

## *(Translation)*

### **EARNINGS RELEASE FOR THE YEAR ENDED FEBRUARY 28, 2007 (NON-CONSOLIDATED)**

April 9, 2007

This document (unaudited) is an English translation of the original Japanese Financial Statements made public on April 9, 2007.

In the event of any discrepancy between this translated document and the original Japanese document, the original document shall prevail.

Brief Statements of Financial Results for fiscal year include forward-looking statements about the future performance of POCKET CARD that are based on assumptions and beliefs in light of information currently available, and involve certain risk and uncertainties.

Company Name:	POCKET CARD CO., LTD.
Code No.:	8519
Listed Exchange:	Tokyo Stock Exchange (First Section) Osaka Securities Exchange (First Section)
URL:	<a href="http://www.pocketcard.co.jp/ir/e/index.html">http://www.pocketcard.co.jp/ir/e/index.html</a>
Location of the head office:	Tokyo
Representative Director:	Makoto Tsuzuki, President Kazuhiko Ikeda, General Manager of Accounting Dept.
Contact Person:	Tel: +81-3-5441-1924
Date of Meeting of Board of Directors for Approval of Annual Closing:	April 9, 2007
Date of Annual Dividend Payment:	From May 11, 2007
Date of General Shareholders Meeting	May 25, 2007
Trade Unit:	One unit is constituted of 100 shares.
Name of Associated Company:	SANYO SHINPAN FINANCE CO., LTD. (Code No.: 8573)
Percentage Owned by Associated Company:	47.0%

## 1. FINANCIAL HIGHLIGHT FOR THE YEAR ENDED FEBRUARY 28, 2007

Note: Figures in these statements, which have been prepared in accordance with accounting principles generally accepted in Japan, were rounded down to the nearest million yen.

### (1) RESULTS OF OPERATIONS

	Operating Revenues	Change from Prior Year	Operating Income	Change from Prior Year	Ordinary Income	Change from Prior Year
	(Millions of Yen)	(%)	(Millions of Yen)	(%)	(Millions of Yen)	(%)
Year Ended February 28:						
2007	38,829	8.2	6,383	(23.4)	6,377	(23.4)
2006	35,898	7.0	8,331	14.9	8,330	15.0

	Net Income	Change from Prior Year	Net Income per Share	Diluted Net Income per Share	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Ordinary Income to Operating Revenues
	(Millions of Yen)	(%)	(Yen)	(Yen)	(%)	(%)	(%)
Year Ended February 28:							
2007	1,248	(72.2)	20.98	—	2.5	3.3	16.4
2006	4,481	21.5	148.74	—	9.1	4.9	23.2

Notes: 1 Equity in Earnings (Losses) of Associated Companies:

Year ended February 28, 2007: nil

Year ended February 28, 2006: nil

2 Average Number of Common Shares Issued and Outstanding:

Year ended February 28, 2007: 59,485,279 shares

Year ended February 28, 2006: 30,130,631 shares

3 The Company executed a two-for-one stock split effective on March 1, 2006.

4 Accounting Changes: None.

5 The above percentages for operating revenues, operating income, ordinary income and net income represent ratio of change from those in prior year.

### (2) FINANCIAL POSITION

	Total Assets	Net Assets	Net Worth Ratio	Net Assets Per Share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of February 28:				
2007	203,678	49,414	24.3	834.68
2006	177,246	50,536	28.5	1,677.27

Note: 1 Total Number of Common Shares Issued and Outstanding:

Year ended February 28, 2007: 59,201,869 shares

Year ended February 28, 2006: 30,130,110 shares

2 Total Number of Treasury Stock Outstanding:

Year ended February 28, 2007: 1,068,575 shares

Year ended February 28, 2006: 5,112 shares

- 3 The Company executed a two-for-one stock split effective on March 1, 2006.  
 4 Owing to the first application of ASBJ Statement No.5 on February 28, 2007, the above figures on Net Assets and Net Assets per Share as of February 28, 2006 represent the Shareholders' Equity and the Equity per Share based on the accompanying each year non-consolidated financial statements, respectively. The Shareholders' Equity as of February 28, 2007, if calculated samely as the prior year, should have amounted to 49,414 million of yen.

### (3) CASH FLOWS INFORMATION

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at the End of year
Year Ended February 28:	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
2007	(22,137)	(2,190)	27,540	15,277
2006	(20,588)	(1,360)	15,421	12,067

### 2. FORECAST OF OPERATIONS FOR THE YEAR ENDING FEBRUARY 29, 2008

	Operating Revenues	Ordinary Income	Net Income
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Semi-annual	20,200	3,100	1,400
Annual	40,300	5,700	2,800

Information: Expected net income per share for the year ending February 29, 2008 — ¥47.30

### 3. DIVIDENDS

•Cash Dividends	Annual Dividends per Share (Yen)			Total (Millions of Yen)	Dividend payout ratio (%)	Ratio of Dividend Net Assets ratio (%)
	Semi-annual	Year End	Total			
For the year ended February 28, 2006 (actual)	15.0	17.0	32.0	964	21.5	1.9
For the year ended February 28, 2007 (actual)	8.50	8.50	17.0	1,006	81.0	2.0
For the year ended February 29, 2008 (forecast)	8.50	8.50	17.0			

Note: The Company executed a two-for-one stock split effective on March 1, 2006.

- ※ The above forecast of operations for the year ending February 29, 2008 is based on assumptions and plans determined by management on the basis of data available at the present time. Furthermore, the above forecast is subject to a number of risks and uncertainties. Therefore, it is generally warned that the actual result should differ from those in the above forecast statements as a result of various facts.

## 1. COMPARETIVE NON-CONSOLIDATED BALANCE SHEETS

Note: Figures in these statements, which have been prepared in accordance with accounting principles generally accepted in Japan, were rounded down to the nearest million yen.

Item	February 28, 2006	February 28, 2007
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I CURRENT ASSETS</b>	169,519	194,237
Cash and cash equivalents	12,067	15,277
Installment shopping receivable	37,574	46,071
Cashing loans receivable	118,050	135,563
Inventories	168	253
Prepaid expenses	294	304
Deferred tax assets	1,352	2,215
Accounts receivables	3,090	3,688
Deposit	173	105
Advances paid	2,961	1,370
Other	602	1,563
Allowance for possible credit losses	(6,815)	(12,176)
<b>II FIXED ASSETS</b>	7,726	9,441
<b>Tangible fixed assets</b>	415	528
Buildings and structures	348	263
Accumulated depreciation	(236)	(102)
	111	160
Office equipment	866	794
Accumulated depreciation	(561)	(427)
	304	367
<b>Intangible fixed assets</b>	2,407	4,581
Software	1,382	4,461
Telephone rights	73	73
Software in progress	951	45
<b>Investments and other</b>	4,903	4,331
Investments in securities	1,987	620
Receivables under bankruptcy	3	3
Long-term prepaid expenses	291	280
Deferred tax assets	161	1,201
Rental deposits	2,410	2,076
Utility rights	19	19
Other	49	148
Allowance for possible credit losses	(19)	(18)
<b>TOTAL ASSETS</b>	177,246	203,678

Item	February 28, 2006	February 28, 2007
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I CURRENT LIABILITIES</b>	55,939	75,017
Accounts payable trade	9,685	6,983
Short-term borrowings	4,000	7,500
Long-term debt due within one year	31,071	31,378
Commercial paper	4,000	18,400
Bonds due within one year	520	5,400
Accounts payable others	2,120	2,363
Accrued expenses	511	603
Accrued income taxes	2,514	1,172
Accrued bonus	143	159
Allowance for credit card point redemption	701	480
Allowance for possible guarantee losses	358	462
Allowance for refundable excess interest	250	—
Other	62	115
<b>II NON-CURRENT LIABILITIES</b>	70,771	79,246
Bonds	20,900	22,500
Long-term debt	49,633	54,834
Liabilities for employees' retirement benefits	237	221
Allowance for refundable excess interest	—	1,691
<b>TOTAL LIABILITES</b>	126,710	154,264
<b>I COMMON STOCK</b>	11,268	—
<b>II CAPITAL SURPLUS</b>	12,730	—
Additional paid-in capital	12,577	—
Other	152	—
<b>III RETAINED EARNINGS</b>	26,693	—
Legal reserve	509	—
Reserve for special depreciation	148	—
General reserve	21,285	—
Unappropriated retained earnings	4,750	—
<b>IV UNREALIZED LOSS ON     AVAILABLE-FOR-SALE SECURITIES</b>	(148)	—
<b>V TREASURY STOCK</b>	(6)	—
<b>TOTAL SHAREHOLDERS' EQUITY</b>	50,536	—
<b>TOTAL LIABILITIES AND SHAREHOLDERS'     EQUITY</b>	177,246	—

Item	February 28, 2006	February 28, 2007
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I OWNERS' EQUITY</b>	—	49,625
<b>Paid-in capital</b>	—	11,268
<b>Capital surplus</b>	—	12,730
Capital legal reserve	—	12,577
Other	—	152
<b>Earned surplus</b>	—	26,925
Earned legal reserve	—	509
Reserve for special depreciation	—	98
General reserve	—	24,285
Unappropriated retained earnings	—	2,032
<b>Treasury stock</b>	—	(1,299)
<b>II VALUATION AND TRANSLATION ADJUSTMENT</b>	—	(211)
Valuation difference on available-for-sale securities	—	(211)
<b>TOTAL NET ASSETS</b>	—	49,414
<b>TOTAL LIABILITES AND NET ASSETS</b>	—	203,678

## 2. COMPARATIVE NON-CONSOLIDATED STATEMENTS OF INCOME

Item	Year Ended February 28, 2006	Year Ended February 28, 2007
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I OPERATING REVENUES</b>	35,898	38,829
Financing fees on installment shopping	3,994	4,824
Interest income on installment loans	29,489	31,575
Financing fees on agency services	273	166
Other financing income	2	17
Other operating revenue	2,138	2,246
<b>II OPERATING EXPENSES</b>	27,567	32,446
Selling, general and administrative expenses	25,648	30,209
Advertising	995	778
Sales Utilities	1,171	720
Commissions	3,790	3,874
Provision for credit card point redemption	211	480
Provision for possible credit losses	6,665	9,293
Provision for possible guarantee losses	351	462
Guarantee losses	—	35
Provision for refundable excess interest	250	994
Remuneration for directors and corporate auditors	114	110
Salaries and bonuses	3,273	3,304
Provision for bonuses	143	159
Retirement benefits	45	39
Welfare expense	335	380
Commutation expenses	126	98
Water, lighting and heating expenses	113	123
Communication expenses	1,657	1,597
EDP out-sourcing fee	1,094	2,140
Leases expenses	409	418
Depreciation	728	803
Tax and public imposts	779	838
Other expenses	3,390	3,558
Interest expense and other finance charges	1,919	2,236
Interest expense	1,506	1,720
Other finance charges	412	516
<b>Operating income</b>	<b>8,331</b>	<b>6,383</b>

(Continued)

Item	Year Ended February 28, 2006	Year Ended February 28, 2007
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>III NON-OPERATING INCOME</b>	21	16
<b>IV NON-OPERATING EXPENSES</b>	21	22
<b>Ordinary income</b>	8,330	6,377
<b>V EXTRAORDINARY GAINS</b>	295	210
Gain on sales of property and equipment	109	—
Gain on sales of investment	84	209
Investment securities received related to transaction volume	101	—
Other	—	0
<b>VI EXTRAORDINARY LOSSES</b>	1,157	4,371
Loss on sales and disposal of property and equipment	305	131
Loss on devaluation of investments	0	701
Loss on devaluation of other assets	13	2
Loss on disposition of other assets	55	40
Impairment loss on fixed assets	780	—
Loss on supplemental adjustments for refundable excess interest	—	3,492
Other	2	2
<b>INCOME BEFORE INCOME TAXES</b>	7,468	2,216
<b>INCOME TAXES (CURRENT)</b>	3,379	2,829
<b>INCOME TAXES (DEFERRED)</b>	(392)	1,860
<b>NET INCOME</b>	4,481	1,248
Unappropriated retained earnings brought forward	720	—
Semi-annual dividends paid	451	—
<b>UNAPPROPRIATED RETAINED EARNINGS, END OF YEAR</b>	4,750	—



3. NON-CONSOLIDATED STATEMENT OF CAPITAL SURPLUS AND RETAINED EARNINGS AND  
NON-CONSOLIDATED STATEMENT OF CHANGES IN NET ASSET

(Millions of Yen)

	Year ended February 28, 2006 (Approved on May 26, 2006)
<b>UNAPPROPRIATED RETAINED EARNINGS, END OF YEAR</b>	4,750
Reversal of reserve for special depreciation	49
	4,799
Cash dividends	512
Unappropriated retained earnings	3,000
Total appropriations	3,512
<b>UNAPPROPRIATED RETAINED EARNINGS, CARRIED FORWARD</b>	1,287

(Millions of Yen)

	Year Ended February 28, 2007								
	Owners' equity								
	Paid-in capital	Capital surplus			Earned surplus				
		Capital legal reserve	Other	Total	Earned legal reserve	Other			Total
					General reserve	Reserve for special depreciation	Unappropriated retained earnings		
<b>Balance at the end of previous year</b>	11,268	12,577	152	12,730	509	21,285	148	4,750	26,693
<b>Changes of items during the year</b>									
Dividends from surplus								(1,015)	(1,015)
Net income								1,248	1,248
Reserve for special depreciation							(49)	49	
Unappropriated retained earnings						3,000		(3,000)	
Purchase of treasury stock									
Reissuance of treasury stock			(0)	(0)					
Net changes of items other than owners' equity									
<b>Total changes of items during the year</b>	—	—	(0)	(0)	—	3,000	(49)	(2,717)	232
<b>Balance at the end of the current year</b>	11,268	12,577	152	12,730	509	24,285	98	2,032	26,925

(Continued)

(Millions of Yen)

	Year Ended February 28, 2007				
	Owners' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total owners' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
<b>Balance at the end of previous year</b>	(6)	50,685	(148)	(148)	50,536
<b>Changes of items during the year</b>					
Dividends from surplus		(1,015)			(1,015)
Net income		1,248			1,248
Reserve for special depreciation		—			—
Unappropriated retained earnings		—			—
Purchase of treasury stock	(1,292)	(1,292)			(1,292)
Reissuance of treasury stock	0	0			0
Net changes of items other than owners' equity			(62)	(62)	(62)
<b>Total changes of items during the year</b>	(1,292)	(1,059)	(62)	(62)	(1,122)
<b>Balance at the end of the current year</b>	(1,299)	49,625	(211)	(211)	49,414

#### 4. (Summary) NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

Item	Year Ended February 28, 2006	Year Ended February 28, 2007
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I Cash flows from operating activities</b>		
Income before income taxes	7,468	2,216
Depreciation and amortization	728	803
Impairment loss on fixed assets	780	—
Provision for possible credit losses	469	5,360
Provision for credit card point redemption	211	(221)
Provision for possible guarantee losses	181	104
Provision for refundable excess interest	250	1,441
Change in employees' retirement benefits	(35)	(16)
Loss on devaluation of investments	0	701
Gain on sales of investments	(84)	(209)
Gain on sales and disposition of property and equipment, net	195	95
Loss on devaluation of other assets	13	2
Loss on disposition of other assets	55	40
Increase in installment shopping receivable	(5,021)	(8,496)
Increase in cashing receivable	(21,800)	(17,512)
Decrease in receivables under bankruptcy	0	0
Increase in inventories	(17)	(128)
Decrease in advances paid	1,039	1,590
Increase in accounts payable trade	(2,404)	(2,702)
Maturities of securitized cashing loans receivables	(179)	359
Other-net	(1,004)	(1,406)
Subtotal	(19,514)	(17,977)
Income taxes paid	(1,434)	(4,160)
<b>Net cash used in operating activities</b>	<b>(20,588)</b>	<b>(22,137)</b>

Item	Year Ended February 28, 2006	Year Ended February 28, 2007
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>II Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(166)	(400)
Sales of tangible fixed assets	296	—
Purchases of intangible fixed assets	(1,342)	(2,397)
Purchases of investment in securities	(11)	—
Proceeds from sale of investment in securities	100	769
Other-net	(235)	(162)
<b>Net cash used in investing activities</b>	<b>(1,360)</b>	<b>(2,190)</b>
<b>III Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(700)	3,500
Net increase in commercial paper	4,000	14,400
Proceeds from long-term debt	43,280	39,670
Repayment of long-term debt	(35,314)	(34,163)
Proceeds from issuance of bonds	10,907	6,960
Redemption of bonds	(5,920)	(520)
Cash dividends paid	(828)	(1,015)
Reissuance of treasury stock	0	0
Purchase of treasury stock	(3)	(1,292)
<b>Net cash provided by financing activities</b>	<b>15,421</b>	<b>27,540</b>
<b>IV Foreign currency translation adjustments on cash and cash equivalents</b>	<b>(1)</b>	<b>(2)</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>(6,528)</b>	<b>3,209</b>
<b>VI Cash and cash equivalents at beginning of year</b>	<b>18,595</b>	<b>12,067</b>
<b>VII Cash and cash equivalents at end of year</b>	<b>12,067</b>	<b>15,277</b>

## 5. BUSINESS RESULTS

Item	Year Ended February 28, 2006	Year Ended February 28, 2007	Increase (Decrease)
<b>Volume of New Contracts (millions of yen)</b>	323,857	363,454	39,597
Shopping	172,451	211,859	39,408
Cashing	122,966	133,016	10,050
Agency services	23,947	14,604	(9,342)
Others	4,492	3,974	(518)
<b>Operating Revenue (millions of yen)</b>	35,898	38,829	2,930
Shopping	3,994	4,824	829
Cashing	29,489	31,575	2,085
Agency services	273	166	(107)
Others	2,140	2,263	123
<b>Outstanding Balance (millions of yen)</b>	168,798	186,202	17,404
Shopping (A)	37,574	46,071	8,496
Cashing (B)	130,573	139,790	9,217
Agency services	650	340	(309)
<b>Credit Expenses (millions of yen) (C)</b>	6,665	9,293	2,628
<b>Ratio of Credit Expenses to Outstanding Balance of Finance Receivables (%) (C / (A + B))</b>	3.96	5.00	1.04
<b>Number of Card Holders (thousands of holders)</b>	3,947	4,025	78
<b>Number of CDs (number of machines)</b>	130,514	140,724	10,210
Own CDs	117	82	(35)
Partnerships	130,397	140,642	10,245

Notes: The figure for “outstanding balance” includes the off-balance sheet pools of cashing loans receivable in securitization (4,567 million yen as of February 28, 2007 and 13,172 million yen as of February 28, 2006, respectively).