Annual Report
2003

POCKETCARD CO.,LTD.

Profile

POCKET CARD CO., LTD., was originally established in 1982 in Osaka as Nichii Credit Services Co., Ltd., the credit card unit of the MYCAL Group, which hinged on retailer MYCAL CORPORATION. The Company worked to expand its customer base by focusing on the people visiting MYCAL stores and has provided cardholders with value-added products and services quickly and accurately.

In April 2001, Sanyo Shinpan Finance Co., Ltd., became our new parent company through a takeover bid. We still regarded MYCAL as a good partner in the credit card business and planned to continue servicing the MYCAL market, which centers on stores in the MYCAL Group. We also viewed the partnership with Sanyo Shinpan as an opportunity to reinvent ourselves as a financial services company with a complementary customer base outside the MYCAL market. In September 2001, however, our plans were upset by unexpected news: MYCAL had applied for protection from creditors.

Against this business backdrop, we changed our name to POCKET CARD and moved the head office to Tokyo to emphasize to customers and investors at home and abroad that we had opened a new chapter in our corporate history book—a chapter highlighting the true transformation of MYCAL CARD into a company with a solid future.

We issued new tie-up cards, paralleling the establishment of a new marketing structure, and reinforced activities to attract more people to our cardholder base. We also enriched the scope of cardholder services. These efforts have generated great results. Businesses that accept our credit card form the bedrock of our marketing structure and the number of businesses on our list is increasing. In addition, our cardholder base has grown dramatically, reaching 3.5 million as of February 28, 2003.

In April 2003, the ITOCHU Group, led by ITOCHU Corporation, one of Japan's leading trading houses, replaced MYCAL as our second largest shareholder. This development enhances our financial stability and will facilitate our entry into new businesses that utilize the diverse network and abundant management resources of the ITOCHU Group.

Japan's credit card market is one of the few growth industries that continues to expand amid the prolonged domestic economic downturn. Year after year, purchases made on credit represent an increasingly larger amount of total shopping value.

Competition in the credit card market has intensified, however, owing to several factors, particularly an influx of participants from other sectors. In this increasingly challenging environment, we are all the more determined to overcome hurdles and build a firm position in the industry. We will create a stable marketing structure by maintaining the number of cardholders captured from the existing MYCAL market and augmenting this base through access to new cardholder channels. We aim to broaden this newly forged marketing structure still further by promoting tie-up card strategies.

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Cautionary Statement with Respect to Forward-Looking Statements

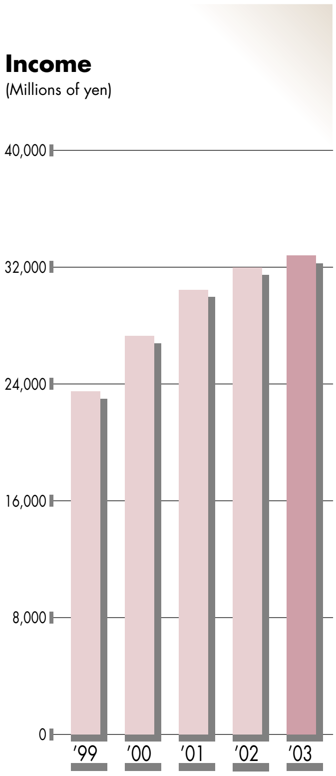
Statements in this annual report include forward-looking statements about the future performance of POCKET CARD that are based on assumptions and beliefs in light of information currently available to it, and involve certain risks and uncertainties.

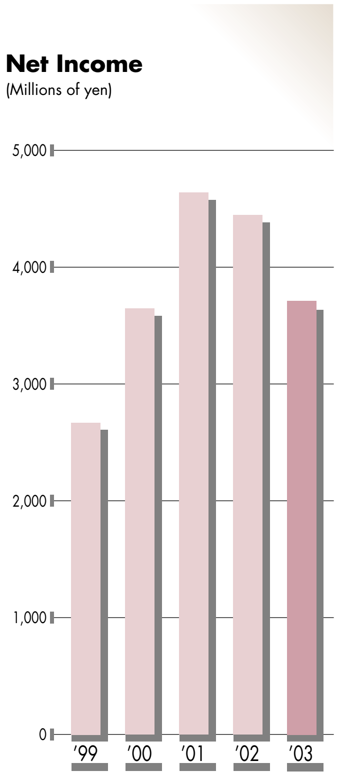
Financial Highlights

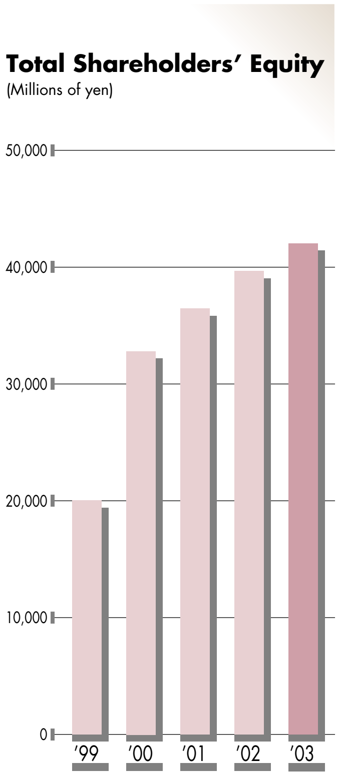
For the years ended February 28, 2003 and 2002

	Millions of yen	
	2003	2002
For the Year:		
Income	**¥ 32,842**	¥ 31,962
Net income	**3,714**	4,446
At Year-end:		
Total shareholders' equity	**41,805**	39,664
Total assets	**147,143**	139,751
	Yen	
Per Common Share:		
Net income	**¥122.49**	¥146.34
Cash dividends	**25.00**	30.00

Note: Net income per common share is calculated based on the weighted-average number of shares outstanding during each term.







To Our Shareholders

In Japan's credit card industry, overall transactions are increasing and the market is expanding favorably. Nevertheless, we face a tougher operating environment, characterized by three developments in particular: heightened competition, triggered by the entry of businesses from other industries into ours; a rise in the unemployment rate, paralleling the trend toward corporate realignment; and escalating bad debt levels, owing to a seemingly unstoppable increase in personal bankruptcies.

In this increasingly challenging environment, as the core company responsible for credit card operations in the Sanyo Shinpan Group, POCKET CARD is striving to secure a solid position in the industry. Our efforts are guided by three catchphrases that underpin our corporate philosophy. Throughout all aspects of our operations, we are "dedicated to placing the customer first"; "progressive and cost-efficient"; and "independent and openly responsive."

In our pursuit of the sustainable growth and development of our credit card business, we will work to realize three strategic goals. First, we will take an energetic approach to the restructuring of card operations by expanding marketing channels to include new tie-ups with retailers and by increasing the number of cardholders in our system. Second, we will ensure stable, healthy fund procurement by expanding the direct funding approach and diversifying procurement techniques to reinforce our financial standing, on which our existence depends. Third, we will establish a stable profit base through a more cost-effective operating structure and the development of new profit sources.

In April 2003, we reached an agreement with the ITOCHU Group, led by ITOCHU, to form a strategic capital and operational alliance. Through this agreement, both parties will utilize the extensive network and wealth of management resources of the ITOCHU Group to jointly design new activities for POCKET CARD to explore. We view this alliance as a driving force behind our goal to evolve as a company.

With untiring commitment, POCKET CARD will endeavor to meet the expectations of shareholders and cultivate new businesses. We will share our accomplishments with our partners, employees and shareholders.

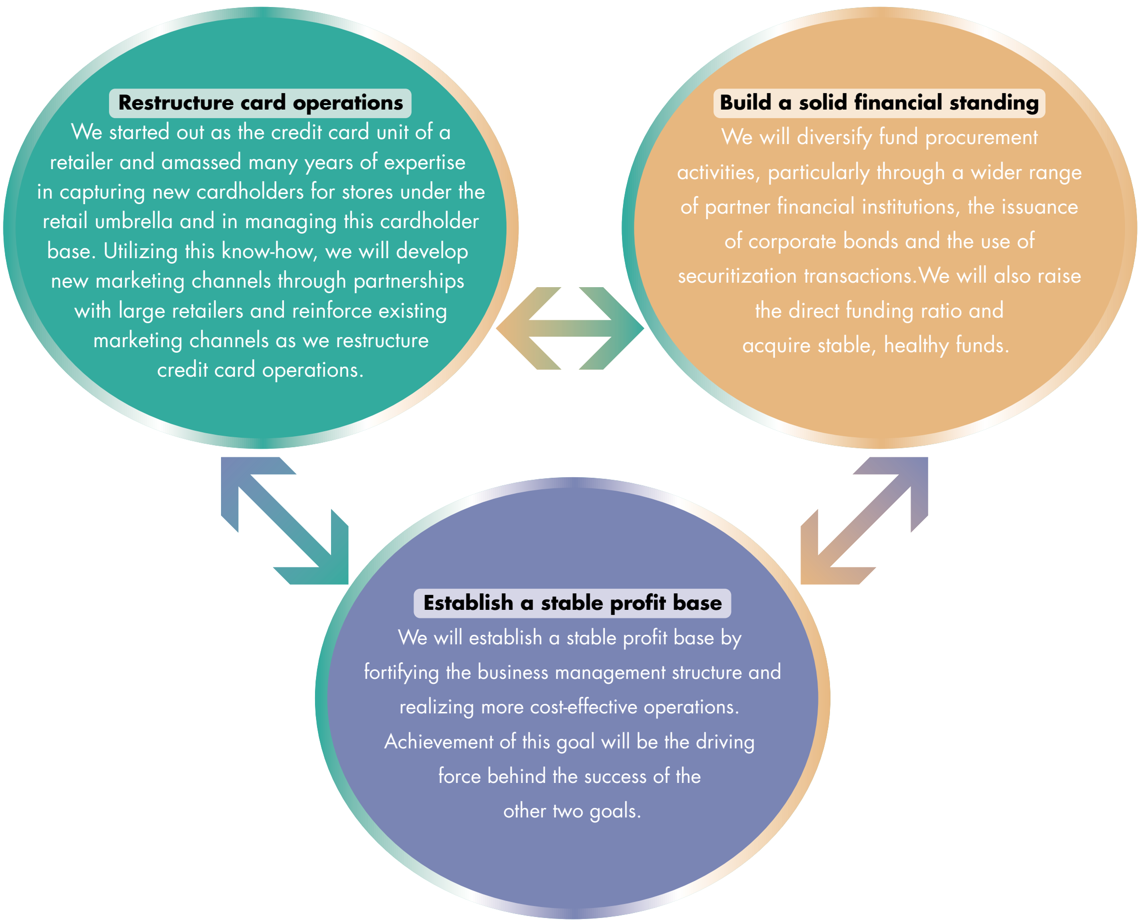
July 2003

Masakazu Shiiki

Masakazu Shiiki
Chairman, President and CEO

Strategic Goals

POCKET CARD has identified three strategic goals as keys for the medium- to long-term growth and development of its credit card business. We will flexibly and systematically link our objectives to achieve these three goals. Our success with these goals is an indispensable element in attaining a firm position in the credit card industry, especially now, amid intense competition. It will be the cornerstone of growth and development into the future.



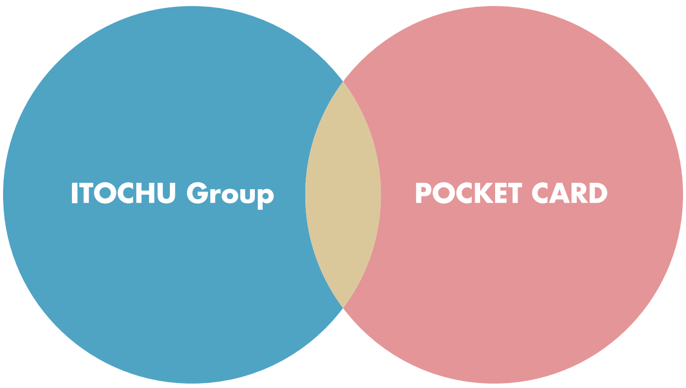
Strategic Capital and Operational Alliance with the ITOCHU Group

In April 2003, POCKET CARD signed an agreement with the ITOCHU Group to form a strategic capital and operational alliance in the credit card business. This strategic alliance combines POCKET CARD's retail-based credit card know-how and the ITOCHU Group's wealth of management resources and will enable both companies to hone sharper competitive edges in the retail sector.

Seeking to capitalize on the opportunities afforded by this alliance, POCKET CARD is exploring the possibility of issuing tie-up cards for retailers in the ITOCHU Group. We may also extend products and services offered by the ITOCHU Group, now and in the future, to our existing cardholder base, which is our biggest management resource. We are considering the joint development of new businesses, such as a customer relationship management (CRM) system.

ITOCHU Finance Corporation, the financial services unit under the ITOCHU Group umbrella, acquired the 6,227,800 shares held by MYCAL for a 20.50% stake in POCKET CARD. The capital alliance was reinforced through a third-party allocation of shares that gave ITOCHU itself a 2.24% stake, with 680,000 shares. We believe this investment brings greater stability to our shareholder structure.

The ITOCHU Group boasts a diverse network of companies, a high profile and substantial assets. Together, we will utilize these strengths for POCKET CARD to grow and prosper as a provider of credit card services.



Capital Alliance

- ITOCHU Finance—Acquired 6,227,800 shares for a 20.50% stake in POCKET CARD
- ITOCHU—Acquired 680,000 shares for a 2.24% stake in POCKET CARD

Operational Alliance

POCKET CARD and the ITOCHU Group will use their management resources to:

- strengthen and expand POCKET CARD's cardholder base by jointly concluding more tie-ups,
- broaden the range of services available to cardholders by extending credit card features, and
- develop new businesses in the credit card industry.

Raising Customer Satisfaction

In April 2003, POCKET CARD began a service that offers a 1% discount on purchases made on credit at MasterCard® member stores around the world.

One of the principles of our corporate philosophy is to place the customer first. This principle requires us to take the customer's perspective and make prudent efforts to introduce services that help customers achieve their dreams.

The regular 1% discount on purchases was developed with this customer-oriented approach in mind. POCKET CARD is the only credit card company in the industry to provide cardholders with such a service.

We complement this purchase discount service with a range of special touches for customers, such as zero annual fees for the entire membership period; road side assistance services for automobiles; and a discount service for customers with cards displaying the "N-mark." These gestures are appreciated by customers and inevitably boost customer satisfaction, which in turn translates into stronger support for POCKET CARD's products and services.

We reinforced our CRM system, which features a customer database of more six million comments, to implement various programs that enhance the satisfaction level of every single customer. We value input from customers and aim to reflect whatever comments are directed our way in product development and the prompt improvement of services.

Expanding Marketing Channels

To achieve higher growth, POCKET CARD has made the development of new marketing channels a priority goal. We are actively promoting agreements with retailers and other businesses for tie-up cards and seeking to establish additional cardholder enrollment locations that grant us access to a wider range of potential cardholders.

Concerted efforts to expand marketing channels in fiscal 2003 led to tie-up agreements with 12 companies, including an exclusive arrangement with the Sun Live Group, the largest retailing group in Kyushu. Card-issuing operations have already commenced for Sun Live Co., Ltd., and the other 11 companies.

To enhance access to potential cardholders, we set up a Business Alliance Development Department devoted to member stores, that is, stores where our credit cards are accepted. Through the activities of this section, we expanded our cardholder enrollment network by 28 locations in fiscal 2003. In doing so, we obtained space in high-traffic locations, such as theme parks and shopping malls throughout Japan, which presented us with a terrific opportunity to attract more cardholders.

As we strive to explore new marketing channels and restructure our credit card business, we will conclude more tie-ups and secure more cardholder enrollment locations.

Sophisticated Risk Management Structure Using Information Technology

The credit card business requires more than just the ability to develop services and markets. It must have an infrastructure to handle credit checks, transaction monitoring and bill collection. POCKET CARD utilizes information technology (IT) as much as possible in these operations and seeks the highest level of efficiency its systems will allow. We are also working on an integrated management system and aims to improve administrative tasks to build a stable profit base.

Meticulous initial credit checks

The check of a potential cardholder's creditworthiness verifies the information on the application form with respect to the applicant's personal history, credit information, earnings, assets and other criteria. The decision to approve an applicant for membership in our credit system is based on a thorough examination of available data.

We utilize one of the industry's best credit checking systems to execute a detailed analysis of member qualifications and limit the risk of default at the time of inclusion into our cardholder base.

We have found that cardholders who use their cards soon after being approved are more inclined to use their cards frequently later on. Therefore, we plan to introduce an instantaneous credit checking system that encourages new applicants to use their cards immediately after filling out the application form. We will accelerate the application process and enhance the advantages of purchasing on credit.

Thorough monitoring of transactions

Recently, a number of thorny social issues linked to credit card use have emerged in Japan, including the misuse of cards by individuals to forge personal identification or by groups to engage in the particularly rampant problem of fraudulent activities. Another concern is the rise in personal bankruptcies, caused when a cardholder incurs multiple debts.

Seeking a timely resolution to these issues, POCKET CARD implemented ACE, an early detection system to expose improper use of cards. We have also connected to the networks of credit information bureaus to track counterfeiting operations. In addition, we draw on a wealth of data compiled over many years in the credit card business to thoroughly monitor cardholders' transactions.

Fine-tuned bill collection operations

Given the current economic climate, the steady increase in personal bankruptcies is running up the risk of bad debt. Finding a way to ameliorate this situation is a priority for the entire credit card industry.

POCKET CARD's response is to carefully fine-tune bill collection operations by monitoring claims in the risk category according to the state of arrears and utilizing collection know-how and accumulated cardholder data.

Five-Year Summary

For the years ended February 28, 2003, 2002 and 2001, February 29, 2000, and February 28, 1999

	Millions of yen				
	2003	2002	2001	2000	1999
For the Year:					
Volume of new contracts	**¥322,358**	¥ 346,783	¥ 341,729	¥ 316,109	¥ 276,874
Income	**32,842**	31,962	30,426	27,331	23,400
Financial cost, net	**1,869**	1,741	1,338	1,357	1,461
Income before income taxes	**6,514**	7,762	8,076	7,079	5,790
Net income	**3,714**	4,446	4,635	3,647	2,666
Return on equity (%)	**9.1**	11.7	13.4	13.8	16.1
At Year-end:					
Total assets	**¥147,143**	¥139,751	¥144,893	¥127,398	¥116,575
Total shareholders' equity	**41,805**	39,664	36,428	32,768	19,978
Shareholders' equity ratio (%)	**28.4**	28.4	25.1	25.7	17.1
	Yen				
Per Common Share:					
Net income	**¥ 122.49**	¥ 146.34	¥ 154.50	¥ 126.22	¥ 102.94
Total shareholders' equity	**1,371.71**	1,305.62	1,199.08	1,078.60	708.93
Cash dividends	**25.00**	30.00	35.00	30.00	32.50

Notes 1. Net income per common share is calculated based on the weighted-average number of shares outstanding during each term, retroactively adjusted for stock splits.
2. Return on equity is calculated based on the average of total shareholders' equity of the current and previous fiscal year-ends.

Management Discussion and Analysis

Business Environment and Operational Review

Economic conditions in Japan remained difficult during fiscal 2003, ended February 28, 2003. The business environment was generally marred by persistently lackluster consumer spending and capital investment. In the first half, signs of recovery emerged in some industries, thanks to increased export activity and indications that the downward trend in production had bottomed out. Gloomy prospects returned in the second half, however, as negative influences, particularly a slowing U.S. economy and sluggish stock market prices, suppressed the spending activities of corporations and citizens alike.

In the credit card industry, the aggregate volume of new contracts grew and the scale of the domestic market expanded overall. Nevertheless, the year was not without challenges for companies in this industry. For example, the entry of participants from other sectors exacerbated competition, a continuation of corporate realignment caused unemployment to rise and a seemingly unstoppable increase in personal bankruptcies led to more bad debt.

Against this backdrop, POCKET CARD pursued reforms underpinned by the catchphrase "Birth of the POCKET CARD." These efforts were guided by our business philosophy of putting the customer first.

We achieved mixed results during the period. Non-consolidated income rose 2.8%, to ¥32.8 billion, but income before income taxes fell 16.1%, to ¥6.5 billion.

Several developments in the credit card business warrant further discussion.

At the end of May 2002, POCKET CARD formed an agreement in principle with MYCAL, a key marketing channel for the Company. Recognizing that POCKET CARD cardholders are important to both companies, we concluded an agreement that enables us to continue capturing new customers and providing special privileges to existing cardholders in the MYCAL market.

We also energetically embarked on the business of tie-up cards to develop new marketing channels. We started issuing a number of such cards, including Posful Card, through a tie-up with Posful Corp., a prominent retailer in Hokkaido; Sakurano Card, through a tie-up with Sakurano Department Store Co., Ltd., a well-established retailer in the Tohoku region; Kurashiraku Card, through a tie-up with Sun Live Co., Ltd., a Kyushu-based retailer that maintains a network of 84 stores in the northern Kyushu and Chugoku regions; Aruaru Card, through a tie-up with the Apple Group, a major participant in the car insurance sector; and Cinema Card, through a tie-up with United Cinema Co., Ltd., one of the biggest movie theater operators in Japan.

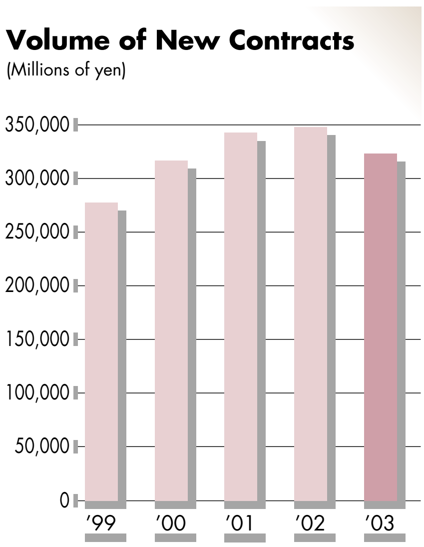
These efforts helped us add 738,000 new cardholders and brought the number of cardholders to 3.45 million as of February 28, 2003.

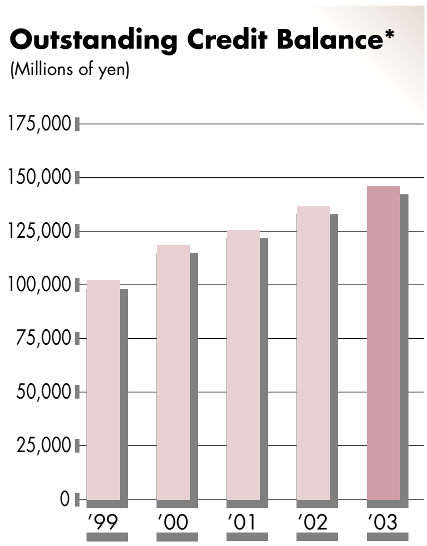
We endeavored to make our cards more advantageous to use. As an attractive supplementary benefit to holders of POCKET CARD Yellow and MYCAL Blue Card, we began discounting purchase prices, as shown on cardholders' statements, by 1% on a permanent basis. We also cut the annual membership fee to zero.

We energetically approached merchants, encouraging them to accept our credit cards. Our efforts paid off, as the number of member stores reached 287,000, as of February 28, 2003, an increase of 2,000 locations over the previous fiscal year.

Another priority has been to expand the cash dispenser and automated teller machine (CD/ATM) network for use by cardholders in our system. The number of designated CD/ATM units grew by 13,000, to 101,000.

In fiscal 2000, ended February 28, 2000, POCKET CARD made headlines as the first credit card company to issue integrated circuit (IC) cards. However, we stopped issuing IC cards for some card categories in the batch of new cards





*Before securitization transactions

issued October 1, 2002, because the IC Value service for MYCAL had ended and the necessary infrastructure for IC cards had not been established as of that time.

Income Analysis

Installment Shopping

A breakdown of income by division shows installment shopping posted new contract volume of ¥114.2 billion, a decrease of 14.7%, with financing fees on installment shopping amounting to ¥2.9 billion, a drop of 18.1%. These disappointing results stem from a lower volume of new contracts in the MYCAL market following corporate reorganization measures, such as the closure of stores, in spite of a 6.3% improvement achieved in new contract volume through other member stores in Japan and abroad.

Installment Loans

The installment loan business generated new contract volume of ¥137.6 billion, up 8.5%, with interest income on installment loans totaling ¥28.5 billion, up 12.3%, thanks to the expansion of our CD/ATM networks as well as higher credit lines granted to suitable customers, using the credit know-how of our parent, Sanyo Shinpan.

Other operating expenses increased 7.7%, to ¥18.1 billion, owing to an increase in advertising expenses to establish a strong profile in the industry. Provision for possible credit losses increased 28.3%, to ¥5.5 billion, owing to a seemingly unstoppable increase in personal bankruptcies.

Financial Position

Total assets as of February 28, 2003, stood at ¥147.1 billion, an increase of 5.3% from a year earlier. Finance receivables—net decreased 12.8%, or ¥14.3 billion, to ¥97.7 billion, owing to a 3.9% decrease in credit card installment shopping, a 15.1% drop in credit card cashing and a 1.5% increase in allowance for possible credit losses.

The company transferred pools of finance receivables to investors without recourse for use in securitization transactions through trust and banking companies. The total principal amounts of off-balance sheet finance receivables as of February 28, 2003 and 2002, were ¥45.0 billion and ¥20.0 billion, respectively. Other assets increased ¥4.0 billion, to ¥13.4 billion, primarily owing to a significant increase in accounts receivable from trusts.

Total liabilities were ¥105.3 billion, up 5.3% from a year earlier. Total shareholders' equity was up ¥2.1 billion, to ¥41.8 billion. This reflected a ¥2.8 billion rise in retained earnings, to ¥18.6 billion.

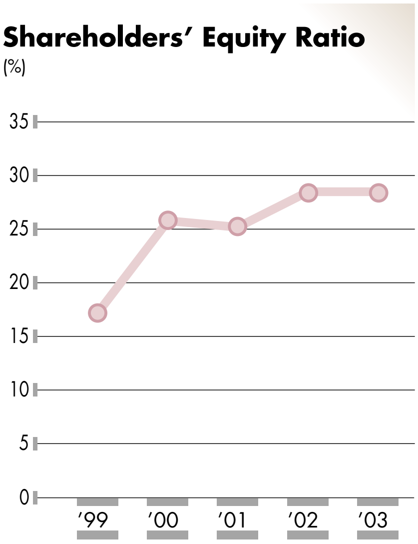
Cash Flow Analysis

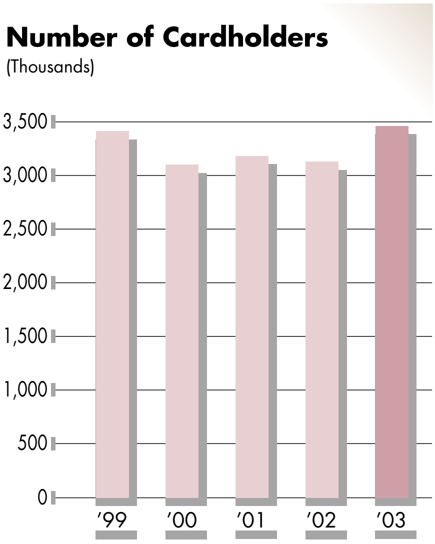
Cash and cash equivalents, end of year, soared 133.7%, to ¥31.5 billion.

Net cash provided by operating activities was ¥12.4 billion, compared with ¥4.7 billion the previous fiscal year.

Net cash used in investing activities was ¥1.2 billion, compared with ¥2.0 billion. This was primarily owing to purchases of software and property and equipment following the implementation of new systems and development of additions to existing systems.

Net cash provided by financing activities amounted to ¥6.8 billion, compared with ¥3.5 billion in net cash used in financing activities the previous year. Energetic efforts to stabilize funding and diversify fund procurement methods boosted proceeds from long-term debt to ¥26.3 billion and net increase in commercial paper to ¥8.5 billion.





Non-Consolidated Balance Sheets

POCKET CARD CO., LTD.
February 28, 2003 and 2002

	Millions of yen	
	2003	2002
ASSETS		
Cash and cash equivalents	**¥ 31,479**	¥ 13,471
Finance receivables—Net of allowance for possible credit losses of ¥3,653 million in 2003 and ¥3,600 million in 2002 (Notes 4 and 8)	**97,678**	111,962
Property and equipment—Net (Note 5)	**2,426**	2,886
Investments (Note 6)	**1,295**	1,377
Deferred tax assets (Note 13)	**913**	698
Other assets (Note 7)	**13,352**	9,357
TOTAL	**¥147,143**	¥139,751

LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Debt (Notes 8 and 17)	**¥ 90,118**	¥ 81,854
Notes and accounts payable (Note 9)	**13,350**	15,028
Accrued income taxes (Note 13)	**1,037**	2,200
Accrued liabilities (Notes 10 and 11)	**833**	1,005
Total liabilities	**105,338**	100,087
Commitments and Contingent Liabilities (Notes 4 and 8)		
Shareholders' Equity (Notes 12 and 19)**:**		
Common stock—authorized, 80,000,000 shares in 2003 and in 2002; issued and outstanding, 30,380,222 shares in 2003 and in 2002	**11,020**	11,020
Additional paid-in capital	**12,330**	12,330
Legal reserve	**510**	510
Retained earnings	**18,585**	15,817
Unrealized loss on available-for-sale securities	**(77)**	(12)
Treasury stock—at cost, 684,100 shares in 2003 and 900 shares in 2002	**(563)**	(1)
Total shareholders' equity	**41,805**	39,664
TOTAL	**¥147,143**	¥139,751

See Notes to Non-Consolidated Financial Statements.

Non-Consolidated Statements of Income

POCKET CARD CO., LTD.
Years ended February 28, 2003 and 2002

	Millions of yen	
	2003	2002
Income:		
Interest income on installment loans	**¥28,522**	¥25,392
Financing fees on installment shopping	**2,874**	3,510
Other income	**1,446**	3,060
Expense:		
Interest expenses	**1,101**	1,252
Other expenses	**768**	489
Income before provision for possible credit losses	**30,973**	30,221
Provision for Possible Credit Losses (Note 4)	**(5,517)**	(4,300)
Income after provision for possible credit losses	**25,456**	25,921
Other Operating Expenses (Note 14)	**18,053**	16,760
Other (Loss) Income—Net (Note 15)	**(889)**	(1,399)
Income before Income Taxes	**6,514**	7,762
Income Taxes (Note 13)**:**		
Current	**2,968**	3,824
Deferred	**(168)**	(508)
Total	**2,800**	3,316
Net Income	**¥ 3,714**	¥ 4,446

	Yen	
Net Income per Common Share	**¥122.49**	¥146.34
Cash Dividends per Common Share, Applicable to Respective Year	**25.00**	30.00

See Notes to Non-Consolidated Financial Statements.

Non-Consolidated Statements of Shareholders' Equity

POCKET CARD CO., LTD.
Years ended February 28, 2003 and 2002

		Millions of yen						
	Issued and Outstanding Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Unrealized Gain (Loss) on Available-for-Sale Securities	Treasury Stock	Total Shareholders' Equity
Balance, March 1, 2001	30,380,222	¥11,020	¥12,330	¥390	¥12,688			¥36,428
Net income					4,446			4,446
Cash dividends, ¥35 per share					(1,063)			(1,063)
Bonuses to directors and corporate auditors					(134)			(134)
Transfer to legal reserve				120	(120)			
Purchase of treasury stock (4,300 shares)							¥ (11)	(11)
Reissuance of treasury stock (3,400 shares)							10	10
Net decrease in unrealized gain on available-for-sale securities						¥ (12)		(12)
Balance, February 28, 2002	30,380,222	¥11,020	¥12,330	¥510	¥15,817	¥ (12)	¥ (1)	¥39,664
Net income					**3,714**			**3,714**
Cash dividends, ¥30 per share					**(911)**			**(911)**
Bonuses to directors and corporate auditors					**(35)**			**(35)**
Purchase of treasury stock (683,200 shares)							**(562)**	**(562)**
Net decrease in unrealized gain on available-for-sale securities						**(65)**		**(65)**
Balance, February 28, 2003	**30,380,222**	**¥11,020**	**¥12,330**	**¥510**	**¥18,585**	**¥(77)**	**¥(563)**	**¥41,805**

See Notes to Non-Consolidated Financial Statements.

Non-Consolidated Statements of Cash Flows

POCKET CARD CO., LTD.
Years ended February 28, 2003 and 2002

	Millions of yen	
	2003	2002
Operating Activities:		
Income before income taxes	**¥ 6,514**	¥ 7,762
Adjustments to reconcile net income to net cash provided by operating activities:		
Interest paid	**(1,216)**	(1,502)
Income taxes paid	**(4,132)**	(3,152)
Provision for possible credit losses on finance receivables	**5,517**	4,300
Depreciation and amortization	**1,077**	1,106
Loss on sales and disposal of property and equipment	**587**	35
Decrease in credit card installment shopping	**998**	3,254
Increase in credit card cashing	**(16,442)**	(19,094)
Proceeds from securitization of finance receivables	**25,000**	20,000
Increase in deposit of securitizations	**(821)**	(615)
Decrease in notes and accounts payable	**(1,678)**	(6,560)
(Decrease) increase in liabilities for employees' retirement benefits	**(87)**	357
Bonuses paid to directors and corporate auditors	**(35)**	(134)
Other—net	**(2,855)**	(1,105)
Net cash provided by operating activities	**12,427**	4,652
Investing Activities:		
Purchases of investments in securities	**(52)**	(1,325)
Proceeds from sales of available-for-sale securities		100
Purchases of property and equipment	**(258)**	(233)
Purchases of software	**(1,209)**	(683)
Other—net	**338**	111
Net cash used in investing activities	**(1,181)**	(2,030)
Financing Activities:		
Net (decrease) increase in short-term borrowings	**(6,650)**	5,850
Net increase (decrease) in commercial paper	**8,500**	(2,500)
Repayment of long-term debt	**(20,954)**	(19,560)
Proceeds from long-term debt	**26,268**	10,780
Proceeds from bond issuance	**1,100**	3,000
Dividends paid	**(911)**	(1,063)
Purchase of treasury stocks	**(562)**	(11)
Proceeds from reissuance of treasury stocks		10
Other—net		19
Net cash provided by (used in) financing activities	**6,791**	(3,475)
Foreign currency translation adjustment on cash and cash equivalents	**(29)**	4
Net increase (decrease) in cash and cash equivalents	**18,008**	(849)
Cash and cash equivalents, beginning of year	**13,471**	14,320
Cash and cash equivalents, end of year	**¥31,479**	¥13,471

See Notes to Non-Consolidated Financial Statements.

Notes to Non-Consolidated Financial Statements

POCKET CARD CO., LTD.
Years ended February 28, 2003 and 2002

1. CHANGES IN PARENT COMPANY

On April 17, 2001, the 51% of the shares of POCKET CARD CO., LTD. (the "Company") were acquired by Sanyo Shinpan Finance Co., Ltd., through a take over bid, and the parent company was changed from MYCAL Corporation to the Sanyo Shinpan Finance Co., Ltd. The Company changed its company name from MYCAL CARD INC. to the present one in December 2001.

2. BASIS OF PRESENTING NON-CONSOLIDATED FINANCIAL STATEMENTS

The accompanying non-consolidated financial statements have been prepared from the accounts maintained by the Company in accordance with the provisions set forth in the Japanese Commercial Code (the "Code") and in the Japanese Securities and Exchange Law and its related accounting regulations and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards. The non-consolidated financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

In preparing these non-consolidated financial statements, certain reclassifications and rearrangements have been made to the Company's financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, the non-consolidated financial statements for 2002 have been prepared solely as comparative information. Certain reclassifications have been made to non-consolidated financial statements for 2002 to conform to classifications used in 2003.

The non-consolidated financial statements for 2002, in themselves, have been examined by the former independent auditors and the "Report of Independent Public Accountants" was issued on May 21, 2002, expressing an unqualified opinion.

The accompanying non-consolidated statements of cash flows have been additionally reclassified in a form which is more familiar to readers outside Japan, which are furthermore different in certain respects as to application and disclosure requirements of accounting principles and practices generally accepted in Japan.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash Equivalents

Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits, certificate of deposits, commercial paper and bond funds, all of which mature or become due within three months of the date of acquisition.

Credit Cards

The Company provides credit card services to credit card holders. Receivables from credit card holders are recorded after the Company has accepted the relevant contracts that are referred to the Company by the member retailers and outlets. Fees from customers, except those who pay the full amount of such contract one time, are generally recognized on the interest method. The Company also receives fees for collection and administrative services from the member retailers and outlets. Such fees are recognized at the time the Company accepts the relevant contracts.

Consumer Shopping Credit

Contract receivables from general customers are recorded after the Company has accepted the relevant installment contracts that are referred to the Company by the member retailers and outlets. The member retailers and outlets receive cash payment for their sales from the Company acting on behalf of individual customers after the contracts are accepted. Payment by the Company is generally made at a discount representing the commissions charged to the member retailers and outlets for administration fees of retail contracts. Individual customers who utilize consumer credit facilities offered by the Company, except those who have previous history of repaying the full amount of retailed contracts, are charged commissions. The amount of the commission is computed by applying a predetermined fixed rate to the initial retail contract price. Commission rates are determined principally on the basis of the number of monthly installment payments and prevailing rates. Commissions from the member retailers and outlets are recognized at the time the Company accepts the relevant contracts. Commissions from individual customers are generally recognized on the interest method.

Loans

The Company provided personal loans and commercial loans, including loans to credit card holders. Contract receivables are recorded when loan contracts become effective.

Monthly billings to borrowers include principal and interest, and the amount of each billing generally remains constant for the contract period. Interest income is recognized by the interest method.

The Company also provides loans to customers of other finance companies and such loans are collected from those other finance companies. The Company recognizes commission income from other finance companies for the services rendered when loans are made.

Lease Operations

Lease operations of the Company are accounted for by the operating lease method, and lease fees arising from the lease contract are recognized as income over the lease terms as they become due.

Allowance for Possible Credit Losses

The allowance for doubtful accounts is stated at amounts considered to be appropriate based on the Company's past credit loss experience and an evaluation of potential losses in the receivables outstanding. The Company's consumer loan receivables are written off when they are one year or more past due. Cash collections on loans, which were previously written off, are credited to the allowance for possible credit losses.

Investment Securities

Marketable and investment securities are classified and accounted for, depending on management's intent, as follows:

Marketable securities are classified as available-for-sale securities and are reported at fair value, with unrealized gains or losses, net of applicable taxes, reported in a separate component of shareholders' equity. The cost of securities sold is determined based on the moving-average method.

Investments in non-marketable, available-for-sale securities are stated at cost determined by the moving-average cost method. For other than temporary declines in fair value, non-marketable available-for-sale securities are reduced to net realizable value by a charge to income.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed by the declining-balance method, while the straight-line method is applied to buildings, at rates based on the estimated useful lives of the assets. The range of useful lives is principally from 3 to 47 years for buildings and structures, from 3 to 20 years for machinery and equipment, and from 3 to 20 years for furniture and fixtures.

Leases

All leases are accounted for as operating leases. Under Japanese accounting standards for leases, finance leases that deem to transfer ownership of the leased property to the lessee are to be capitalized, while other finance leases are permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the notes to the lessee's financial statements.

Software Costs

Capitalized software for internal use is depreciated by the straight-line method based on the Company's estimated useful life (five years).

Securitizations of Finance Receivables

The Company transfers pools of finance receivables to one or more third-party trusts or qualified special purpose entities (the "trusts") for use in securitization transactions. Transfers of receivables are accounted for as off-balance sheet securitizations. Certain undivided interests in the pool of finance receivables are sold to investors as asset-backed securities in private placement transactions. The remaining undivided interests retained by the Company are recorded in finance receivables. The proceeds from off-balance sheet securitizations are distributed by the trusts to the Company as consideration for the finance receivables transferred.

Bonds with Warrants

The proceeds of bonds with warrants are allocated between a bond portion resulting in a bond discount and a warrant portion. Bond discounts are amortized over the term of the related bonds. The amounts ascribed to warrants are stated in accrued liabilities.

Bond Issuance Costs

Bond issuance costs are charged to income when incurred.

Income Taxes

The provision for income taxes represents amounts currently payable. Deferred income taxes are recorded to reflect the impact of temporary differences between assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes. These deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

Retirement and Pension Plans

Amounts contributed to the Company's funded defined benefit pension plan, covering substantially all of its employees, are charged to income when paid. The Company accounted for the liabilities for retirement benefits based on the projected benefit obligations and plan assets at the balance sheet date. Actuarial gains and losses were recognized in expenses using the straight-line method over the average of the estimated remaining service lives of eight years.

Per Share Information

The computation of net income per common share is based on the weighted-average number of shares of common stock outstanding during each year. When the number of shares of common stock increases as a result of a stock split, retroactive recognition of an appropriate equivalent change in the capital structure for all years presented is reflected in the computation of net income per common share. The weighted-average number of common shares used in the computation was 30,323,210 shares for 2003 and 30,379,921 shares for 2002, respectively.

The calculation of dilution for net income per common share is not applicable, because the average market value of the share remained lower than the exercise price of each warrant and the probability of dilution during the periods presented was limited.

Cash dividends per common share presented in the accompanying non-consolidated statements of income represent the cash dividends applicable to the year including dividends to be paid after the end of the year (see Note 12).

Derivatives and Hedging Activities

The Company uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange and interest rates. Foreign exchange forward contracts and interest rate swaps are utilized by the Company to reduce foreign currency exchange and interest rate risks. The Company does not enter into derivatives for trading or speculative purposes.

Derivative financial instruments and foreign currency transactions are classified and accounted for as follows: a) all derivatives should be recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the income statement and b) for derivatives used for hedging purposes, if derivatives qualify for hedge accounting because of high correlation and effectiveness between the hedging instruments and the hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

The foreign currency forward contracts employed to hedge foreign exchange exposures for export sales are measured at the fair value and the unrealized gains/losses are recognized in income.

The interest rate swaps which qualify for hedge accounting and meet specific matching criteria are not remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

Appropriations of Retained Earnings

Appropriations of retained earnings at each year end are reflected in the books of account subsequent to year end upon approval at the shareholders meeting. As required by the Code, payments of bonuses to directors and corporate auditors are made as an appropriation of retained earnings.

4. FINANCE RECEIVABLES

Finance receivables as of February 28, 2003 and 2002, are as follows:

	Millions of yen	
	2003	2002
Credit card installment shopping	**¥ 24,846**	¥ 25,844
Credit card cashing—interest primarily from 25% to 29%	**74,304**	87,514
Accrued interest	**2,158**	2,166
Other	**23**	38
Total	**101,331**	115,562
Allowance for possible credit losses	**(3,653)**	(3,600)
Finance receivables—net	**¥ 97,678**	¥111,962

The Company transferred pools of finance receivables to investors without recourse for use in securitization transactions through trust and banking companies. The total principal amounts of finance receivables off-balance sheet were ¥45,000 million and ¥20,000 million, for the years ended at February 28, 2003 and 2002, respectively.

Changes in the allowance for possible credit losses for the years ended February 28, 2003, and 2002, were shown below:

	Millions of yen	
	2003	2002
Balance at beginning of year	**¥ 3,600**	¥ 3,098
Provision	**5,517**	4,300
Charge-offs	**(5,711)**	(3,905)
Recoveries	**247**	107
Net charge-offs	**(5,464)**	(3,798)
Balance at end of year	**¥ 3,653**	¥ 3,600

According to Articles 9 and 20 and supplementary regulations of financial accounting and reporting for a special finance company (Prime Minister's Office and Ministry of Finance Ordinance No. 32), the Company's bad debt, including the off-balance sheet pools of finance receivables, is as follows:

The total amount of bad debt at February 28, 2003 and 2002, was ¥5,172 million and ¥4,002 million, respectively, and consisted of the following:

The balance of defaulted loans at February 28, 2003 and 2002, was ¥574 million and ¥603 million, respectively. Defaulted loans are loans, except for a portion of the loans written down, accruing interest which are not recorded as income since principal or interest on such loans is unlikely to be recovered considering significant postponements of principal or interest or other circumstances.

The balance of delinquent loans described below at February 28, 2003 and 2002, was ¥2,157 million and ¥1,730, respectively. Delinquent loans are credits with accruing interest that are not recorded as income due to the same reason as above, and do not include defaulted loans.

The balance of delinquent loans past three months or more from the due date of interest or principal under terms of the related loan agreements at February 28, 2003 and 2002, was ¥766 million and ¥601 million, respectively, which does not include the amount of defaulted loans and delinquent loans described above.

The balance of restructured loans at February 28, 2003 and 2002, was ¥1,675 million and ¥1,068 million, respectively. Restructured loans have certain concessions favorable to borrowers, such as postponement of interest payments and other methods made with the objective of recovering the loans, and do not include the amount of defaulted loans, delinquent loans, and delinquent loans past three months or more described above.

At February 28, 2003 and 2002, the Company had commitments to extend credit in the amount of ¥1,112,481 million (¥996,388 million unused) and ¥939,470 million (¥849,145 million unused), respectively, including the off-balance sheet pools of finance receivables referred to above. The commitments to extend credit arise from agreements to extend to customers unused revolving lines of credit issued by the Company provided that there are no violations of the conditions in the related agreements. These commitments, all of which the Company can terminate at any time and which do not necessarily represent future cash requirements, are periodically reviewed based on account usage and customer creditworthiness. In the opinion of management, these commitments will not have a material adverse effect on the cash flow of the Company.

5. PROPERTY AND EQUIPMENT

Property and equipment at February 28, 2003 and 2002, consisted of the following:

	Millions of yen	
	2003	2002
Land	**¥ 1,304**	¥ 1,304
Buildings, including leasehold improvements	**703**	1,896
Office equipment	**2,224**	1,940
Total	**4,231**	5,140
Less accumulated depreciation	**(1,805)**	(2,254)
Property and equipment—net	**¥ 2,426**	¥ 2,886

Depreciation of property and equipment included in other operating expenses during the years ended February 28, 2003 and 2002, was ¥409 million and ¥522 million, respectively.

6. INVESTMENTS

Investments at February 28, 2003 and 2002, were as follows:

	Millions of yen	
	2003	2002
Marketable equity securities	**¥ 747**	¥ 860
Non-marketable equity securities	**548**	517
Total	**¥1,295**	¥1,377

The carrying amounts and aggregate fair values of marketable equity securities at February 28, 2003, were as follows:

	Millions of yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for sale—Equity securities	**¥880**	**¥1**	**¥134**	**¥747**

Available-for-sale securities whose fair value is not ready determinable as of February 28, 2003, were as follows:

	Carrying amount
	Millions of yen
Available-for-sale—Equity securities	**¥548**

The carrying amounts and aggregate fair value of marketable equity securities at February 28, 2002, were as follows:

	Millions of yen			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for sale—Equity securities	¥880	¥2	¥22	¥860

Available-for-sale securities whose fair value is not ready determinable as of February 28, 2002, were as follows:

	Carrying amount
	Millions of yen
Available-for-sale—Equity securities	¥517

7. OTHER ASSETS

Other assets at February 28, 2003 and 2002, consisted of the following:

	Millions of yen	
	2003	2002
Software	**¥ 2,043**	¥1,769
Advances to credit alliances	**1,649**	2,686
Accounts receivable from trusts	**5,952**	1,700
Rental deposit	**1,667**	1,056
Prepaid expenses	**1,090**	1,365
Accounts receivable other	**479**	524
Other	**472**	257
Total	**¥13,352**	¥9,357

8. DEBT

Debt at February 28, 2003 and 2002, consisted of the following:

	Millions of yen	
	2003	2002
Short-term borrowings, principally bank overdrafts and commercial paper of ¥16,000 million in 2003 and ¥7,500 million in 2002	**¥27,200**	¥25,350
Current maturities of long-term debt to banks and insurance companies	**24,297**	19,934
Unsecured 1.50% Japanese yen bonds, due 2003	**5,000**	5,000
Total	**56,497**	50,284
Long-term debt to banks and insurance companies, maturing serially through 2008—principally 0.935%–2.950%	**29,324**	28,373
Unsecured 1.43% Japanese yen bonds, due 2005	**3,000**	3,000
Unsecured 1.50% Japanese yen bonds, due 2003	**1,100**	
Unsecured 1.70% Japanese yen bonds with warrants, due 2004 (only bond portion)	**197**	197
Total	**¥90,118**	¥81,854

At February 28, 2003, the aggregate annual maturities of long-term debt were as follows:

Year ending February 28 or 29	Millions of yen
2004	¥29,297
2005	17,423
2006	13,014
2007	2,366
2008 and thereafter	818
Total	¥62,918

The carrying amounts of assets pledged as collateral for short-term bank loans and the above collateralized long-term debt at February 28, 2003, were as follows:

	Millions of yen
	2003
Finance receivables:	
Credit card cashing	**¥17,452**
Credit card installment shopping	**3,647**
Total	**¥21,099**

The warrants issued with the unsecured 1.70% Japanese yen bonds are detachable and entitle the holders to subscribe for shares of the Company's common stock through August 24, 2004, at the exercise price of ¥3,900 per share at February 28, 2003. If all these outstanding warrants had been exercised at February 28, 2003, 50,400 shares of common stock would have been issued.

9. NOTES AND ACCOUNTS PAYABLE

Notes and accounts payable at February 28, 2003 and 2002, consisted of the following:

	Millions of yen	
	2003	2002
Accounts payable trade	**¥11,287**	¥13,035
Accounts payable others	**1,935**	1,926
Others	**128**	67
Total	**¥13,350**	¥15,028

10. ACCRUED LIABILITIES

Accrued liabilities at February 28, 2003 and 2002 consisted of the following:

	Millions of yen	
	2003	2002
Liabilities for employees' retirement benefits	**¥376**	¥ 463
Accrued bonus	**161**	156
Accrued interest	**139**	198
Accrued expenses	**134**	165
Other	**23**	23
Total	**¥833**	¥1,005

11. RETIREMENT AND PENSION PLANS

The Company has severance payment plans for employees. Under most circumstances, employees terminating their employment are entitled to retirement benefits determined based on the rate of pay at the time of termination, years of service and certain other factors. Such retirement benefits are made in the form of a lump-sum severance payment from the Company and annuity payments from a trustee. Employees are entitled to larger payments if the termination is involuntary, by retirement at the mandatory retirement age, by death, or by voluntary retirement at certain specific ages prior to the mandatory retirement age.

The liabilities (assets) for employees' retirement benefits at February 28, 2003 and 2002, consisted of the following:

	Millions of yen	
	2003	2002
Projected benefit obligation	**¥ 693**	¥ 707
Fair value of plan assets	**(246)**	(254)
Unrecognized prior service cost	**447**	453
Unrecognized actuarial gain (loss)	**(71)**	10
Net liabilities	**¥ 376**	¥ 463

The components of net periodic benefit costs for the years ended February 28, 2003 and 2002, are as follows:

	Millions of yen	
	2003	2002
Service cost	**¥56**	¥137
Interest cost	**21**	81
Expected return on plan assets	**(7)**	(53)
Amortization of transitional obligation	**(1)**	377
Other	**7**	
Net periodic pension costs	**¥76**	¥542

Assumptions used for the years ended February 28, 2003 and 2002, are set forth as follows:

	Millions of yen	
	2003	2002
Discount rate	1.5%	3.0%
Expected rate of return on plan assets	1.0%	3.0%–4.2%
Recognition period of actuarial gain or loss	8 years	8 years
Amortization period of transitional obligation		1 year

Following Ministry of Health, Labour and Welfare approval on February 26, 2002 for the dissolution of the MYCAL Pension Fund, the Company was not required to recognize the projected benefit obligation as of February 28, 2002. Consequently, ¥892 million of estimated termination and retirement allowance unused with dissolution offset the ¥913 million from amortization of transition obligation for the MYCAL Pension Fund, and has been presented in amortization of transition obligation.

12. SHAREHOLDERS' EQUITY

Japanese companies are subject to the Code to which certain amendments became effective from October 1, 2001.

Prior to October 1, 2001, the Code required at least 50% of the issue price of new shares, with a minimum of par value thereof, to be designated as stated capital as determined by resolution of the Board of Directors. Proceeds in excess of amounts designated as stated capital were created to additional paid-in capital. Effective October 1, 2001, the Code was revised and common stock par values were eliminated resulting in all shares being recorded with no par value.

Prior to October 1, 2001, the Code also provided that an amount at least equal to 10% of the aggregate amount of cash dividends and certain other cash payments which are made as an appropriation of retained earnings applicable to each fiscal period shall be appropriated and set aside as a legal reserve until such reserve equals 25% of stated capital. Effective October 1, 2001, the revised Code allows for such appropriations to be set aside as a legal reserve until the total additional paid-in capital and legal reserve equals 25% of stated capital. The amount of total additional paid-in capital and legal reserve which exceeds 25% of stated capital can be transferred to retained earnings by resolution of the shareholders, which may be available for dividends. Under the Code, companies may issue new common shares to existing shareholders without consideration as a stock split pursuant to a resolution of the Board of Directors. Prior to October 1, 2001, the amount calculated by dividing the total amount of shareholders' equity by the number of outstanding shares after the stock split could not be less than ¥50. The revised Code eliminated this restriction. On April 20, 2000, the Company made a stock split by way of share distribution at the rate of 0.1 share of each outstanding share and 2,761,838 shares were issued to shareholders of record on May 20, 1998. Stated capital was not charged as a result of this stock split.

Prior to October 1, 2001, the Code imposed certain restrictions on the repurchase and use of treasury stock. Effective October 1, 2001, the Code eliminated these restrictions allowing companies to repurchase treasury stock by a resolution of the shareholders at the general shareholders meeting and dispose of such treasury stock by resolution of the Board of Directors after February 28, 2003. The repurchased amount of treasury stock cannot exceed the amount available for future divided plus amount of stated capital, additional paid-in capital or legal reserve to be reduced in the case where such reduction was resolved at the general shareholders meeting.

The Code permits companies to transfer a portion of additional paid-in capital and legal reserve to stated capital by resolution of the Board of Directors. The Code also permits companies to transfer a portion of unappropriated retained earnings, available for dividends, to stated capital by resolution of the shareholders.

Under the Code, the amount available for dividends is based on retained earnings as recorded on the Company's books. At February 28, 2003, retained earnings recorded on the Company's books were ¥17,946 million which is available for future dividends subject to the approval of the shareholders and legal reserve requirements.

Dividends are approved by the shareholders at a meeting held subsequent to the fiscal year to which the dividends are applicable.

Semiannual interim dividends may also be paid upon resolution of the Board of Directors, subject to certain limitations imposed by the Code.

13. INCOME TAXES

The Company is subject to Japanese national and local income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 42% for the years ended February 28, 2003 and 2002.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at February 28, 2003 and 2002, are as follows:

	Millions of yen	
	2003	2002
Deferred tax assets:		
Non-deductible portion of allowance for possible credit losses	**¥ 353**	¥ 342
Non-deductible portion of write-offs on bad loans	**113**	112
Enterprise tax	**94**	195
Disposal losses of property and equipment	**220**	
Employees' retirement benefits	**129**	158
Other	**183**	105
Total	**¥1,092**	¥912
Deferred tax liabilities:		
Reserve for special depreciation	**¥ (179)**	¥(214)
Total	**(179)**	(214)
Net deferred tax assets	**¥ 913**	¥ 698

As the actual effective tax rates did not significantly differ from the normal effective statutory tax rates, the reconciliation between these tax rates for the years ended February 28, 2003 and 2002 was omitted.

14. OTHER OPERATING EXPENSES

Other operating expenses for the years ended February 28, 2003 and 2002, included the following:

	Millions of yen	
	2003	2002
Salaries and benefits	**¥ 4,321**	¥ 4,018
Advertising	**803**	447
Leases expenses and depreciation	**1,823**	1,958
Commissions	**3,107**	2,256
Sales utilities	**1,444**	1,481
Communication and transportation	**1,795**	1,907
Taxes	**641**	591
Insurance	**694**	611
Repair and maintenance	**871**	718
Office supplies	**272**	348
Other—net	**2,282**	2,425
Total	**¥18,053**	¥16,760

15. OTHER (LOSS) INCOME—NET

Other (loss) income—net for the years ended February 28, 2003 and 2002, included the following:

	Millions of yen	
	2003	2002
Interest and dividend income	**¥ 23**	¥ 15
Loss on sales and disposal of property and equipment	**(587)**	(65)
Loss on devaluation of investments	**(22)**	(70)
Loss on devaluation of resort club membership		(165)
Cost for relocation of headquarters	**(122)**	
Expense on change in company name		(513)
Amortization of transition obligation with retirement benefits	**1**	(377)
Other—net	**(182)**	(224)
Total	**¥(889)**	¥(1,399)

16. LEASES

(1) As lessee

The Company leases certain machinery and office equipment under cancelable and non-cancelable leases. All such leases are accounted for as operating leases. For the years ended February 28, 2003 and 2002, total rent expenses was ¥145 million and ¥265 million, respectively.

Pro forma information of leased property such as acquisition cost, accumulated depreciation, obligation under finance lease, depreciation expense and interest expense of finance leases that do not transfer ownership of the leased property to the lessee on an "as if capitalized" basis for the years ended February 28, 2003 and 2002, was as follows:

	Millions of yen						
	2003				2002		
	Machinery and Equipment	Furniture and Fixtures	Software	Total	Machinery and Equipment	Furniture and Fixtures	Total
Acquisition cost	**¥ 615**	**¥ 43**	**¥14**	**¥ 672**	¥ 1,550	¥ 31	¥ 1,581
Accumulated depreciation	**(562)**	**(11)**	**(4)**	**(577)**	(1,377)	(24)	(1,401)
Net leased property	**¥ 53**	**¥32**	**¥10**	**¥ 95**	¥ 173	¥ 7	¥ 180

Obligations under finance leases:

	Millions of yen	
	2003	2002
Due within one year	**¥64**	¥ 98
Due after one year	**34**	69
Total	**¥98**	¥167

Depreciation expense and interest expense under finance leases:

	Millions of yen	
	2003	2002
Depreciation expense	**¥101**	¥250
Interest expense	**3**	9
Total	**¥104**	¥259

Depreciation expenses are computed by the straight-line method and interest expenses are computed by the interest method, which are not reflected in the accompanying non-consolidated statements of income.

(2) As lessor

Rental revenues attributable to finance income are stated by the difference between the amounts receivable under finance lease contracts and the acquisition costs, computed under the interest method. Pro forma information as the lessor as of and for years ended February 28, 2003 and 2002, was as follows:

	Millions of yen	
	2003	2002
Acquisition cost	**¥12**	¥ 52
Less accumulated depreciation	**(8)**	(44)
Total	**¥ 4**	¥ 8
Present value of future minimum lease payment due from the customers:		
Due within one year	**¥ 1**	¥ 2
Due after one year		2
Total	**¥ 1**	¥ 4
Rental revenue	**¥ 3**	¥ 15
Depreciation expenses	**2**	8
Rental revenues attributable to finance income		2

17. DERIVATIVES AND HEDGING ACTIVITIES

The Company enters into foreign currency forward contracts to hedge foreign exchange risk associated with notes and accounts payable denominated in foreign currencies. The Company also enters into interest rate swap contracts to manage its interest rate exposures on certain liabilities.

It is not required the interest rate swaps which qualify for hedge accounting and meet specific matching criteria to be remeasured at market value but the differential paid or received under the swap agreements are recognized and included in interest expenses or income.

The Company compares the total change of hedging cash flow or currency forward rates with the total of hedged cash flow or currency forward rates, where evaluation and analysis of derivatives are semi-annually made.

18. RELATED PARTY TRANSACTIONS

Significant related party transactions of the Company as of February 28, 2003 and 2002, are summarized as follows:

	Millions of yen	
	2003	2002
(1) Sanyo Shinpan Finance Co., Ltd.		
Volume of new contracts:		
Agency services	**¥ 256**	¥ 341
Agency services on credit alliance	**397**	
Operating revenue		
Financing and administrative fees	**¥ 3**	¥ 5
Installment accounts receivable	**¥ 22**	¥ 9
Accounts payable	**27**	
(2) MYCAL Corporation		
Volume of new contracts		
Credit cards	**¥44,871**	¥64,471
Operating revenue		
Credit cards	**¥ 813**	¥ 1,183
Accounts receivable	**¥ 49**	¥ 58
Accounts payable	**7,111**	9,320

19. SUBSEQUENT EVENTS

(1) Strategic Alliance with ITOCHU Finance Corporation and ITOCHU Corporation

Following its resolution at the meeting of the Board of Directors held on April 16, 2003, in order to implement the measure necessary for strengthening a new operation base, the Company entered into the following comprehensive business cooperation agreement with ITOCHU Corporation and ITOCHU Finance Corporation who were also focusing on the consumer finance domain with their credit card business as their core instrument in the field.

(a) The transfer of considerable minority interests of the Company

On April 18, 2003, 6,227,800 shares of common stock, which amounted to 20.5% of the issued and outstanding shares, were transferred from MYCAL Corporation (the former parent company) to ITOCHU Finance Corporation, which accordingly caused the ITOCHU Finance Corporation to become the second largest shareholder of the Company.

(b) The new issue of common stock to ITOCHU Corporation

On May 3, 2003, the Company issued 680,000 new shares of common stock at ¥730 per share to ITOCHU Corporation for ¥496 million in the aggregate.

(c) Cooperation on the credit card business for the acquisition of new member retailers and outlets and new cardholders

(d) Cooperation on the credit card business for the improvement and enhancement of the service contents provided for the cardholders

(e) Cooperation on the credit card business for the expansion of new market domains

(2) Appropriations of Retained Earnings

The following appropriations of retained earnings at February 28, 2003 were approved at the shareholders meeting held on May 27, 2003:

	Millions of yen
Year-end cash dividends, ¥10 per share	¥ 297

(3) Purchase of Treasury Stock

The Company is authorized to repurchase up to 2 million shares of the Company's common stock (aggregate amount of ¥2,000 million).

Independent Auditors' Report

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Deloitte Touche Tohmatsu

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
POCKET CARD CO., LTD.:

We have examined the non-consolidated balance sheet of POCKET CARD CO., LTD. as of February 28, 2003, and the related non-consolidated statements of income, shareholders' equity, and cash flows for the year then ended. Our examination was made in accordance with auditing standards, procedures and practices generally accepted and applied in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. The non-consolidated financial statements of POCKET CARD CO., LTD. for the year ended February 28, 2002 were examined by other auditors whose report, dated May 21, 2002, expressed an unqualified opinion on those statements.

In our opinion, such 2003 non-consolidated financial statements present fairly the financial position of POCKET CARD CO., LTD. as of February 28, 2003, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles and practices generally accepted in Japan.

Deloitte Touche Tohmatsu

May 27, 2003

Non-Consolidated Balance Sheets

As of February 28, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	2002	2001	2002
Current Assets:			
Cash and cash equivalents	¥ 13,471	¥ 14,320	$ 100,530
Installment accounts receivable (Notes 4 and 6)	118,069	125,652	881,112
Allowance for doubtful receivables (Note 5)	(3,460)	(3,090)	(25,821)
Deferred income taxes (Note 10)	587	325	4,381
Prepaid expenses and other current assets	3,194	1,349	23,836
Total current assets	131,861	138,556	984,038
Property and Equipment:			
Land	1,304	1,304	9,731
Buildings and structures	1,844	1,882	13,761
Equipment and fixtures	1,940	1,932	14,478
Equipment for lease	52	329	388
Accumulated depreciation	(2,254)	(2,165)	(16,821)
Total property and equipment, net	2,886	3,282	21,537
Intangible Assets:			
Software	1,769	1,631	13,202
Other	98	98	731
Total intangible assets	1,867	1,729	13,933
Investments and Other Assets:			
Investments in securities (Note 3)	1,377	243	10,276
Long-term prepaid expenses	679	500	5,067
Deferred income taxes (Note 10)	111	—	828
Other	1,258	592	9,388
Allowance for doubtful receivables (Note 5)	(288)	(9)	(2,149)
Total investments and other assets	3,137	1,326	23,410
	¥139,751	¥144,893	$1,042,918

The accompanying Notes to Non-Consolidated Financial Statements are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen 2002	Millions of yen 2001	Thousands of U.S. dollars (Note 1) 2002
Current Liabilities:			
Short-term borrowings (Note 6)	¥ 17,850	¥ 12,000	$ 133,209
Current portion of long-term debt (Note 6)	19,934	19,595	148,761
Commercial paper	7,500	10,000	55,970
Accounts payable—			
Trade	14,198	20,769	105,955
Other	668	747	4,985
Accrued income taxes	2,200	1,529	16,418
Accrued expenses and other current liabilities	691	662	5,157
Total current liabilities	63,041	65,302	470,455
Long-term Liabilities:			
Long-term debt (Note 6)	36,570	42,723	272,910
Estimated termination and retirement allowances	—	283	—
Allowance for severance and pension benefits (Note 7)	463	—	3,455
Deferred income taxes (Note 10)	—	144	—
Other	13	13	98
Total long-term liabilities	37,046	43,163	276,463
Contingent Liabilities (Note 12)**:**			
Shareholders' Equity (Note 14)**:**			
Common stock,			
Authorized—80,000,000 shares			
Outstanding—30,380,222 shares in 2002 and in 2001	11,020	11,020	82,239
Additional paid-in capital	12,330	12,330	92,015
Legal reserve	510	390	3,806
Retained earnings	15,817	12,688	118,037
Net unrealized holding losses on securities	(12)	—	(90)
Treasury stock at cost	(1)	—	(7)
Total shareholders' equity	39,664	36,428	296,000
	¥139,751	¥144,893	$1,042,918

Non-Consolidated Statements of Income

For the years ended February 28, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Operating Revenues:			
Financing and administration fees	¥30,993	¥29,504	$231,291
Other revenue	967	922	7,216
	31,960	30,426	238,507
Operating Expenses:			
Financial cost, net	1,441	1,338	10,754
General and administrative expenses	16,760	16,316	125,074
Provision for doubtful receivables and loan losses (Note 5)	4,266	3,457	31,836
	22,467	21,111	167,665
Operating income	9,493	9,315	70,843
Other Expenses:			
Loss on disposal and sale of property and equipment	65	1,212	485
Expense of company name change	513	—	3,828
Amortization of unrecognized transition obligation due to change in accounting for retirement benefits	377	—	2,814
Other, net	776	27	5,791
	1,731	1,239	12,918
Income before income taxes	7,762	8,076	57,925
Provision for Income Taxes (Note 10)**:**			
Current	3,824	3,250	28,537
Deferred	(508)	191	(3,791)
Net income	¥ 4,446	¥ 4,635	$ 33,179
	Millions of yen		U.S. dollars
Per Share of Common Stock:			
Net income	¥146.34	¥154.50	$ 1.09
Cash dividends	30.00	35.00	0.22

The accompanying Notes to Non-Consolidated Financial Statements are an integral part of these statements.

Non-Consolidated Statements of Shareholders' Equity

For the years ended February 28, 2002 and 2001

		Millions of yen					
	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Net Unrealized Holding Gains on Securities	Treasury Stock at Cost
Balance at February 29, 2000	27,618,384	¥11,020	¥12,330	¥293	¥ 9,125	¥ —	¥ —
Net income	—	—	—	—	4,635	—	—
Appropriations:							
Cash dividends paid	—	—	—	—	(870)	—	—
Directors' and corporate auditors' bonuses	—	—	—	—	(105)	—	—
Transfer to legal reserve	—	—	—	97	(97)	—	—
1.1 for 1 stock split, April 20, 2000	2,761,838	—	—	—	—	—	—
Balance at February 28, 2001	30,380,222	¥11,020	¥12,330	¥390	¥12,688	¥ —	¥ —
Net income	—	—	—	—	4,446	—	—
Adoption of new accounting standard for financial instruments	—	—	—	—	—	(12)	—
Treasury stock	—	—	—	—	—	—	(1)
Appropriations:							
Cash dividends paid	—	—	—	—	(1,063)	—	—
Directors' and corporate auditors' bonuses	—	—	—	—	(134)	—	—
Transfer to legal reserve	—	—	—	120	(120)	—	—
Balance at February 28, 2002	30,380,222	¥11,020	¥12,330	¥510	¥15,817	¥(12)	¥ (1)

		Thousands of U.S. dollars (Note 1)					
	Number of Shares of Common Stock	Common Stock	Additional Paid-in Capital	Legal Reserve	Retained Earnings	Net Unrealized Holding Gains on Securities	Treasury Stock at Cost
Balance at February 28, 2001	30,380,222	$82,239	$92,015	$2,910	$ 94,687	$ —	$ —
Net income	—	—	—	—	33,179	—	—
Adoption of new accounting standard for financial instruments	—	—	—	—	—	(90)	—
Treasury stock	—	—	—	—	—	—	(7)
Appropriations:							
Cash dividends paid	—	—	—	—	(7,933)	—	—
Directors' and corporate auditors' bonuses	—	—	—	—	(1,000)	—	—
Transfer to legal reserve	—	—	—	896	(896)	—	—
Balance at February 28, 2002	30,380,222	$82,239	$92,015	$3,806	$118,037	$(90)	$ (7)

The accompanying Notes to Non-Consolidated Financial Statements are an integral part of these statements.

Non-Consolidated Statements of Cash Flows

For the years ended February 28, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	2002
Cash Flows from Operating Activities:			
Income before income taxes	¥ 7,762	¥ 8,076	$ 57,925
Depreciation and amortization	1,106	1,198	8,254
Increase in provision for doubtful receivables	650	119	4,851
Decrease in estimated termination and retirement allowances	(106)	(1)	(791)
Increase in allowance for severance and pension benefits	463	—	3,455
Increase (decrease) in directors' retirement allowances	(176)	42	(1,313)
Interest and dividend income	(15)	(7)	(112)
Interest expense	1,457	1,336	10,873
Loss on devaluation of investments in securities	70	—	522
Loss on disposal and sale of property and equipment	35	1,191	261
Decrease (increase) in credit-card receivables	3,254	(2,820)	24,283
Increase in loans receivable	(15,443)	(6,214)	(115,246)
Increase in failed loans	(140)	—	(1,045)
Decrease (increase) in supplies	77	(91)	575
Increase in advance money	(1,672)	—	(12,478)
Decrease in notes and accounts payable	(6,560)	(1,207)	(48,955)
Bonuses paid to directors and corporate auditors	(134)	(105)	(1,000)
Other, net	(721)	(234)	(5,380)
Subtotal	(10,093)	1,283	(75,321)
Interest and dividends received	15	7	112
Interest paid	(1,502)	(1,340)	(11,209)
Income taxes paid	(3,153)	(3,693)	(23,530)
Net cash used in operating activities	(14,733)	(3,743)	(109,948)
Cash Flows from Investing Activities:			
Purchases of equipment for lease	(4)	(18)	(30)
Proceeds from sales of equipment for lease	83	23	620
Purchases of property and equipment	(233)	(1,281)	(1,739)
Proceeds from sales of property and equipment	—	298	—
Purchases of intangible assets	(701)	(807)	(5,231)
Proceeds from sales of investments in a subsidiary	50	—	373
Proceeds from sales of investments in securities	100	—	746
Purchases of investments in securities	(1,325)	(17)	(9,888)
Net cash used in investing activities	(2,030)	(1,802)	(15,149)
Cash Flows from Financing Activities:			
Increase (decrease) in short-term borrowings, net	5,850	(3,500)	43,657
Increase (decrease) in commercial paper, net	(2,500)	10,000	(18,657)
Proceeds from long-term debt	10,780	20,900	80,448
Repayment of long-term debt	(19,560)	(17,190)	(145,970)
Repayment of long-term debt from a subsidiary	(35)	—	(261)
Proceeds from bond issuance	3,000	5,196	22,388
Bond issuance costs	(22)	(39)	(164)
Proceeds from liquidation of loans receivable	20,000	—	149,254
Increase in guarantee money deposits with liquidation of loans receivable	(615)	—	(4,589)
Dividends paid	(988)	(870)	(7,373)
Proceeds from sales of common stock	10	29	75
Common stock acquired	(11)	(29)	(82)
Net cash provided by financing activities	15,909	14,497	118,724
Effect of exchange rate changes on cash and cash equivalents	5	2	37
Net increase (decrease) in cash and cash equivalents	(849)	8,954	(6,336)
Cash and cash equivalents at beginning of year	14,320	5,366	106,866
Cash and cash equivalents at end of year	¥13,471	¥14,320	$100,530

The accompanying Notes to Non-Consolidated Financial Statements are an integral part of these statements.

Notes to Non-Consolidated Financial Statements

1. BASIS OF PRESENTING NON-CONSOLIDATED FINANCIAL STATEMENTS

POCKET CARD CO., LTD. (the "Company") maintains its accounts and records in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan ("Japanese GAAP"), which are different from the accounting and disclosure requirements of International Accounting Standards.

The accompanying non-consolidated financial statements are a translation of the audited non-consolidated financial statements of the Company, which were prepared in accordance with Japanese GAAP and filed with the appropriate Local Finance Bureau of the Ministry of Finance as required by the Securities and Exchange Law.

In preparing the accompanying non-consolidated financial statements, certain reclassifications have been made in the non-consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The non-consolidated statements of shareholders' equity for 2002 and 2001 have been prepared for the purpose of inclusion in the accompanying non-consolidated financial statements, although such statements were not required for domestic purposes and were not filed with the regulatory authorities.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of readers, using the prevailing exchange rate at February 28, 2002, which was ¥134 to US$1.00. The convenience translation should not be construed as representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

(a) Recognition of Operating Revenues

Credit cards

The Company provides credit card services to credit card holders. Receivables from credit card holders are recorded after the Company has accepted the relevant contracts that are referred to the Company by the member retailers and outlets. Fees from customers, except those who pay the full amount of such contract at one time, are generally recognized on the interest method. The Company also receives fees for collection and administrative services from the member retailers and outlets. Such fees are recognized at the time the Company accepts the relevant contracts.

Consumer shopping credit

Contract receivables from general customers are recorded after the Company has accepted the relevant installment contracts that are referred to the Company by the member retailers and outlets.

The member retailers and outlets receive cash payment for their sales from the Company acting on behalf of individual customers after the contracts are accepted. Payment by the Company is generally made at a discount representing the commissions charged to the member retailers and outlets for administration fees of retail contracts.

Also, individual customers who utilize consumer credit facilities offered by the Company, except those who pay the full amount of such retail contracts at one time, are charged commissions. The amount of the commission is computed by applying a predetermined fixed rate to the initial retail contract price. Commission rates are determined principally on the basis of the number of monthly installment payments and prevailing market interest rates.

Commissions from the member retailers and outlets are recognized at the time the Company accepts the relevant contracts and commissions from individual customers are generally recognized on the interest method.

Loans

The Company provides personal loans and commercial loans, including loans to credit card holders. Contract receivables are recorded when loan contracts become effective. Monthly billings to borrowers include principal and interest, and the amount of each billing generally remains constant for the contract period. Interest income is recognized by the interest method.

The Company also provides loans to the customers of other finance companies and such loans are collected from those other finance companies. The Company recognizes commission income from other finance companies for the services rendered when loans are made.

Lease operations

Lease operations of the Company are accounted for by the operating lease method, and lease fees arising from the lease contracts are recognized as income over the lease terms as they become due.

(b) Translation of Foreign Currencies
Short-term receivables and payables denominated in foreign currencies are translated into Japanese yen at the year-end rates. Prior to March 1, 2001, long-term receivables and payables denominated in foreign currencies were translated at historical rates.

Effective March 1, 2001, the Company adopted the revised accounting standard for foreign currency translation, "Opinion Concerning Revision of Accounting Standards for Foreign Currency Translation" (the "Revised Accounting Standard"), issued by the Business Accounting Deliberation Council (BADC) on October 22, 1999. Under the Revised Accounting Standard, long-term receivables and payables denominated in foreign currencies are also translated into Japanese yen at the year-end rate.

The effect of adopting the Revised Accounting Standard on the non-consolidated statements of income was immaterial.

(c) Investments in Securities
Prior to March 1, 2001, investments in securities with listed market quotations were valued at the lower of average cost or market, as determined on an individual security basis. Investments in securities without listed market quotations were valued at average cost.

Effective March 1, 2001, the Company adopted the new Japanese accounting standard for financial instruments, "Opinion Concerning Establishment of Accounting Standards for Financial Instruments", issued by the BADC on January 22, 1999.

Upon applying the new accounting standard, all companies are required to examine the intent of holding each security and classify those securities as (a) debt securities intended to be held to maturity (hereafter, "held-to-maturity debt securities"), (b) equity securities issued by subsidiaries and affiliated companies, and (c) all other securities that are not classified in either of the above categories (hereafter, "available-for-sale securities").

Held-to-maturity debt securities are stated at amortized cost. Equity securities issued by subsidiaries and affiliated companies are stated at moving-average cost. Available-for-sale securities with available fair market values are stated at fair market value. Unrealized gains and unrealized losses on these securities are reported, net of applicable income taxes, as a separate component of shareholders' equity. Realized gains and losses on sale of such securities are computed using moving-average cost.

Debt securities with no available fair market value are stated at amortized cost, net of the amount considered not collectible. Other securities with no available fair market value are stated at moving-average cost.

If the market value of held-to-maturity debt securities, equity securities issued by subsidiaries and affiliated companies, and available-for-sale securities, declines significantly, such securities are stated at fair market value and the difference between fair market value and the carrying amount is recognized as loss in the period of the decline. If the fair market value of equity securities issued by subsidiaries and affiliated companies is not readily available, such securities are written down to net asset value with a corresponding charge in the statements of income in the event net asset value declines significantly. In these cases, such fair market value or the net asset value will be the carrying amount of the securities at the beginning of the following period.

As a result of adopting the new accounting standard for financial instruments, income before income taxes decreased by ¥23 million ($172 thousand). Also, based on the examination of the intent of holding each security upon application of the new accounting standard on March 1, 2001, held-to-maturity debt securities and available-for-sale securities maturing within one year from the balance sheet date are included in current assets, and other securities are included in investments in securities. As a result, at March 1, 2001, there was no reclassification of securities in current assets and investments in securities compared with what would have been reported under the previous accounting policy.

(d) Allowance for Doubtful Receivables
The allowance for doubtful receivables is provided at an amount sufficient to cover possible losses on the collection of receivables. For certain probable doubtful accounts the uncollectible amounts are estimated based on a review of the collectibility of individual receivables.

(e) Depreciation
Depreciation of equipment for lease is computed on the straight-line method over the lease term, taking into account the estimated residual value.

Depreciation of other property and equipment is computed on the declining-balance method at rates based on the estimated useful lives. Maintenance and repairs, including minor renewals and betterments, are charged to income as incurred.

Estimated useful lives are as follows:

Buildings	3-47 years
Machinery and equipment	3-20 years

(f) Software Costs

Software, included in intangible assets, is depreciated using the straight-line method over an estimated useful life of five years.

(g) Securitization of Installment Accounts Receivable

The Company finances operating funds by securitizing installment accounts receivable to investors without recourse. During the year ended February 28, 2002, the Company securitized installment accounts receivable to investors through a trust and banking company in the amount of ¥20,000 million ($149,254 thousand).

(h) Accounting for Leases

The Company generally conducts its consumer finance operations at offices leased under cancelable, long-term lease agreements. In connection with such agreements, lessors in Japan usually require leasehold deposits in addition to the annual rental payments. Such leasehold deposits do not bear interest and are generally refundable only when the lease is terminated. The lease terms are generally two years with an option for renewal for a similar period, subject to renegotiations of rental fees.

Also, the Company has cancelable long-term lease commitments for employee housing and office equipment. Finance leases that do not transfer ownership are accounted for in the same manner as operating leases in accordance with Japanese GAAP.

(i) Income Taxes

The Company recognizes tax effects of temporary differences between the carrying amounts of assets and liabilities for tax and financial reporting purposes. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and those amounts used for income tax purposes.

(j) Termination and Retirement Benefit Plans

The Company provides two types of post-employment benefit plans, one unfunded lump-sum payment plan and one funded non-contributory pension plan under which all eligible employees are entitled to benefits based on the level of wage and salary at the time of retirement or termination, length of service and certain other factors.

At February 28, 2001, the Company accrued liabilities for lump-sum severance and retirement payments equal to 40% of the amount required had all eligible employees voluntarily terminated their employment at the balance sheet date. The Company recognized pension expense when, and to the extent, payments were made to the pension plans.

Effective March 1, 2001, the Company adopted the new accounting standard, "Opinion on Setting Accounting Standards for Employees' Severance and Pension Benefits" (the "New Accounting Standard"), issued by the BADC on June 16, 1998.

Under the New Accounting Standard, the liability and expense for severance and retirement benefits are determined based on the amounts actuarially calculated using certain assumptions.

The Company provided allowance for employees' severance and retirement benefits at February 28, 2002 based on the estimated amounts of projected benefit obligation and the fair value of the plan assets at that date.

The excess of the projected benefit obligation over the total of the fair value of pension assets, and the liabilities for severance and retirement benefits, both as of March 1, 2001 (the "net transition obligation"), amounted to ¥377 million ($2,814 thousand), which was fully charged to income. Actuarial gains and losses are recognized in expenses using the straight-line method over the average of the estimated remaining service lives commencing with the following period.

As a result of the adoption of the New Accounting Standard, in the year ended February 28, 2002, severance and retirement benefit expense decreased by ¥8 million ($60 thousand), net transition obligation was ¥377 million ($2,814 thousand), operating income increased by ¥8 million ($60 thousand) and income before income taxes decreased by ¥369 million ($2,754 thousand) compared with what would have been recorded under the previous accounting standard.

Following Ministry of Health, Labour and Welfare approval on February 26, 2002 for the dissolution of the Mycal Pension Fund, the Company was not required to recognize the projected benefit obligation as of February 28, 2002. Consequently, ¥892 million ($6,657 thousand) of estimated termination and retirement allowance disused with dissolution offset the ¥913 million ($6,813 thousand) from amortization of net transition obligation for the Mycal Pension Fund, and has been presented as included in amortization of net transition obligation.

The Company also had an unfunded retirement and termination allowance plan for directors and corporate auditors, with the amount required under the plan having been fully accrued. This plan was abolished, however, by resolution of the shareholders at a general shareholders' meeting held on May 21, 2001, and the accrued amounts fully paid to directors and corporate auditors.

(k) Bond Issuance Costs
Bond issuance costs are charged to income as incurred.

(l) Accounting for Stock Splits
In accordance with the provisions of the Japanese Commercial Code, stock splits of common stock made at various times have been accounted for by transferring an amount equivalent to the par value of such shares from additional paid-in capital to common stock in the case of capitalization by resolution of the Board of Directors. When common stock included a portion of the proceeds from shares issued at a price in excess of par value, no accounting recognition was made of stock splits.

Effective October 1, 2001, however, an amendment to the Japanese Commercial Code eliminated stated par value. See Note 14.

(m) Statements of Cash Flows
For purposes of the statements of cash flows, cash and cash equivalents include cash on hand and deposits placed with banks on demand or with a maturity of three months or less.

(n) Derivative and Hedge Accounting
The new accounting standard for financial instruments, effective from the year ended February 28, 2002, requires companies to state derivative financial instruments at fair value and to recognize changes in the fair value as gains or losses unless derivative financial instruments are used for hedging purposes.

If derivative financial instruments are used as hedges and meet certain hedging criteria, the Company defers recognition of gains or losses resulting from changes in fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

If interest rate swap contracts are used as hedge and meet certain hedging criteria, the net amount to be paid or received under the interest rate swap contract is added to or deducted from the interest on the assets or liabilities for which the swap contract was executed.

(o) Reclassifications
Certain prior year amounts have been reclassified to conform to the 2002 presentation.

Due to a change in the regulations relating to the presentation of treasury stock, the Company has presented treasury stock as a component of shareholders' equity from the year ended February 28, 2002. Treasury stock in other current assets in the year ended February 28, 2001 has not been reclassified.

3. INVESTMENTS IN SECURITIES

(a) The following tables summarize acquisition cost and book value (fair value) of available-for-sale securities with available fair value as of February 28, 2002:

	Millions of yen			Thousands of U.S. dollars		
	2002			2002		
	Acquisition Cost	Book Value	Difference	Acquisition Cost	Book Value	Difference
Securities with book values exceeding acquisition costs:						
Equity securities	¥ 11	¥ 13	¥ 2	$ 82	$ 97	$ 15
Bonds	—	—	—	—	—	—
Others	—	—	—	—	—	—
Total	¥ 11	¥ 13	¥ 2	$ 82	$ 97	$ 15
Securities with book values not exceeding acquisition costs:						
Equity securities	¥870	¥847	¥(23)	$6,493	$6,321	$(172)

(b) The following table summarizes book value of securities with no available fair value as of February 28, 2002:

	Millions of yen	Thousands of U.S. dollars
	2002	2002
Available-for-sale securities:		
Unlisted equity securities	¥517	$3,858

(c) Total sales of available-for-sale securities sold in the year ended February 28, 2002 amounted to ¥100 million ($746 thousand) and resulted in no related gains or losses.

(d) Details of investments as of February 28, 2001 are as follows:

	Millions of yen		Thousands of U.S. dollars	
	2001		2001	
	Book Value	Market Value	Book Value	Market Value
Investments in securities:				
Quoted equity securities	¥126	¥144	$940	$1,075

This information excludes unlisted equity securities.

4. INSTALLMENT ACCOUNTS RECEIVABLE

Installment accounts receivable as of February 28, 2002 and 2001, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Credit cards	¥ 25,742	¥ 28,912	$192,104
Loans	89,539	93,493	668,201
Agency services	2,686	3,052	20,045
Other	102	195	762
	¥118,069	¥125,652	$881,112

Installment accounts receivable as of February 28, 2002 include ¥7,175 million ($53,545 thousand) of beneficial interest in trust with securitization and ¥20,435 million ($152,500 thousand) of beneficial interest in trust with planned securitization on March 15, 2002.

The volume of new contracts and realized operating revenues by type of contract for the years ended February 28, 2002 and 2001, are summarized as follows:

	Millions of yen				Thousands of U.S. dollars	
	2002		2001		2002	
	Volume of New Contracts	Realized Operating Revenues	Volume of New Contracts	Realized Operating Revenues	Volume of New Contracts	Realized Operating Revenues
Credit cards	¥133,732	¥ 3,498	¥145,844	¥ 3,898	$ 998,000	$ 26,104
Loans	126,677	24,344	108,524	22,752	945,351	181,672
Agency services	82,510	1,047	83,734	1,077	615,746	7,813
Other	3,128	3,071	2,902	2,699	23,343	22,918
	¥346,047	¥31,960	¥341,004	¥30,426	$2,582,440	$238,507

The amounts of loans which are disclosed in accordance with the enactment of the Non-bank Bond-issuing Law in May 1999 are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Loans to bankrupt borrowers	¥ 603	¥ 387	$ 4,500
Delinquent loans	1,730	1,731	12,910
Delinquent loans past three months or more	601	699	4,485
Restructured loans	1,068	989	7,970

Loans to bankrupt borrowers are loans under declaration of bankruptcy, reconstruction and similar proceedings and in addition, interest is not accrued as income since the principal or interest on such loans is unlikely to be recovered in view of the considerable delay in payment of the principal or interest, or other circumstances.

Delinquent loans are loans for which interest is not accrued as income for the same reasons as above, and do not include loans to bankrupt borrowers and the loans for which interest payments have been postponed with the object of reconstructing and supporting the borrowers. Delinquent loans past three months or more are loans which are delinquent for three months or more from the due date of interest or principal under the terms of the loan agreements and do not include loans to bankrupt borrowers and delinquent loans, as described above. Restructured loans are loans for which certain concessions to borrowers, such as postponement of interest payments, were made with the object of encouraging repayment, and do not include loans to bankrupt borrowers, delinquent loans and delinquent loans past three months or more, as described above.

5. PROVISION FOR DOUBTFUL RECEIVABLES AND LOAN LOSSES

Provision for doubtful receivables and loan losses for the years ended February 28, 2002 and 2001, consists of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Provision for doubtful receivables	¥3,748	¥3,099	$27,970
Loan losses	518	358	3,866
	¥4,266	¥3,457	$31,836

Recoveries of doubtful receivables are included in other expenses in the amounts of ¥107 million ($799 thousand) and ¥99 million for the years ended February 28, 2002 and 2001, respectively.

6. SHORT-TERM BORROWINGS AND LONG-TERM DEBT

Short-term borrowings are represented generally by one-year notes. Long-term debt as of February 28, 2002 and 2001, is as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
1.2% to 2.30% loans from banks, due in installments through 2006			
—secured	¥ 11,616	¥ 11,813	$ 86,686
—unsecured	31,951	37,995	238,448
1.2% to 2.3% loans from banks, due on various dates through 2006			
—unsecured	3,000	3,000	22,388
1.7% to 2.75% loans from insurance companies, due in installments through 2005			
—secured	1,640	3,319	12,239
—unsecured	100	960	746
2.05% loans from a subsidiary, due on various dates through 2001			
—unsecured	—	35	—
1.5% bonds due in 2003	5,000	5,000	37,313
1.43% bonds due to 2005	3,000	—	2,388
1.7% bonds with warrants due in 2004	196	196	1,463
Total	56,504	62,318	421,671
Less current portion	(19,934)	(19,595)	(148,761)
	¥ 36,570	¥ 42,723	$ 272,910

The annual maturities of long-term debt subsequent to February 28, 2003, are as follows:

Fiscal year	Millions of yen	Thousands of U.S. dollars
2004	¥20,097	$149,978
2005	8,734	65,179
2006	6,833	50,992
2007	906	6,761
	¥36,570	$272,910

As is customary in Japan, additional security may have to be given if requested by a lending bank and such bank has the right to apply any collateral so furnished against any debt or obligation that becomes due and, in the case of default or certain other specified events, against all debts payable to the bank.

The Company's assets pledged as collateral for short-term borrowings and long-term debt from banks and other financial institutions as of February 28, 2002 and 2001, are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Installment accounts receivable	¥14,073	¥17,182	$105,022

7. EMPLOYEES' SEVERANCE AND PENSION BENEFITS

As explained in Note 2, effective March 1, 2001, the Company adopted the new accounting standard for employees' severance and pension benefits, under which allowance and expense for severance and pension benefits are determined based on amounts obtained by actuarial calculations.

Allowance for severance and pension benefits as of February 28, 2002 consists of the following:

	Millions of yen	Thousands of U.S. dollars
	2002	2002
Projected benefit obligation	¥707	$5,276
Unrecognized actuarial differences	10	75
Less fair value of pension assets	(254)	(1,896)
Allowance for severance and pension benefits	¥463	$3,455

Severance and pension benefit expense for the year ended February 28, 2002 comprises the following:

	Millions of yen	Thousands of U.S. dollars
	2002	2002
Service costs/benefits earned during the year	¥ 137	$ 1,022
Interest cost (on projected benefit obligation)	82	612
Expected return on plan assets	(54)	(403)
Net transition obligation	377	2,814
Severance and pension benefit expense	¥ 542	$ 4,045

The discount rate and the rate of expected return on plan assets used by the Company are 3% and 3.0% to 4.2%, respectively. The estimated amount of all retirement benefits to be paid at future retirement dates is allocated equally to each service year using the estimated number of total service years. Actuarial gains/losses are recognized in the statements of income using the straight-line method over 8 years.

8. DERIVATIVE TRANSACTIONS

The Company enters into interest rate swaps and interest rate options with large financial institutions in order to hedge the risk of interest rate fluctuations related to receivables and payables and to reduce financial cost. The Company has adopted policies restricting the use of derivatives and requiring the reporting of such transactions to responsible officials of the Company.

Contractual values or notional principal amounts of interest rate swap contracts of the Company outstanding as of February 28, 2001, were as follows:

	Millions of yen					
	2002			2001		
	Notional Amount	Over 1 Year	Fair Value/ Unrealized Gain (Loss)	Notional Amount	Over 1 Year	Fair Value/ Unrealized Gain (Loss)
Interest rate swaps:						
Receive floating/pay fixed	¥ —	¥ —	¥ —	¥24,788	¥20,047	¥(571)
Receive floating/pay floating	—	—	—	3,334	—	(22)
	¥ —	¥ —	¥ —	¥28,122	¥20,047	¥(593)

Notes 1. Estimated fair values were obtained from banks.
2. Receive floating/pay floating interest swaps also have interest rate caps.
3. Effective from the year ended February 28, 2002, the above table does not list the derivative transactions for which hedged accounting has been applied.

9. LOAN COMMITMENTS

Loan commitments are agreements to make loans as long as the agreed-upon terms are met. The amounts of such loan commitments outstanding as of February 28, 2002 are as follows:

	Millions of yen	Thousands of U.S. dollars
	2002	2002
Total amount of loan commitments	¥939,471	$7,010,978
Enforcement of loan	90,317	674,008
Loan commitments outstanding	¥849,154	$6,336,970

10. INCOME TAXES

The Company is subject to a number of income taxes, which, in the aggregate, indicate a statutory rate in Japan of approximately 42% for the years ended February 28, 2002 and 2001. Significant components of the Company's deferred tax assets and liabilities as of February 28, 2002 and 2001, are as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Deferred tax assets:			
Enterprise taxes, etc.	¥195	¥135	$1,455
Accounts receivable	112	76	836
Retirement benefits for directors	—	74	—
Allowance for doubtful receivables	342	87	2,552
Allowance for severance and pension benefits	158	—	1,179
Other	106	59	791
Total deferred tax assets	¥913	¥431	$6,813
Deferred tax liabilities:			
Reserve for special depreciation	¥215	¥250	$1,604
Total deferred tax liabilities	¥215	¥250	$1,604
Net deferred tax assets	¥698	¥181	$5,209

11. LEASE TRANSACTIONS

Information relating to finance leases of the Company as lessor, as of February 28, 2002 and 2001 and for the years then ended is as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Acquisition cost	¥52	¥329	$388
Accumulated depreciation	(44)	(247)	(328)
Book value	¥ 8	¥ 82	$ 60
Present value of future minimum lease payments due from customers:			
Due within one year	¥ 2	¥ 44	$ 15
Due after one year	2	50	15
	¥ 4	¥ 94	$ 30
Rental revenues	¥ 15	¥ 99	$112
Depreciation expense	8	54	60
Rental revenues attributable to financing income	2	11	15

Information relating to non-capitalized finance leases of the Company as lessee, as of February 28, 2002 and 2001, for the years then ended is as follows:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	2002
Acquisition cost	¥1,582	¥1,632	$11,806
Accumulated depreciation	(1,402)	(1,205)	(10,463)
Book value	¥ 180	¥ 427	$ 1,343
Present value of future minimum lease payments:			
Due within one year	¥ 98	¥ 256	$ 731
Due after one year	69	167	515
	¥ 167	¥ 423	$ 1,246
Lease payments	¥ 266	¥ 324	$ 1,985
Depreciation expense, if capitalized	250	307	1,866
Interest expense, if capitalized	9	18	67

The above as-if-capitalized depreciation is calculated on the straight-line method over the lease terms.

12. CONTINGENT LIABILITIES

As of February 28, 2002, the Company was contingently liable for the following:

	Millions of yen	Thousands of U.S. dollars
	2002	2002
Guarantor of lease obligation of Vinculum Japan Corporation	¥ 407	$ 3,037

13. RELATED PARTY TRANSACTIONS

Significant related party transactions of the Company as of February 28, 2002 and 2001, and for the year then ended, are summarized as follows:

		Millions of yen		Thousands of U.S. dollars
Name of related party	Description of transaction and balances	2002	2001	2002
MYCAL Corporation	Volume of new contracts			
	Credit cards	¥68,472	¥68,788	$510,985
	Operating revenue			
	Credit cards	1,183	1,274	8,828
	Lease operations	—	1	—
	Accounts receivable	58	—	433
	Accounts payable	9,320	11,953	69,552
DAC VIVRE Co., Ltd.	Volume of new contracts			
	Credit cards	¥ —	¥ 6,938	$ —
	Operating revenue			
	Credit cards	—	155	—
	Accounts payable	—	1,821	—
Sanyo Shinpan Finance Co., Ltd.	Volume of new contracts			
	Agency services	¥ 341	¥ —	$ 2,545
	Operating revenue			
	Financing and administration fees	5	—	37
	Installment accounts receivable			
	Loans	9	—	67

14. SHAREHOLDERS' EQUITY AND PER SHARE DATA

Prior to October 1, 2001, the Japanese Commercial Code provided that at least one half of the proceeds from shares issued at a price in excess of par value be included in common stock. Effective October 1, 2001, the Code abolished par value of shares and provides that at least one half of the proceeds from shares issued be included in common stock and the remaining amount of the proceeds be accounted for as additional paid-in capital.

Effective October 1, 2001, the Japanese Commercial Code provides that an amount equivalent to at least 10% of cash dividends paid and other cash appropriations shall be appropriated and provided as legal reserve until the total amount of legal reserve and additional paid-in capital equals 25% of stated capital.

As of February 28, 2002, the total amount of legal reserve and additional paid-in capital had already exceeded 25% of the stated capital and, therefore, no additional provision was required.

On condition that the total amount of legal reserve and additional paid-in capital remains equal to or exceeding 25% of stated capital, it is available for distribution by resolution of shareholders at a general shareholders' meeting.

On April 20, 2000, the Company made a stock split to shareholders of record as of February 29, 2000, of 2,761,838 shares in the ratio of 1.1 shares for each one share held. The Company's stated capital was not affected by this stock split.

Under the Japanese Commercial Code, the amount available for dividends is based on retained earnings as recorded in the books of the Company. Dividends are paid semi-annually. Interim and year-end cash dividends are authorized after the close of the period to which they relate and are reflected in the non-consolidated statements of shareholders' equity when paid.

Net income per share shown in the accompanying non-consolidated statements of income is computed using the weighted-average number of shares of common stock outstanding, retroactively adjusted for stock splits.

Dividends per share shown in the accompanying non-consolidated statements of income have been presented on the accrual basis and represent, in each fiscal year ended February 28 (or February 29), dividends to be approved after such February 28 (or February 29), but applicable to the year then ended.

The Ordinary General Meeting of Shareholders held on May 21, 2002, authorized the Company to purchase its common stock up to a total not exceeding 8,000 thousand outstanding shares at a price in total not exceeding ¥12,000 million ($89,552 thousand).

15. SUBSEQUENT EVENTS

(a) Based on conclusion of the comprehensive trust contract on February 28, 2002, the Company assigned and trusted ¥20,435 million ($152,500 thousand) of installment accounts receivable to the Sumitomo Trust Bank and obtained beneficial interest in trust issued by the Sumitomo Trust Bank. The Company financed up to ¥15,000 million ($111,940 thousand) of the above beneficial interest in trust by sale to an institutional buyer.

(b) At the Ordinary General Meeting of Shareholders held on May 21, 2002, in accordance with provisions of the Japanese Commercial Code, the Company's shareholders approved the purchase of treasury stock in an aggregate maximum of 8,000 thousand shares at an amount in total not exceeding ¥12,000 million ($89,552 thousand) in acquisition costs at any time during the period up to the conclusion of the next shareholders' meeting.

Report of Independent Public Accountants

To the Shareholders and the Board of Directors of
POCKET CARD CO., LTD.

We have audited the accompanying non-consolidated balance sheets of POCKET CARD CO., LTD. (a Japanese corporation; formerly MYCAL CARD INC.) as of February 28, 2002 and 2001, and the related non-consolidated statements of income, shareholders' equity and cash flows for the years then ended, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the non-consolidated financial statements referred to above present fairly the non-consolidated financial position of POCKET CARD CO., LTD. as of February 28, 2002 and 2001, and the non-consolidated results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan (Note 1) applied on a consistent basis, except as noted in the following paragraph.

As explained in Note 2 (b) (c) (j) and (n), in the year ended February 28, 2002, POCKET CARD CO., LTD. prospectively adopted new Japanese accounting standards for "Translation of foreign currencies", "Investments in securities", "Termination and retirement benefit plans" and "Derivative and hedge accounting".

Also, in our opinion, the U.S. dollar amounts in the accompanying non-consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.

Osaka, Japan
May 21, 2002

Asahi & Co.

Asahi & Co.

Statement on Accounting Principles and Auditing Standards
This statement is to remind users that accounting principles and auditing standards and their application in practice may vary among nations and therefore could affect, possibly materially, the reported financial position and results of operations. The accompanying financial statements are prepared based on accounting principles generally accepted in Japan, and the auditing standards and their application in practice are those generally accepted in Japan. Accordingly, the accompanying financial statements and the auditors' report presented above are for users familiar with Japanese accounting principles, auditing standards and their application in practice.

Management

Chairman, President and CEO
Masakazu Shiiki*

Director and Executive Officer
Masao Yosomiya

Director and Senior Executive Officer
Ken Dantani

Directors
Masaharu Shiiki
Masanori Usami

Standing Statutory Auditor
Tomoyuki Kurashige

Statutory Auditors
Shigeto Okamoto
Seiichi Nishitani
Noriaki Imura

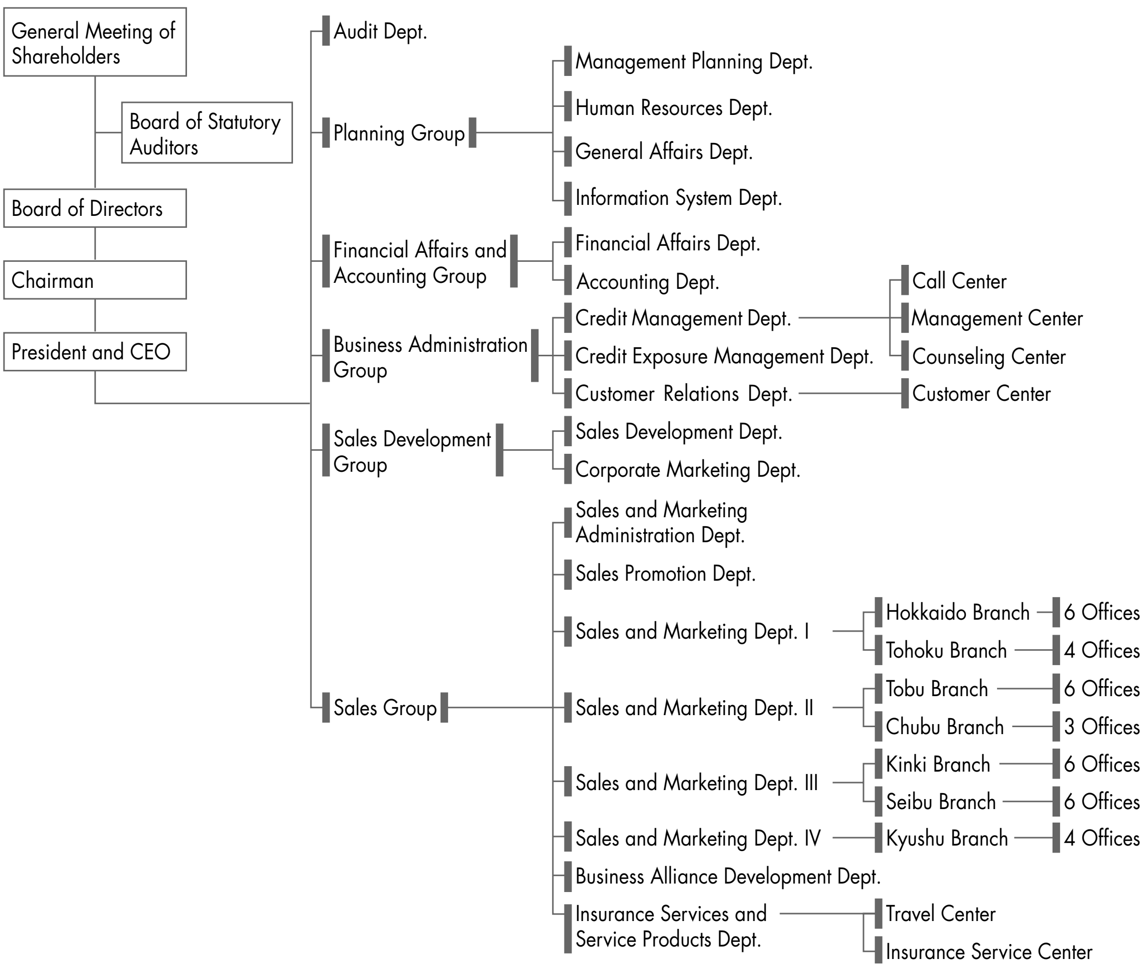
Senior Executive Officers
Kenichi Inoue
Motohiko Kusano

Executive Officers
Takuo Matsuo
Kazutoshi Shimamoto
Teruaki Fujii
Shunichi Miura

*Representative Director

(As of July 1, 2003)

Organizational Chart



(As of July 1, 2003)

Corporate History

1982	May	Established as Nichii Credit Services Co., Ltd.
	July	Issued the Nichii members card.
1983	October	Began non-life insurance agency operations.
1984	March	Registered for lending services.
	June	Installed cash dispensers in all stores of the MYCAL Group.
	July	Began life insurance operations.
1985	June	Joined the Japan Consumer Credit Industry Association as a business member.
1986	June	Issued our own credit card for use at stores in the MYCAL Group.
1989	February	Registered as a credit card service provider.
1992	March	Began leasing transactions.
	April	Added a revolving credit feature to MYCAL Card and began transactions for this card.
	September	Status in the Japan Consumer Credit Industry Association upgraded to full member.
1993	October	Began issuing MYCAL MasterCard as part of a tie-up with MasterCard International Japan Inc.
	November	Registered for travel agency services.
1994	January	Began approaching non-MYCAL member stores to accept our credit cards.
	March	Changed company name to MYCAL CARD INC.
1995	June	Launched the Mycal-Information-Network-Card System (MINCS) for administrative tasks.
1996	September	Registered stock with the Japan Securities Dealers Association for over-the-counter trading.
1998	July	Listed on the second section of the Tokyo Stock Exchange and Osaka Securities Exchange.
1999	February	Initiated trial use of a multifunction IC card. Implemented the issue of new stock through a public offering.
	August	Began issuing MYCAL IC MasterCard.
	September	Implemented the issue of new stock through a public offering.
2000	February	Listed on the first sections of the Tokyo Stock Exchange and Osaka Securities Exchange.
2001	April	Sanyo Shinpan Finance Co., Ltd. became the new parent company through a takeover bid.
	December	Changed the company name to POCKET CARD CO., LTD. Established the Tokyo head office. Began issuing POCKET Card as our standard credit card.
2002	February	Moved the credit control center to Fukuoka.
	April	Introduced a 1% discount on statements to POCKET Card and MYCAL Card cardholders.
	May	Moved the main branch to Minato-ku, Tokyo.
2003	April	Reached agreement with the ITOCHU Group on a capital and operational alliance. ITOCHU Finance Corporation, a member of the ITOCHU Group, became our second largest shareholder.
	May	Executed a third-party allocation of new shares to ITOCHU Corporation.

Company Profile

Name

POCKET CARD CO., LTD.

Representative Director

Masakazu Shiiki, Chairman, President and CEO

Headquarters

3F, Furointou Mita Bldg., 14-5 Mita 2-chome,
Minato-ku, Tokyo 108-0073, Japan
Tel: +81-3-5441-3450
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Business Profile

- Credit-card service and factoring business
- Consumer loan services
- Life insurance policy sales and non-life insurance agency services
- General-purpose leasing
- Travel agency services

Established

May 25, 1982

Capital

¥11,268 million*

Major Stockholders

Sanyo Shinpan Finance Co., Ltd.
ITOCHU Finance Corporation*
ITOCHU Corporation*
The Master Trust Bank of Japan, Ltd. (Trust Account)
Mizuho Corporate Bank, Ltd.

Settlement Date

End of February (mid-term settlement in August)

Income

¥32,842 million

Shareholders' Equity Ratio

28.4%

Number of Cardholders

3.45 million

Number of Outlets
(Total of Regional Offices and Staffed Outlets)

78

Bankers

Mizuho Corporate Bank, Ltd.
The Sumitomo Trust & Banking Co., Ltd.
Aozora Bank, Ltd.

Number of Employees

509

(As of February 28, 2003, except *July 1, 2003)

POCKETCARD CO.,LTD.

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