabotorin	0.4
			Takara Choro-Q	0.4
			Takara Figure Astro Boy	0.4
			Takara Figure Licca-chan	0.4

1. Fiscal 2003 Half Year Consolidated Results

3. Sales by product line

Video games

(Units: 100 million yen, %)

Item	Term	2002/9 (Half year)			2003/3			2003/9 (Half year)		
		Of total (%)	YoY change		Of total (%)	YoY change		Of total (%)	YoY change	
PlayStation 2		88	58.6	47.8	208	60.6	52.0	68	73.1	76.5
PlayStation		18	12.0	62.1	24	7.0	30.8	4	4.2	21.6
Wonder Swan		18	12.3	63.8	27	7.9	45.0	2	2.0	9.8
Game Boy Advance		5	3.4	-	16	4.7	228.6	5	5.0	91.2
Game Cube		3	2.1	-	9	2.6	225.0	4	4.2	122.3
Others		18	11.7	293.2	59	17.2	48.0	11	11.6	60.9
Total		151	100.0	60.5	343	100.0	51.0	93	100.0	61.4

PlayStation products

(Units: 100 million yen, %)

Item	Term	2002/9 (Half year)			2003/3			2003/9 (Half year)		
		Of total (%)	YoY change		Of total (%)	YoY change		Of total (%)	YoY change	
PS2 hardware		48 (170,000 units)	45.0	39.6	102 (380,000 units)	44.0	40.5	31 (125,000 units)	43.5	64.9
PS2 software		34 (700,000 units)	32.3	68.8	93	40.1	79.5	33 (710,000 units)	45.6	94.8
PS2 accessories		6	5.7	43.6	13	5.6	41.9	4	5.5	64.3
PS hardware		1 (8,000 units)	0.8	87.0	1 (10,000 units)	0.4	12.5	0 (1,000 units)	0.5	40.2
PS software		16 (480,000 units)	15.1	64.0	21	9.1	33.3	3 (120,000 units)	4.8	21.4
PS accessories		1	1.1	37.3	2	0.9	28.6	0	0.2	10.7
Total		106	100.0	49.7	232	100.0	48.5	72	100.0	67.2

Amusements

(Units: 100 million yen, %)

Item	Term	2002/9 (Half year)			2003/3			2003/9 (Half year)		
		Of total (%)	YoY change		Of total (%)	YoY change		Of total (%)	YoY change	
Vending machine products		14	51.2	102.9	27	49.1	93.1	13	51.8	91.3
Vending machine prizes		9	30.7	95.8	16	29.1	94.1	7	28.2	83.1
Vending equipment		1	1.9	54.0	3	5.5	300.0	0	1.0	48.1
Others		5	16.2	113.8	9	16.4	112.5	5	19.0	105.9
Total		28	100.0	100.4	55	100.0	100.0	25	100.0	90.3

1. Fiscal 2003 Half Year Results (Consolidated Balance Sheet [1])

(Units: million yen; figures are rounded)

	2002/9 (Half year)	2003/3	2003/9 (Half year)		Main reason behind increase or decrease in assets
				Change	
(Assets)					
(1) Current assets	38,158	34,417	34,245	-172	
1. Cash and deposits	7,362	6,295	5,239	-1,056	
2. Accounts and bills receivable	16,517	17,498	16,431	-1,067	
3. Inventories	11,967	7,857	8,181	324	
4. Deferred tax assets	413	497	1,068	571	
5. Others	2,035	2,428	3,433	1,004	Increase of 500 million yen in advances for video related business
6. Reserves	-136	-158	-106	52	
(2) Fixed assets	6,243	5,558	4,824	-734	
1. Tangible assets	2,797	2,681	1,829	-852	
Buildings and structures	742	711	552	-159	
Land	1,232	1,220	597	-623	
Others	823	750	680	-70	
2. Intangible assets	894	853	702	-151	
Goodwill	70	60	50	-10	
Others	824	793	652	-141	
3. Investments and other assets	2,552	2,024	2,293	269	
Long-term securities	1,461	1,199	1,342	144	
Prepaid long-term expenses	34	32	15	-18	
Guarantees paid	457	464	469	5	
Deferred tax assets	463	226	374	147	
Others	282	168	204	35	
Reserves	-145	-66	-111	-44	
Total assets	44,401	39,975	39,070	-906	

1. Fiscal 2003 Half Year Results (Consolidated Balance Sheet [2])

(Units: million yen; figures are rounded)

	2002/9 (Half year)	2003/3	2003/9 (Half year)		Main reason behind increase or decrease in assets
				Change	
(Liabilities)					
(1) Current liabilities	26,513	22,323	21,927	-396	
1. Accounts and bills payable	24,379	19,760	19,557	-203	
2. Short-term loan	-	-	-	-	
3. Deferred payments	1,138	1,420	1,219	-201	
4. Enterprise and other taxes owed	289	406	221	-185	
5. Reserves against bonuses	380	347	337	-10	
6. Others	327	390	593	203	
(2) Fixed liabilities	1,160	1,140	1,372	232	
1. Deferred tax liabilities	166	36	33	-3	
2. Reserves against severance and past service	413	432	658	226	
3. Guarantees received	554	630	651	21	
4. Consolidated adjustment account	28	43	31	-12	
Total liabilities	27,673	23,463	23,299	-164	
Minority interests	107	-	-	-	
(Shareholders' equity)					
(1) Capital	2,751	2,751	2,751	-	
(2) Capital reserves	2,776	2,776	2,776	1	
(3) Consolidated surplus	11,083	11,279	10,026	-1,253	
(4) Securities valuation account	80	-36	222	257	
(5) Treasury stock	-69	-258	-5	253	
Total shareholders' equity	16,621	16,512	15,771	-742	
Liabilities, minority interests, and shareholders' equity	44,401	39,975	39,070	-906	
Shareholders' equity per share (yen)	1,390.25	1,408.83	1,312.08		

No. of shares outstanding (thousands of shares) 11,956 11,721 12,020

1. Fiscal 2003 Half Year Consolidated Cash Flow Statement

(Unit: million yen; figures are rounded)

	2002/9 (Half year)	2003/9 (Half year)		Comments
			Change	
(1) Cash flow from operating activities				
Current pretax profit (half year)	767	-1,766	-2,532	
Depreciation	278	259	-19	
Change in trade receivables	9,341	1,032	-8,309	(Note) 1
Change in inventories	-3,740	-324	3,417	(Note) 1
Change in trade payables	-6,233	-203	6,030	(Note) 1
Change in accounts receivable-others	406	-43	-449	
Change in accounts payable-others	-1,360	-52	1,309	
Others	-1,685	557	2,242	
Tax paid	-754	-439	315	
Net cash provided by operating activities	-2,981	-1,117	1,865	
(2) Cash flow from investing activities				
Expenditures on tangible and intangible assets	-98	-63	35	
Proceeds from sale of tangible and intangible assets	10	462	452	
Expenditure on acquisition of investment securities	-190	-16	174	
Gains from sales of investment securities	120	9	-111	
Expenditures on loans	-35	-402	-367	
Other	3	-1	-4	
Net cash provided by investing activities	-191	-11	179	
(3) Cash flow from financing activities				
Change in borrowings (net)	-	-	-	
Dividends paid	-150	-148	2	
Proceeds from sales of treasury stock	-	255	255	
Other	-71	-1	70	
Net cash provided by financing activities	-221	106	328	
(4) Change in cash and equivalents	-3,394	-1,022	2,372	
(5) Cash and cash equivalents opening balance	10,756	6,295	-4,461	
(6) Change in cash and cash equivalents resulting from changes in consolidation	-	-35	-35	
(7) Cash and cash equivalents closing balance	7,362	5,239	-2,123	

Note 1: Due to the distribution of Xbox, for which sales commenced in February 2002.

1. Fiscal 2003 Half Year Results (Parent Profit and Loss Statement)

(Units: million yen, %, people, yen; figures are rounded)

	2002/9 (Half year)			2003/9 (Half year)			Comments	[Reference] 9/30 revised figures
		Of total (%)	YoY change		Of total (%)	YoY change		
Sales	17,257	100.0	38.2	11,238	100.0	65.1		11,000
Cost of sales	15,977	92.6	38.8	10,474	93.2	65.6	Includes inventory revaluation loss:	
Gross profit	1,280	7.4	31.8	764	6.8	59.7	current term: -, prior term: 36	
SG&A expenses	1,447	8.4	37.3	955	8.5	66.0		
Personnel costs	778	4.5	68.4	624	5.6	80.3		
Subcontracted personnel costs	150	0.9	96.6	103	0.9	68.6		
Depreciation	244	1.4	132.6	227	2.0	92.9		
Operating profit	-167	-1.0	-	-190	-1.7	-		
Non-operating income	291	1.7	77.0	236	2.1	81.1		
Interest and dividends received	156	0.9	74.1	170	1.5	109.3		
Others	135	0.8	80.6	66	0.6	48.8		
Non-operating expenses	4	0.0	14.3	1	0.0	13.5		
Interest paid	0	0.0	125.0	0	0.0	73.3		
Others	4	0.0	14.2	0	0.0	12.8		
Recurring profit	120	0.7	24.2	45	0.4	37.6		0
Extraordinary profit	186	1.1	13,895.6	13	0.1	7.1		
Extraordinary loss	52	0.3	39.8	1,554	13.8	2,975.0		
Pretax profit (half year)	254	1.5	69.1	-1,495	-13.3	-		
Enterprise, corporate, and inhabitants' taxes	49	0.3	51.9	-646	-5.8	-		
Net income/loss (half year)	205	1.2	75.1	-849	-7.6	-		-850
Surplus, opening	9,784	-	104.5	9,791	-	100.1		
Surplus, increased	205	-	-	-849	-	-		
Surplus, decreased	150	-	-	147	-	-		
Surplus, closing	9,839	-	103.7	8,796	-	89.4		
EPS (yen) Half Year	17.07	-	-	-71.18	-	-		
Average no. of shares (thousands of shares)	12,016			11,927				
No. of employees at period end	184	-	57.1	137	-	74.1		

Note 1: The number of employees includes employees seconded from other companies, contracted staff members, and part-time employees but excludes employees seconded to other companies and temporary staff members.

2. Fiscal 2003 Half Year Parent Results (Balance Sheet [1])

(Unit: million yen; figures are rounded)

	2002/9 (Half year)	2003/3	2003/9 (Half year)		Main reason behind increase or decrease in assets
				Change	
(Assets)					
(1) Current assets	19,262	17,024	14,027	-2,997	
1. Cash and deposits	6,016	4,660	3,655	-1,005	
2. Accounts and bills receivable	3,618	5,016	2,924	-2,091	
3. Inventories	6,306	3,941	2,201	-1,740	
4. Deferred tax assets	216	228	651	422	
5. Short-term receivables	2,385	2,378	3,810	1,432	
6. Others	778	863	843	-20	
7. Reserve for doubtful accounts	-58	-61	-57	4	
(2) Fixed assets	9,519	9,284	9,037	-247	
1. Tangible assets	1,900	1,797	1,466	-331	
Buildings	601	577	517	-61	
Land	486	473	273	-200	
Others	813	746	676	-70	
2. Intangible assets	716	707	567	-140	
Software	692	683	545	-138	
Others	24	24	22	-2	
3. Investments and other assets	6,903	6,780	7,004	223	
Long-term securities	418	302	306	4	
Securities held in affiliates	5,792	5,885	5,953	68	
Deferred tax assets	142	70	238	168	
Others	663	582	558	-24	
Reserve for doubtful accounts	-112	-59	-52	7	
Total assets	28,781	26,308	23,064	-3,244	

2. Fiscal 2003 Half Year Parent Results (Balance Sheet [2])

(Unit: million yen; figures are rounded)

	2002/9 (Half year)	2003/3	2003/9 (Half year)		Main reason behind increase or decrease in assets
				Change	
(Liabilities)					
(1) Current liabilities	12,985	10,761	8,079	-2,682	
1. Accounts and bills payable	12,073	9,433	7,284	-2,149	
2. Other payables	559	1,022	444	-579	
3. Enterprise and other taxes owed	5	7	4	-3	
4. Reserves against bonuses	135	111	103	-8	
5. Reserve against loss on closing of stores	-	23	1	-22	
6. Reserve for loss on closing of warehouse	-	-	82	82	
7. Others	214	166	162	-4	
(2) Fixed liabilities	365	394	485	90	
1. Reserves against severance and past service	108	120	228	109	
2. Others	257	275	256	-18	
Total Liabilities	13,350	11,155	8,563	-2,592	
(Shareholders' equity)					
(1) Capital	2,751	2,751	2,751	0	
(2) Capital reserve	2,776	2,776	2,776	1	
(3) Earned surplus	9,839	9,791	8,796	-995	
1. Earned surplus reserves	176	176	176	0	
2. Voluntary reserves	9,160	9,160	9,160	0	
3. Unappropriated earned reserves	502	455	-541	-995	
(4) Securities valuation account	134	94	182	89	
(5) Treasury stock	-69	-258	-5	253	
Total shareholders' equity	15,431	15,153	14,501	-653	
Liabilities and shareholders' equity	28,781	26,308	23,064	-3,244	
Shareholders' equity per share (yen)	1,290.71	1,292.89	1,206.42	-	

No. of shares (thousands of shares)

11,956 11,721 12,020

3. Fiscal 2003 Forecast (Consolidated Profit and Loss Statement)

(Units: million yen, %, yen; figures are rounded)

	2002/9 (Half year)			2004/3 Plan			Comments
		Of total (%)	YoY change		Of total (%)	YoY change	
Sales	122,516	100.0	87.0	115,000	100.0	93.9	
Cost of sales	107,540	87.8	84.6	100,497	87.4	93.5	
Gross profit	14,976	12.2	108.6	14,503	12.6	96.8	
SG&A expenses	13,797	11.3	110.0	13,382	11.6	97.0	
Personnel costs	4,027	3.3	107.7	3,698	3.2	91.8	
Subcontracted personnel costs	983	0.8	107.7	781	0.7	79.4	
Depreciation	564	0.5	114.5	514	0.4	91.1	
Operating profit	1,179	1.0	94.6	1,121	1.0	95.1	
Non-operating income	277	0.2	69.8	206	0.2	74.4	
Interest and dividends received	11	0.0	97.7	12	0.0	104.7	
Others	265	0.2	68.9	194	0.2	73.1	
Non-operating expenses	76	0.1	60.3	27	0.0	35.7	
Interest paid	1	0.0	2.1	1	0.0	189.4	
Others	75	0.1	74.5	26	0.0	34.6	
Recurring profit	1,380	1.1	90.9	1,300	1.1	94.2	
Extraordinary profit	224	0.2	451.2	9	0.0	3.9	
Extraordinary losses	200	0.2	103.4	2,263	2.0	1,130.4	
Pretax profit	1,404	1.1	102.2	-954	-0.8	-	
Enterprise, corporate, and inhabitants' taxes	626	0.5	100.9	-354	-0.3	-	
Minority interests	11	-	-	-	-	-	
Net profit	767	0.6	104.3	-600	-0.5	-	
Surplus, opening	10,812	-	104.2	11,279	-	104.3	
Surplus, increase	767	-	-	-600	-	-	
Surplus, decrease	300	-	-	314	-	-	
Surplus, closing	11,279	-	104.3	10,365	-	91.9	

EPS (yen) Half Year	64.40	-	-	-49.92	-	-
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Average no. of shares (thousands of shares)	11,906			12,020		
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No. of employees at period end	510	-	91.9	503	-	98.6
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Facility investment amount	173	-	15.1	95	-	54.9
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Note 1: The number of employees includes employees seconded from other companies, contracted staff members, and part-time employees but excludes staff seconded to other companies and temporary staff members.

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3. Fiscal 2003 Forecast (Consolidated)

1. Sales by product area (Planned)

(Units: 100 million yen, %)

Term \ Item	2003/3			2003/9 (Half year)			2004/3 Forecast		
		Of total (%)	YoY change		Of total (%)	YoY change		Of total (%)	YoY change
Toys	520	42.4	127.1	245	46.7	109.0	507	44.1	97.6
Childcare goods	27	2.2	93.1	9	1.8	63.3	17	1.5	61.9
Video games	343	28.0	51.0	93	17.6	61.4	252	21.9	73.4
Amusements	55	4.5	100.0	25	4.8	90.4	53	4.7	97.3
Video-related	260	21.2	115.6	126	24.0	99.9	267	23.2	102.8
Others	20	1.6	111.1	27	5.1	196.3	53	4.6	266.6
Total	1,225	100.0	87.0	525	100.0	94.1	1,150	100.0	93.9

2. Sales by product line (Planned)

Toys (Units: 100 million yen, %)

Term \ Item	2003/3			2003/9 (Half year)			2004/3 Forecast		
		Of total (%)	YoY change		Of total (%)	YoY change		Of total (%)	YoY change
Bandai	365	70.2	113.0	176	71.9	105	357	70.4	97.8
Other manufacturers	155	29.8	180.2	69	28.1	120	150	29.6	97.1
Total	520	100.0	127.1	245	100.0	109	507	100.0	97.6

Video games

(Units: 100 million yen, %)

Term \ Item	2003/3			2003/9 (Half year)			2004/3 Forecast		
		Of total (%)	YoY change		Of total (%)	YoY change		Of total (%)	YoY change
PlayStation 2	208	60.6	52.0	68	73.1	76.5	165	65.6	79.4
PlayStation	24	7.0	30.8	4	4.2	21.6	6	2.5	26.3
Wonder Swan	27	7.9	45.0	2	2.0	9.8	2	1.0	9.1
Game Boy Advance	16	4.7	228.6	5	5.0	91.2	41	16.4	257.8
Game Cube	9	2.6	225.0	4	4.2	122.3	9	3.4	94.4
Others	59	17.2	48.0	11	11.6	60.9	28	11.1	47.4
Total	343	100.0	51.0	93	100.0	61.4	252	100.0	73.4

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4. Fiscal 2003 Parent Forecast (Profit and Loss Statement)

(Units: million yen, %; figures are rounded)

	2002/9 (Half year)			2004/3 Plan			Comments
		Of total (%)	YoY change		Of total (%)	YoY change	
Sales	39,442	100.0	43.9	30,000	100.0	76.1	
Cost of sales	36,484	92.5	43.6	28,052	93.5	76.9	
Gross profit	2,958	7.5	47.2	1,948	6.5	65.9	
SG&A expenses	2,982	7.6	54.9	1,913	6.4	64.2	
Personnel costs	1,506	3.8	79.3	1,248	4.2	82.9	
Subcontracted personnel costs	261	0.7	91.0	205	0.7	78.6	
Depreciation	498	1.3	112.1	454	1.5	91.2	
Operating profit	-24	-0.1	-	35	0.1	-	
Non-operating profit	394	1.0	68.6	275	0.9	69.7	
Interest and dividends received	169	0.4	77.2	180	0.6	106.6	
Others	226	0.6	63.3	95	0.3	42.1	
Non-operating expenses	7	0.0	17.9	10	0.0	127.1	
Interest paid	0	0.0	11.6	1	0.0	207.5	
Others	7	0.0	18.6	9	0.0	121.5	
Recurring profit	363	0.9	26.7	300	1.0	82.8	
Extraordinary profit	243	0.6	18,107.4	13	0.0	5.5	
Extraordinary losses	150	0.4	80.1	1,584	5.3	1,055.2	
Enterprise, corporate, and inhabitants' taxes	455	1.2	38.8	-1,270	-4.3	-	
Minority interests	148	0.4	32.9	-570	-2.0	-	
Net profit	307	0.8	42.5	-700	-2.3	-	
Surplus, opening	9,784	-	104.5	9,791	-	100.1	
Surplus, increase	307	-	-	-700	-	-	
Surplus, decrease	300	-	-	297	-	-	
Surplus, closing	9,791	-	100.1	8,794	-	89.8	

EPS (yen)	25.78	-		-58.24	-	-	
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Average no. of shares (thousands of shares)

11,906

12,020

No. of employees at period end	174	-	99.4	137	-	78.7	
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Note 1: The number of employees includes employees seconded from other companies, contracted staff members, and part-time employees but excludes staff seconded to other companies and temporary staff members.

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5. Group Companies

	(Units: million yen, %)								(Units: million yen, %)					
	Happinet JP Corporation								Happinet Pictures Corporation					
	2002/9 (Half year)	2003/3		2003/9 (Half year)		2004/3 (est.)		2002/9 (Half year)	2003/3		2003/9 (Half year)		2004/3 (est.)	
		YoY change	YoY change	YoY change	YoY change	YoY change		YoY change	YoY change	YoY change	YoY change	YoY change	YoY change	
Net sales	27,902	61,767	187.4	29,588	106.0	61,500	99.6	12,402	25,539	109.2	12,456	100.4	26,738	104.7
Recurring profit	437	472	177.4	57	13.1	53	11.2	222	386	109.3	111	50.3	576	149.2
Net profit	242	248	142.5	-220	-	-230	-	124	236	116.8	47	38.2	317	134.3

	(Units: million yen, %)								(Units: million yen, %)					
	Happinet Logistics Services Corporation								Happinet Robin Corporation					
	2002/9 (Half year)	2003/3		2003/9 (Half year)		2004/3 (est.)		2002/9 (Half year)	2003/3		2003/9 (Half year)		2004/3 (est.)	
		YoY change	YoY change	YoY change	YoY change	YoY change		YoY change	YoY change	YoY change	YoY change	YoY change	YoY change	
Net sales	2,605	5,535	137.9	2,731	104.9	5,665	102.3	1,315	2,736	117.4	1,479	112.5	3,139	114.7
Recurring profit	-17	169	-	235	-	266	157.4	30	84	311.1	150	497.7	213	253.6
Net profit	-10	95	-	135	-	150	157.9	19	36	225.0	83	430.8	118	327.8

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