

## *(Translation)*

### **BRIEF STATEMENT OF FINANCIAL RESULTS FOR THE YEAR ENDED FEBRUARY 29, 2016 [Japanese GAAP] (NON-CONSOLIDATED)**

April 7, 2016

Company Name:	POCKET CARD CO., LTD.
Listed Exchange:	Tokyo Stock Exchange (First Section)
Code No.:	8519
URL:	<a href="http://www.pocketcard.co.jp/">http://www.pocketcard.co.jp/</a>
Representative Director:	Keiichi Watanabe President
Contact Person:	Yoshinori Hayashida, General Manager of Corporate Planning Dept. Tel: +81-3-5441-3450 E-mail: <a href="mailto:koho@pocketcard.co.jp">koho@pocketcard.co.jp</a>
Date of General Shareholders Meeting:	May 27, 2016
Date of Dividend Payment:	May 12, 2016
Date of Annual Securities Report Filing:	May 30, 2016
The additional materials of the Financial Results for fiscal year :	Yes
The briefing session of the Financial Results for fiscal year :	Yes

This document (unaudited) is an English translation of the original Japanese Financial Statements made public on April 7, 2016.

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

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

(Translation)

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. FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED FEBRUARY 29, 2016

### (1) RESULTS OF OPERATIONS

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

	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 29, 2016	35,676	0.5	3,759	(12.6)	3,779	(12.7)
Year Ended February 28, 2015	35,510	3.9	4,303	(8.8)	4,328	(8.8)

	Net Income	Change from Prior Year	Net Income per Share	Diluted Net Income per Share
	(Millions of Yen)	(%)	(Yen)	(Yen)
Year Ended February 29, 2016	1,682	(23.6)	21.50	—
Year Ended February 28, 2015	2,201	(19.5)	28.13	—

	Return on Equity	Ratio of Ordinary Income to Total Assets	Ratio of Operating Income to Operating Revenues
	(%)	(%)	(%)
Year Ended February 29, 2016	2.9	1.6	10.5
Year Ended February 28, 2015	3.9	1.8	12.1

(REFERENCE) Equity in Earnings (Losses) of Associated Companies

Year ended February 29, 2016: nil

Year ended February 28, 2015: nil

### (2) FINANCIAL POSITION

	Total Assets	Net Assets	Net Worth Ratio	Net Assets per Share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Year Ended February 29, 2016	248,972	58,493	23.5	747.51
Year Ended February 28, 2015	238,621	57,600	24.1	736.09

(REFERENCE) Net Worth:

As of February 29, 2016: ¥58,493million

As of February 28, 2015: ¥57,600million

(Translation)

### (3) CASH FLOWS INFORMATION

	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents at the End of Year
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Year Ended February 29, 2016	(5,807)	(652)	5,146	8,191
Year Ended February 28, 2015	2,856	(987)	(1,859)	9,493

## 2. DIVIDENDS

•Cash Dividends	Annual Dividends per Share (Yen)					Total Amount of Cash Dividends (Millions of Yen)	Dividend Payout Ratio (%)	Ratio of Dividends to Net Assets (%)
	1st Quarter	2nd Quarter	3rd Quarter	Year End	Total			
For the year ended February 28, 2015 (actual)	—	5.00	—	5.00	10.00	782	35.6	1.4
For the year ended February 29, 2016 (actual)	—	5.00	—	5.00	10.00	782	46.5	1.3
For the year ended February 28, 2017 (forecast)	—	5.00	—	5.00	10.00		35.6	

## 3. FORECAST OF OPERATIONS FOR THE YEAR ENDING FEBRUARY 28, 2017

	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)	(%)
Semi-annual	18,300	2.7	1,900	3.0	1,900	2.7
Annual	36,500	2.3	4,000	6.4	4,000	5.8

	Net Income	Change from Prior Year	Net Income per Share
	(Millions of Yen)	(%)	(Yen)
Semi-annual	900	34.8	11.50
Annual	2,200	30.8	28.11

(Translation)

#### **4. OTHER INFORMATION**

(1) Changes of accounting policies or estimates and retrospective restatements:

- i Changes with Reform of Accounting Standards: Yes
- ii Changes with Other Than Those Above: None
- iii Changes with Accounting estimates: None
- iv Retrospective restatement: None

(2) NUMBER OF COMMON STOCK ISSUED:

- i Total Number of Shares Issued (Including Treasury Stock):
  - As of February 29, 2016: 79,323,844 shares
  - As of February 28, 2015: 79,323,844 shares
- ii Total Number of Treasury Stock:
  - As of February 29, 2016: 1,073,072 shares
  - As of February 28, 2015: 1,072,625 shares
- iii Weighted-average number of outstanding shares
  - Year ended February 29, 2016: 78,251,044 shares
  - Year ended February 28, 2015: 78,251,327 shares

#### **Information Regarding the Audit Procedures**

At the time of disclosure of this report, the procedures for audit of financial statements, pursuant to the "Financial Instruments and Exchange Act" of Japan, have not completed.

(Translation)

## 1. COMPARATIVE 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, 2015	February 29, 2016
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I CURRENT ASSETS</b>		
Cash and cash equivalents	9,493	8,191
Installment shopping receivable	175,318	194,640
Cashing loans receivable	47,239	41,060
Inventories	236	241
Prepaid expenses	258	292
Deferred tax assets	3,364	2,813
Other	6,968	6,382
Allowance for possible credit losses	(13,876)	(13,204)
Total current assets	229,002	240,418
<b>II FIXED ASSETS</b>		
<b>Tangible fixed assets</b>		
Buildings and structures	195	195
Accumulated depreciation	(134)	(145)
Buildings, net	60	50
Office equipment	1,370	1,475
Accumulated depreciation	(1,068)	(1,170)
Equipment, net	301	305
Total tangible fixed assets	362	355
<b>Intangible fixed assets</b>		
Goodwill	2,262	1,885
Software	2,328	2,032
Other	94	101
Total intangible fixed assets	4,685	4,019
<b>Investments and other assets</b>		
Investments in securities	136	114
Long-term prepaid expenses	158	208
Prepaid pension expenses	29	80
Deferred tax assets	3,600	3,548
Other	676	258
Allowance for possible credit losses	(31)	(31)
Total investments and other assets	4,570	4,178
Total fixed assets	9,618	8,553
<b>TOTAL ASSETS</b>	238,621	248,972

(Translation)

Item	February 28, 2015	February 29, 2016
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I CURRENT LIABILITIES</b>		
Accounts payable trade	11,367	12,651
Short-term borrowings	14,000	18,000
Long-term debt due within one year	40,153	23,136
Long-term debt of associated company due within one year	11,480	6,165
Commercial paper	8,000	8,000
Long-term borrowing from securitization of installment receivables due within one year	3,978	—
Accounts payable others	2,305	2,753
Accrued expenses	219	233
Accrued income taxes	816	879
Deposits received	846	1,378
Accrued bonus	135	143
Allowance for credit card point redemption	217	222
Other	26	27
Total current liabilities	93,545	73,591
<b>II NON-CURRENT LIABILITIES</b>		
Bonds payable	20,000	30,000
Long-term debt	45,375	60,841
Long-term debt of associated company	12,415	15,250
Liabilities for employees' retirement benefits	393	445
Allowance for refundable excess interest	9,276	10,346
Other	14	4
Total non-current liabilities	87,475	116,887
<b>TOTAL LIABILITES</b>	181,020	190,479
<b>I OWNERS' EQUITY</b>		
<b>Paid-in capital</b>	14,374	14,374
<b>Capital surplus</b>		
Capital legal reserve	15,664	15,664
Other	152	152
Total capital surplus	15,816	15,816
<b>Earned surplus</b>		
Earned legal reserve	509	509
General reserve	24,285	24,285
Unappropriated retained earnings	3,908	4,808
Total earned surplus	28,703	29,603
<b>Treasury stock</b>	(1,300)	(1,300)
Total owners' equity	57,593	58,493
<b>II VALUATION AND TRANSLATION ADJUSTMENT</b>		
Valuation difference on available-for-sale securities	6	—
Total valuation and translation adjustment	6	—
<b>TOTAL NET ASSETS</b>	57,600	58,493
<b>TOTAL LIABILITES AND NET ASSETS</b>	238,621	248,972

(Translation)

2. COMPARATIVE NON-CONSOLIDATED STATEMENTS OF OPERATION

Item	Year Ended February 28, 2015	Year Ended February 29, 2016
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>OPERATING REVENUES</b>		
Financing fees on installment shopping	23,864	25,943
Interest income on installment loans	7,882	6,641
Other operating revenues	3,764	3,091
Total operating revenues	35,510	35,676
<b>OPERATING EXPENSES</b>		
Selling, general and administrative expenses		
Advertising	897	1,313
Sales Utilities	1,430	1,092
Commissions	4,426	5,168
Provision for credit card point redemption	217	222
Provision for possible credit losses	5,651	6,610
Provision for refundable excess interest	5,253	4,464
Salaries and bonuses	2,432	2,392
Provision for bonuses	135	143
Retirement benefits	63	71
Communication expenses	1,674	1,585
EDP out-sourcing fee	1,043	1,006
Depreciation	1,165	1,104
Other expenses	5,356	5,475
Total selling, general and administrative expenses	29,747	30,650
Interest expense and other finance charges		
Interest expense	1,046	856
Other finance charges	413	408
Total interest expense and other finance charges	1,459	1,265
Total operating expenses	31,207	31,916
<b>OPERATING INCOME</b>	4,303	3,759

(Continued)

(Translation)

Item	Year Ended February 28, 2015	Year Ended February 29, 2016
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>NON-OPERATING INCOME</b>	33	29
<b>NON-OPERATING EXPENSES</b>	8	9
<b>ORDINARY INCOME</b>	4,328	3,779
<b>EXTRAORDINARY INCOME</b>		
Gain on sales of investment securities	—	9
Total extraordinary income	—	9
<b>EXTRAORDINARY LOSSES</b>		
Impairment loss	19	26
Total extraordinary losses	19	26
<b>INCOME BEFORE INCOME TAXES</b>	4,309	3,762
<b>INCOME TAXES (CURRENT)</b>	1,403	1,473
<b>INCOME TAXES (DEFERRED)</b>	704	606
<b>TOTAL INCOME TAXES</b>	2,108	2,079
<b>NET INCOME</b>	2,201	1,682



(Translation)

### 3. COMPARATIVE NON-CONSOLIDATED STATEMENTS OF CHANGES IN NET ASSETS

(Millions of Yen)

	Year Ended February 28, 2015							
	Owners' equity							
	Paid-in capital	Capital surplus			Earned surplus			
		Capital legal reserve	Other	Total	Earned legal reserve	Other		Total
					General reserve	Unappropriated retained earnings		
<b>Balance at the beginning of the year</b>	14,374	15,664	152	15,816	509	24,285	2,430	27,225
<b>Changes of items during the year</b>								
Dividends from surplus							(723)	(723)
Net income							2,201	2,201
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)	—	—	1,477	1,477
<b>Balance at the end of the year</b>	14,374	15,664	152	15,816	509	24,285	3,908	28,703

(Continued)

(Translation)

(Millions of Yen)

	Year Ended February 28, 2015				
	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 beginning of the year</b>	(1,300)	56,116	6	6	56,112
<b>Changes of items during the year</b>					
Dividends from surplus		(723)			(723)
Net income		2,201			2,201
Purchase of treasury stock	(0)	(0)			(0)
Reissuance of treasury stock	0	0			0
Net changes of items other than owners' equity			0	0	0
<b>Total changes of items during the year</b>	(0)	1,477	0	0	1,477
<b>Balance at the end of the year</b>	(1,300)	57,593	6	6	57,600

(Translation)

(Millions of Yen)

Year Ended February 29, 2016								
Owners' equity								
	Paid-in capital	Capital surplus			Earned legal reserve	Earned surplus		Total
		Capital legal reserve	Other	Total		Other		
						General reserve	Unappropriated retained earnings	
<b>Balance at the beginning of the year</b>	14,374	15,664	152	15,816	509	24,285	3,908	28,703
<b>Changes of items during the year</b>								
Dividends from surplus							(782)	(782)
Net income							1,682	1,682
Purchase of treasury stock								
Net changes of items other than owners' equity								
<b>Total changes of items during the year</b>	—	—	—	—	—	—	900	900
<b>Balance at the end of the year</b>	14,374	15,664	152	15,816	509	24,285	4,808	29,603

(Continued)

(Translation)

(Millions of Yen)

	Year Ended February 29, 2016				
	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 beginning of the year</b>	(1,300)	57,593	6	6	57,600
<b>Changes of items during the year</b>					
Dividends from surplus		(782)			(782)
Net income		1,682			1,682
Purchase of treasury stock	(0)	(0)			(0)
Net changes of items other than owners' equity			(6)	(6)	(6)
<b>Total changes of items during the year</b>	(0)	899	(6)	(6)	892
<b>Balance at the end of the year</b>	(1,300)	58,493	—	—	58,493

(Translation)

#### 4. NON-CONSOLIDATED STATEMENTS OF CASH FLOWS

Item	Year Ended February 28, 2015	Year Ended February 29, 2016
	Amount (Millions of Yen)	Amount (Millions of Yen)
<b>I Cash flows from operating activities</b>		
Income before income taxes	4,309	3,762
Depreciation and amortization	1,165	1,104
Impairment loss	19	26
Amortization of goodwill	377	377
Changes in allowance for possible credit losses	(1,942)	(672)
Changes in allowance for credit card point redemption	(15)	5
Changes in allowance for refundable excess interest	2,148	1,070
Change in employees' retirement benefits	17	52
Loss (gain) on sales of investment securities	—	(9)
Increase in installment shopping receivable	(15,150)	(19,322)
Decrease (increase) in cashing loans receivable	10,767	6,179
Increase (decrease) in accounts payable trade	1,646	1,284
Other-net	1,540	1,735
Subtotal	4,883	(4,406)
Income taxes (paid) refund	(2,026)	(1,401)
<b>Net cash provided by (used in) operating activities</b>	<b>2,856</b>	<b>(5,807)</b>
<b>II Cash flows from investing activities</b>		
Purchases of tangible fixed assets	(200)	(59)
Purchases of intangible fixed assets	(789)	(613)
Proceeds from sales of investment securities	—	21
Other-net	2	0
<b>Net cash provided by (used in) investing activities</b>	<b>(987)</b>	<b>(652)</b>
<b>III Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	5,000	4,000
Net increase (decrease) in commercial paper	(2,000)	—
Proceeds from long-term debt	51,947	50,556
Repayment of long-term debt	(61,500)	(54,588)
Repayment of securitization of installment receivables	(4,522)	(3,978)
Proceeds from issuance of bonds	9,947	9,947
Cash dividends paid	(723)	(781)
Reissuance of treasury stock	0	—
Purchase of treasury stock	(0)	(0)
Other-net	(8)	(8)
<b>Net cash provided by (used in) financing activities</b>	<b>(1,859)</b>	<b>5,146</b>
<b>IV Foreign currency translation adjustments on cash and cash equivalents</b>	<b>26</b>	<b>11</b>
<b>V Net increase (decrease) in cash and cash equivalents</b>	<b>36</b>	<b>(1,301)</b>
<b>VI Cash and cash equivalents at beginning of year</b>	<b>9,456</b>	<b>9,493</b>
<b>VII Cash and cash equivalents at end of year</b>	<b>9,493</b>	<b>8,191</b>

(Translation)

(REFERENCE) BUSINESS RESULTS

Item	Year Ended February 28, 2015	Year Ended February 29, 2016	Change from prior year
Volume of New Contracts (millions of yen)	436,384	451,356	14,971
Shopping	399,646	415,255	15,608
Cashing	31,930	31,127	(802)
Others	4,808	4,973	165
Operating Revenue (millions of yen)	35,510	35,676	165
Shopping	23,864	25,943	2,078
Cashing	7,882	6,641	(1,240)
Others	3,764	3,091	(672)
Outstanding Balance (millions of yen)	222,558	235,701	13,142
Shopping (A)	175,318	194,640	19,322
Cashing (B)	47,239	41,060	(6,179)
Credit Expenses (millions of yen) (C)	6,494	7,621	1,127
Ratio of Credit Expenses to Outstanding Balance of Finance Receivables (%) (C / (A + B))	2.92	3.23	0.32
Number of Card Holders (thousands of holders)	4,943	4,791	(152)