SENSHUKAI CO., LTD.

ANNUAL REPORT 2002

For the Year Ended December 31, 2002

Dreams, Awakenings, and Touching Moments
BELLE MAISON

PROFILE

Established in 1955, Senshukai Co., Ltd., is one of Japan's leading direct marketing companies, and its history spans four decades of steady corporate growth. Utilizing its *hanpukai* business—sales and distribution activities centered on purchasing clubs that are formed at members' places of employment—the Company has been a pioneer in developing markets that are not based on retail stores. Senshukai's business is concentrated in two areas: *hanpukai* and catalog mail-order operations. The Company offers a broad selection of products ranging from fashion wear to home furnishings, household products, general goods, sportswear, publications, and items for infants and children. The *hanpukai* business provides Senshukai with a great deal of customer feedback and allows the Company to keep abreast of the latest trends. As a result, Senshukai has developed distinctively strong marketing capabilities that enable the Company to accurately meet its customers' needs. Reflecting the effectiveness of Senshukai's approach to maximizing customer satisfaction and confidence, the number of people served by its various marketing systems has surpassed eight million.

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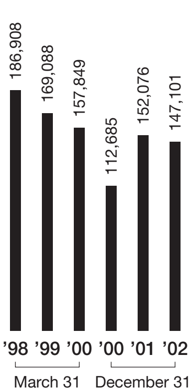
CONSOLIDATED FINANCIAL HIGHLIGHTS

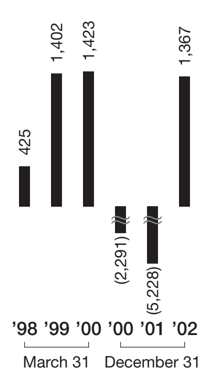
Senshukai Co., Ltd. and Consolidated Subsidiaries
For the years ended December 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	**2002**
For the year:			
Net sales	**¥147,101**	¥152,076	**$1,225,842**
Net income (loss)	**1,367**	(5,228)	**11,392**
Additions to property and equipment	**488**	215	**4,067**
Depreciation and amortization	**2,704**	3,019	**22,533**
At year-end:			
Total assets	**88,119**	95,585	**734,325**
Total shareholders' equity	**46,586**	47,720	**388,217**
	Yen		U.S. dollars (Note 1)
Amounts per share:			
Net income (loss) (Note 2)	**¥ 29.90**	¥(109.78)	**$ 0.25**
Cash dividends	**8.00**	8.00	**0.07**

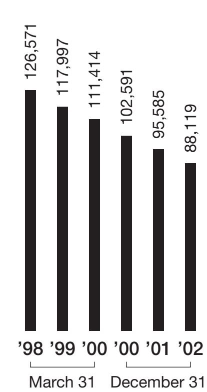
Notes: 1. The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥120=US$1, the exchange rate prevailing on December 31, 2002.
2. Net income (loss) per share is computed based on the weighted average number of shares outstanding during the year.



Net Sales
(Millions of yen)



Net Income (Loss)
(Millions of yen)



Total Assets
(Millions of yen)

Yasuhiro Yukimachi
President and Representative Director

Factors Spurring the Rebound in Profits: The Decrease in the Cost Ratio and Overall Reduction in Overhead

In fiscal 2002, ended December 31, 2002, the domestic economy was characterized by a reconfirmation of the general weakness in the ability of IT-related industries to recover and a lack of any sign of rebound in personal income and the severe employment environment. The foreign exchange market continued to be volatile and the domestic stock market, affected by the fall in U.S. stock prices, remained stagnant. In the mail-order business, the number of on-line shopping services increased during the period. At the same time, price deflation hit the clothing market particularly hard and competition with retailers remained fierce, thereby aggravating an already severe operating environment.

Against this backdrop, Senshukai Co., Ltd., and its Group companies continued to strengthen the development of original merchandise and improve product quality under the banner of offering "a complete lineup, high quality, and friendly service." Furthermore, while aggressively but cautiously investing in forward-looking IT-related enterprises and improvements to our Web services, such as cell phone Internet orders, Internet bank money transfers, and Web shopping sites for people in other Asian nations and Japanese living overseas, we also worked to make our daily operations more efficient overall.

However, earnings from our mail-order sales and other enterprises were lower than anticipated, and consolidated net sales declined 3.3%, to ¥147.1 billion (US$1,225.8 million), compared with the previous fiscal year. In terms of profits, as a result of our efforts to improve gross profits on sales and to reduce overall expenses throughout the Senshukai Group, starting with catalog-related expenses, we managed to return the Company to profitability with consolidated operating income of ¥3.3 billion (US$27.7 million), up ¥6.4 billion from fiscal 2001.

Senshukai incurred ¥1.7 billion (US$14.2 million) in extraordinary losses, mainly arising from currency exchange rate fluctuations and restructuring expenses. These restructuring expenses resulted from the consolidation of our sales subsidiaries and the scaling down of subsidiary Senshu Unyu Co., Ltd., as part of our medium-term management plan introduced in fiscal 2002. In addition, there were costs from the calculation of profits and losses related to the reorganization of subsidiaries following the dissolution of Bellemaison TV Co., Ltd., and Mosmos Co., Ltd. Nevertheless, the Company recorded net income of ¥1.4 billion (US$11.4 million) for fiscal 2002, up ¥6.6 billion from fiscal 2001. Net earnings were ¥29.90 (US$0.25) per share and shareholders were paid a dividend of ¥8.00 (US$0.07) per share.

Progress of the Medium-Term Management Plan

Through creative activities and painstaking care, we aim to make Senshukai a company that brings joy and touches the hearts of our customers, inspiring their unwavering support and trust as their "lifestyle navigator." This vision, which we have titled "A New Senshukai for the 21st Century," is being realized through our medium-term management plan, which covers the period from fiscal 2002 to fiscal 2004. I believe our ability to produce profits during the fiscal year under review indicates that we are on the right track.

The Basic Strategy of the Medium-Term Management Plan

1. A shift to multichannel distribution
2. Reinforcement of our core catalog and *hanpukai* businesses
3. Selectivity and concentration of new businesses
4. Reform of our management system
5. Development and active use of human resources

Progress on the Implementation of the Medium-Term Management Plan

1. With the shift to multichannel distribution, through the renewal of the Internet shopping site *Belle Maison Net (Bellene),* we have greatly expanded our service functions. As a result, the sales volume for the period under review increased by an impressive ¥6.0 billion, to ¥16.0 billion (US$133.3 million), from the previous period. Moreover, we successfully opened our first *Belle Maison Market* store at the Laguna Festival Market shopping complex in Gamagori, Aichi Prefecture, in September 2002.

2. We have achieved broad improvements in our business efficiency by reducing catalog production and the printing costs of our *Belle Maison* catalog by reorganizing and integrating the leading 22 publications into 15, as of the 2002 fall-winter edition. In addition, we have also reduced our purchasing costs by streamlining our products. Furthermore, as of August 2002, *Belle Maison* catalog customers with a one-time order of less than ¥5,000 are now required to pay a portion of the shipping costs. This is a part of our strategy to strengthen our revenue base, rooted in our new service strategy predicated on providing fair service equally to all customers.

In January 2002, we consolidated the branch stores and sales subsidiaries that form the sales base of the *hanpukai* business. In May, we improved the key systems of the catalog and *hanpukai* businesses, making it possible to offer customers uniformly high quality service.

3. Regarding selectivity and concentration in new businesses, in October 1999, we developed an e-shop business that offered next-day delivery of daily supplies, but we withdrew from that business in July 2002. Apart from this, we have moved forward with the closing of stores and dissolution of companies, based on their earnings potential and future. Additional costs were accrued from the business reorganization that accompanied the streamlining of the sales base and the downsizing of Senshu Unyu, as well as the special losses that accompanied the dissolution of Bellemaison TV and Mosmos. However, a one-time profit resulting from the transfer of operating rights of the insurance agency business operated by Senshukai General Service Co., Ltd., contributed to the increase in net income for the period.

Furthermore, in April 2002, we started a contract service for product delivery. Making the most of our management resources, this new service offers packing and delivery services at a time when the number of firms entering the Internet sales arena is increasing. We would like to develop this into “Distribution Solutions,” a comprehensive distribution service that would include information systems.

Efforts to Improve Corporate Governance

In an effort to achieve prompt action on making changes to the management environment as well as to create perpetual growth and a stable management base, we are continuing to grapple with management system reform. In working to enhance corporate governance, we have paid particularly close attention to ensuring that decision making is conducted in a quick, transparent, and impartial manner as well as to improving shareholder value.

With this in mind, we at Senshukai have further energized the executive board and clarified divisions among executive board decision making, the supervisory function of business operations, and business administration. In addition, we have also introduced an operating director system to try to improve management efficiency. Furthermore, our 22-member board of directors (composed of 17 directors and corporate auditors as well as 5 executive officers) meets once every two weeks and employs a quick and efficient system for supervising management. In order to improve the transparency of management activities, we have moved forward with active investor relations activities for all investors and shareholders, and we are working to improve the speed and accuracy of disclosure.

Senshukai's Strengths and Future Outlook

In order to implement the medium-term management plan, the Senshukai Group will work to expand its business base and profitability by pushing through further reorganization of its core businesses—the catalog mail-order business and the *hanpukai* business. Furthermore, we are striving to further reinforce our "multichannel distribution business" corporate structure, which targets a "synergistic effect" between catalog-centered Internet operations and storefront operations.

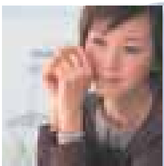
As of January 2003, we reorganized into a lifestyle-based, consumer-oriented, five-enterprise system (Living Division, Fashion Division, Monthly Division, Gourmet Division, and Health and Beauty Division) in addition to a sixth enterprise geared exclusively at selling products and services to companies. Furthermore, we intend to make business management more responsive through marking clear divisions between management supervision functions and business operation functions, as well as integrating staff divisions while at the same time implementing a reform of the management system.

Through these efforts, we intend to achieve net sales of ¥151.1 billion, operating income of ¥3.6 billion, net income of ¥1.6 billion, and consolidated ROE of 5% as our consolidated goals for the period ending December 31, 2003, the second year of our medium-term management plan. I ask for the continued cooperation and understanding of all of our shareholders and friends.

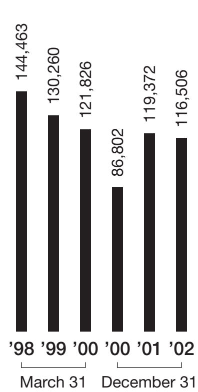
March 2003

Yasuhiro Yukimachi
President and Representative Director

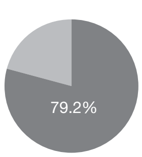
Catalog Business



Our catalog business, under the banner of "a sharpened sense of fashion for everyday life," provides numerous lifestyle suggestions for women and offers products brimming with the Senshukai style throughout our 15 catalogs. From stylish garment notions, interior goods, and convenience items to maternity needs and clothing for infants, we have a rich array of styles of clothing that adheres to our motto of "sharp fashion sense, sensible function, high quality, and good price," which has earned strong support from our members.



Sales
(Millions of yen)



Share of Net Sales
(%)

In fiscal 2002, under our slogan, "Our General Merchandise: The Best; Our Clothing: Stands Out from the Rest," we were able to distribute more copies of our catalogs. Furthermore, in the clothing division, we worked to establish a sales base by strengthening our original products. However, even though order unit prices exceeded forecasts, the number of orders did not, and sales for the period slipped 2.4% in fiscal 2002, as compared with fiscal 2001, to ¥116.5 billion (US$970.9 million), falling somewhat short of expectations.

In fiscal 2003, we are planning to invest in a new catalog to make full use of the expansion of sales routes through the consolidation of our customer data bases in fiscal 2002.

Hanpukai *Business*

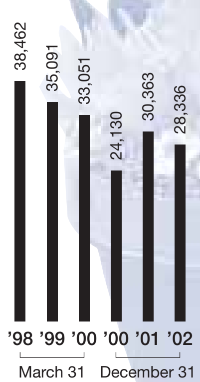
The sales structure of the han-pukai *business is one in which working women form purchasing clubs at the office or elsewhere and every month receive products that our planning staff has developed independently. It is a unique system that other mail order sales companies do not have. Products that are handled through* hanpukai *incorporate designs that are in line with the sensibilities of corporate women and are original goods wholly different from other products on the market.*

Hanpukai boasts a nationwide sales base, and customers obtained through *hanpukai* are also established as customers of the catalog business. However, in recent years the shift to overseas production bases and changes in employment structures have given rise to an ongoing decrease in the number of young women who work at the office—*hanpukai's* main customer base—and has created the need for business reorganization.

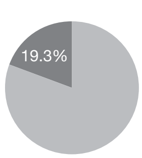
In fiscal 2002, we introduced 20 new products in response to our customers' broad and diversifying needs. We secured 105,000 new members through *Car Petit,* an automobile air freshener containing a famous character, which went on sale in May 2002, and we are expecting these numbers to continue to swell during fiscal 2003. Unfortunately, regarding other products, we were unable to prevent a drop in sales from the discontinuation of several standard products. As a result, sales in fiscal 2002 slid 6.7%, to ¥28.3 billion (US$236.1 million), compared with the previous fiscal year, and the average monthly membership dropped to 901,000.

In fiscal 2003, we plan to maintain and expand the number of members and boost sales through investment in new products.

Sales
(Millions of yen)



Share of
Net Sales
(%)



The Opening of the First *Belle Maison Market* Store

As part of our plan to develop a multi-channel system, on September 20, 2002, we opened a *Belle Maison Market* store, specializing in offering suggestions on how to enhance one's lifestyle, at the Laguna Festival Market shopping complex in Gamagori, Aichi Prefecture. In addition to outlet bargain sales, a large number of products that are also sold through the catalogs can be found on the shelves of this 495-square-meter store, including clothing and shoes, interior goods, and other items aimed at improving the quality of people's lifestyles. Initial net sales were off to a good start, reaching 140% of forecasts. In fiscal 2003, we plan to open three more stores, including one in the Tokyo area of Odaiba, which is highly popular with shoppers and a testing ground for new stores. We have now begun to study the feasibility of opening a larger number of stores.

***Bellene* Now Easier to Use!**

The number of members and the total value of orders for the *Bellene* Internet shopping site continue to climb. In September 2002, we made the site even easier to use, helping us to achieve a greater number of hits to our site and a membership figure of 1.3 million, up 560,000 from the previous year, as well as sales totaling ¥16.0 billion (US$133.3 million), up ¥6.0 billion from the previous year. Furthermore, it enjoys an outstanding reputation as being convenient, simple to use, interesting, and good value, and for this it received the 6th Annual Japan On-Line Shopping Award.

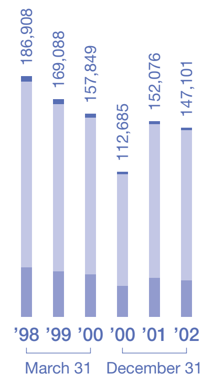
***Petit-rium* and *Car Petit* are on their way to becoming big hit items**

Petit-rium, an original product in the Heart Joy collection, is a gelatinous room air freshener that contains a cute, glass character. Approximately 1.4 million units of the air freshener were sold in the period from November 2001, when it first went on sale, to the end of fiscal 2002, contributing sales of ¥1.3 billion (US$10.8 million). Nearly 790,000 units of the *Car Petit* automobile air freshener were sold in the period from May 2002, when it went on sale, to the end of fiscal 2002, contributing a further ¥0.4 billion (US$3.3 million) in sales. Both of these

products have been adopted by leading automakers as novelty items, and drug stores are set to start carrying them. We expect an accelerated rate of growth in sales for these two popular products.

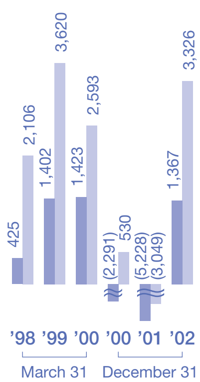
Around 60,000 tonnes of wood chips imported from Australia

Our afforestation project in Australia, which was started in 1993, finally started to show results in 2002. Around 620,000 eucalyptus trees that had grown to full size were processed into roughly 60,000 tonnes of wood chips and sent to Japan, where the wood chips were further processed into pulp to make paper for our catalogs. Currently, our eucalyptus forests have expanded to about 23,300 hectares—4,900 times the size of the Tokyo Dome. We plan to plant an additional three million eucalyptus trees this year, on a total of 2,400 hectares.



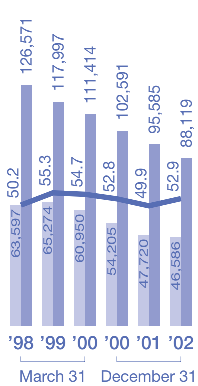
Net Sales by Category
(Millions of yen)

- *Hanpukai* business
- Catalog business
- Other



Net Income (Loss) and Operating Income (Loss)
(Millions of yen)

- Net income (loss)
- Operating income (loss)



Total Shareholders' Equity, Total Assets, and Equity Ratio
(Millions of yen, %)

- Total shareholders' equity
- Total assets
- Equity ratio

Breakdown of Profit and Loss

During fiscal 2002, ended December 31, 2002, the Senshukai Group experienced both healthy sales and income. Consolidated net sales amounted to ¥147.1 billion (US$1,225.8 million), consolidated operating income totaled ¥3.3 billion (US$27.7 million), and net income was ¥1.4 billion (US$11.4 million).

Sales by Business Segment

Consolidated sales in the mail-order segment, comprising the catalog and *hanpukai* businesses, declined 3.3% from the previous period, to ¥144.8 billion (US$1,207.0 million). The breakdown of sales by segment is as follows.

•Catalog Business

This business is the Company's flagship enterprise. Our 15 catalogs feature only those products that typify the Senshukai brand, and they include various lifestyle tips and suggestions. In fiscal 2002, under our slogan of "Our General Merchandise: The Best; Our Clothing: Stands Out from the Rest," we were able to distribute more copies of our catalogs. In the clothing division, we tried to bolster our sales base by strengthening our original products and improving and integrating our different types of catalogs in order to promote efficiency. However, even though order unit prices exceeded forecasts, the actual number of orders did not, and sales for the period fell 2.4%, compared with the previous fiscal year, to ¥116.5 billion (US$970.9 million).

•*Hanpukai* Business

In the *hanpukai* business, we introduced 20 new products in fiscal 2002 to better respond to our customers' broad and expanding needs. Our popular new *Car Petit,* an automobile air freshener featuring a famous character, helped us secure 105,000 new members after it went on sale in May 2002, and we are anticipating that it will further swell membership numbers in fiscal 2003. The *Petit-rium,* a room air freshener that contains a cute, glass character, garnered 98,000 members in the period from November 2001, when it went on sale, to the end of fiscal 2002. However, we were unable to prevent a drop in sales from the discontinuation of several standard products. As a result, sales for the period fell 6.7%, to ¥28.3 billion (US$236.1 million), and monthly membership averaged 901,000.

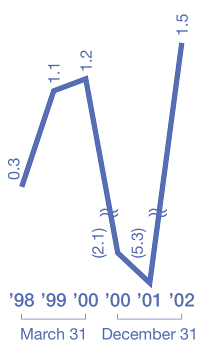
•Other Businesses

This segment includes our travel, credit card, and loan services, as well as our sample business—the selling of customer data to other companies and distribution of free product samples and follow-up questionnaires to their target markets. While the sample business continues to perform well, our travel services, and in particular our service for overseas travel, are experiencing a serious slump. Competition in the shipping industry has heated up, and the home delivery business division has been discontinued. Consolidated sales declined 3.5%, compared with the previous fiscal period, to ¥2.3 billion (US$18.8 million), or ¥83.0 million short of our target.

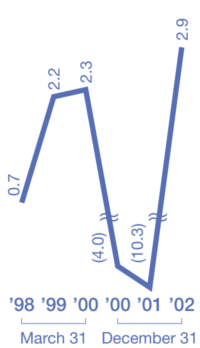
Cost of Sales and Other Expenses, Operating Income

In fiscal 2002, the cost of sales dropped to ¥76.8 billion (US$640.2 million), and

Current Ratio
(%)



Return on Average Total Assets
(%)



Return on Average Total Shareholders' Equity
(%)

the sales cost ratio decreased 1.6 percentage points, to 52.2%. As a result, the gross profit on sales climbed ¥56.0 million, or 0.1%, to ¥70.3 billion (US$585.7 million).

Earnings

The operating income for the mail-order business, comprising the catalog and *hanpukai* businesses, was hurt by an increase from variable expenses, including freight and packing, due to the fact that shipping unit prices fell short of expectations. However, overall expenses, including such catalog-related expenses as catalog production and printing, experienced a decrease, and consolidated operating income was ¥3.3 billion (US$27.7 million), which greatly exceeded forecasts.

Selling, general and administrative expenses totaled ¥67.0 billion (US$557.9 million), and as a proportion of sales it slipped 2.7 percentage points, to 45.5%. This was mainly due to a decrease in management costs from such factors as a decline in sales promotion expenses and salary benefits.

Net income for fiscal 2002 totaled ¥1.4 billion (US$11.4 million), up ¥6.6 billion from fiscal 2001, and net income per share for the period was ¥29.90 (US$0.25), up from a loss of ¥109.8 in fiscal 2001. Shareholders were paid ¥8.00 (US$0.07) per share in dividends for the year.

Financial Position

Total assets at the end of fiscal 2002 declined 7.8%, or ¥7.5 billion, from the end of the previous fiscal year, to ¥88.1 billion (US$734.3 million). Total current assets fell 9.9%, to ¥44.4 billion (US$369.9 million), and total property and equipment dropped 5.2%, to ¥31.7 billion (US$263.8 million). However, total liabilities totaled ¥41.5 billion (US$345.7 million), falling 13.2% from the end of the previous fiscal year. Total current liabilities shrank 14.3%, to ¥36.2 billion (US$301.7 million). This was due to a reduction in notes and accounts payable as well as allotments for business restructuring expenses.

Total shareholders' equity decreased ¥1.1 billion, to ¥46.6 billion (US$388.2 million), and the shareholders' equity ratio grew 3.0 percentage points, to 52.9%.

Cash Flows

Despite the payments for expenses related to business restructuring, net cash provided by operating activities totaled ¥0.8 billion (US$6.3 million), largely due to improvements in the cost ratio and a reduction in overall expenses. Net cash used in investing activities, which included such capital expenditures as the acquisition of machinery and equipment for the Chubu distribution center and such fixed assets as computer system development, as well as the acquisition of investment securities, amounted to ¥1.5 billion (US$12.1 million). Net cash used in financing activities, which totaled ¥2.4 billion (US$20.2 million), included ¥0.4 billion (US$3.1 million) in cash dividends paid and ¥1.9 billion (US$15.5 million) for purchase of treasury stock. As a result, cash and cash equivalents at end of year totaled ¥8.2 billion (US$68.6 million), down ¥3.1 billion from the end of fiscal 2001.

CONSOLIDATED SIX-YEAR SUMMARY

Senshukai Co., Ltd. and Consolidated Subsidiaries
For the years ended December 31, 2002 and 2001, the nine months ended December 31, 2000 and the years ended March 31, 2000, 1999 and 1998

	Millions of yen						Thousands of U.S. dollars (Note 1)
	December 31, 2002	December 31, 2001	December 31, 2000	March 31, 2000	March 31, 1999	March 31, 1998	**December 31, 2002**
For the year:							
Net sales	**¥147,101**	¥152,076	¥112,685	¥157,849	¥169,088	¥186,908	**$1,225,842**
Catalog business	**116,506**	119,372	86,802	121,826	130,260	144,463	**970,884**
Hanpukai business	**28,336**	30,363	24,130	33,051	35,091	38,462	**236,133**
Other	**2,259**	2,341	1,753	2,972	3,737	3,983	**18,825**
Operating income (loss)	**3,326**	(3,049)	530	2,593	3,620	2,106	**27,717**
Net income (loss)	**1,367**	(5,228)	(2,291)	1,423	1,402	425	**11,392**
Additions to property and equipment	**488**	215	767	701	117	1,918	**4,067**
Depreciation and amortization	**2,704**	3,019	2,454	3,239	3,631	3,756	**22,533**
At year-end:							
Total assets	**88,119**	95,585	102,591	111,414	117,997	126,571	**734,325**
Total property and equipment	**31,661**	33,399	35,686	37,020	47,597	50,878	**263,842**
Total shareholders' equity	**46,586**	47,720	54,205	60,950	65,274	63,597	**388,217**
Interest-bearing debt	**872**	1,130	1,732	3,296	5,347	7,824	**7,266**
	Yen						U.S. dollars (Note 1)
Amounts per share:							
Net income (loss) (Note 2)	**¥ 29.90**	¥ (109.78)	¥ (48.11)	¥ 29.89	¥ 29.43	¥ 8.93	**$ 0.25**
Cash dividends	**8.00**	8.00	12.00	16.00	16.00	16.00	**0.07**
Shareholders' equity	**1,056.52**	1,002.23	1,138.11	1,279.85	1,370.62	1,355.41	**8.80**
Common stock:							
No. of shares issued	**47,630,393**	47,630,393	47,630,393	47,630,393	47,630,393	47,630,393	
No. of shareholders (1,000 share units)	**5,068**	5,929	4,415	2,946	3,612	4,444	
No. of shareholders	**6,158**	7,081	5,570	4,107	4,792	5,622	

Notes: 1. The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥120=US$1, the exchange rate prevailing on December 31, 2002.
2. Net income (loss) per share is computed based on the weighted average number of shares outstanding during the year.
3. Change in fiscal year: Following a resolution at the 55th Ordinary Shareholders' General Meeting held on June 29, 2000, Senshukai implemented a change in its fiscal year. The Company's fiscal year previously ran from April 1 each year to March 31 of the following year. We have now altered it to run from January 1 to December 31 each year. As a consequence of this change, fiscal 2000 consists of the nine months from April 1, 2000 to December 31, 2000.

CONSOLIDATED BALANCE SHEETS

Senshukai Co., Ltd. and Consolidated Subsidiaries
December 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
ASSETS	**2002**	2001	**2002**
Current assets:			
Cash and cash equivalents (Note 7)	**¥ 8,236**	¥11,360	**$ 68,633**
Notes and accounts receivable	**9,820**	9,983	**81,833**
Allowance for doubtful accounts	**(248)**	(250)	**(2,067)**
Inventories (Note 5)	**14,937**	15,402	**124,475**
Deferred income taxes (Note 6)	**12**	—	**100**
Other current assets (Note 7)	**11,635**	12,770	**96,959**
Total current assets	**44,392**	49,265	**369,933**
Investments and other assets:			
Investment securities (Notes 3 and 8)	**3,279**	3,662	**27,325**
Long-term loans receivable	**1,011**	871	**8,425**
Guarantee deposits	**1,175**	1,422	**9,792**
Intangible assets, net of amortization	**2,105**	2,159	**17,542**
Deferred income taxes (Note 6)	**2,609**	2,727	**21,742**
Other	**2,492**	2,659	**20,766**
Allowance for doubtful accounts	**(605)**	(579)	**(5,042)**
Total investments and other assets	**12,066**	12,921	**100,550**
Property and equipment:			
Land (Notes 8 and 10)	**12,464**	12,464	**103,867**
Buildings and structures (Note 8)	**29,529**	29,496	**246,075**
Machinery and equipment	**19,621**	19,816	**163,508**
	61,614	61,776	**513,450**
Less: accumulated depreciation	**(29,953)**	(28,377)	**(249,608)**
Total property and equipment	**31,661**	33,399	**263,842**
	¥88,119	¥95,585	**$734,325**

See the accompanying notes to consolidated financial 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 loans (Note 7)	¥ —	¥ 104	$ —
Current portion of long-term debt (Notes 7 and 8)	94	211	783
Notes and accounts payable:			
Trade	15,290	19,178	127,417
Other	16,306	17,217	135,883
	31,596	36,395	263,300
Accrued liabilities	3,228	4,289	26,900
Accrued income taxes	342	79	2,850
Deferred income taxes (Note 6)	—	161	—
Other current liabilities	945	1,008	7,875
Total current liabilities	36,205	42,247	301,708
Long-term liabilities:			
Long-term debt (Notes 7 and 8)	778	815	6,483
Employees' retirement benefits (Note 9)	1,322	1,622	11,017
Retirement benefits for directors and corporate auditors	865	800	7,208
Deposits received	1,389	1,389	11,575
Deferred tax liabilities relating to revaluation of land (Note 10)	927	927	7,725
Total long-term liabilities	5,281	5,553	44,008
Minority interests	47	65	392
Shareholders' equity:			
Common stock, par value ¥50 per share:			
Authorized—90,000,000 shares			
Issued: 2002—47,630,393 shares	20,359	—	169,658
2001—47,630,393 shares	—	20,359	—
Additional paid-in capital	19,864	19,864	165,533
Revaluation surplus (Note 10)	(9,160)	(9,160)	(76,333)
Retained earnings	17,802	16,809	148,350
Net unrealized losses on securities	(382)	(123)	(3,183)
Translation adjustments	(29)	(24)	(242)
	48,454	47,725	403,783
Less: treasury stock, at cost	(1,868)	(5)	(15,566)
Total shareholders' equity	46,586	47,720	388,217
Contingent liabilities (Note 11)			
	¥88,119	¥95,585	$734,325

CONSOLIDATED STATEMENTS OF INCOME

Senshukai Co., Ltd. and Consolidated Subsidiaries
For the years ended December 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	**2002**
Net sales	**¥147,101**	¥152,076	**$1,225,842**
Cost of sales	**76,822**	81,853	**640,183**
Gross profit	**70,279**	70,223	**585,659**
Selling, general and administrative expenses	**66,953**	73,272	**557,942**
Operating income (loss)	**3,326**	(3,049)	**27,717**
Other (expenses) income:			
Interest and dividend income	**63**	96	**525**
Interest expenses	**(51)**	(58)	**(425)**
Loss on investment securities	**(443)**	(516)	**(3,692)**
Exchange (loss) gain, net	**(1,299)**	1,481	**(10,825)**
Gain on sale of insurance business	**1,000**	—	**8,333**
Loss on business restructuring	**(379)**	(3,228)	**(3,158)**
Other, net	**(399)**	129	**(3,325)**
	(1,508)	(2,096)	**(12,567)**
Income (loss) before income taxes and minority interests	**1,818**	(5,145)	**15,150**
Income taxes (Note 6)**:**			
Current	**371**	133	**3,092**
Deferred	**96**	5	**800**
Minority interests	**(16)**	(55)	**(134)**
Net income (loss)	**¥ 1,367**	¥ (5,228)	**$ 11,392**
	Yen		U.S. dollars (Note 1)
Per share of common stock:			
Net income (loss)	**¥ 29.90**	¥ (109.78)	**$ 0.25**
Cash dividends	**8.00**	8.00	**0.07**

See the accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Senshukai Co., Ltd. and Consolidated Subsidiaries
For the years ended December 31, 2002 and 2001

	Number of shares of common stock (Thousands)	Millions of yen		
		Common stock	Additional paid-in capital	Retained earnings
Balance at December 31, 2000	47,630	¥20,359	¥19,864	¥22,834
Net loss	—	—	—	(5,228)
Cash dividends paid	—	—	—	(762)
Bonuses to directors and corporate auditors	—	—	—	(6)
Transfer from revaluation surplus	—	—	—	(29)
Balance at December 31, 2001	47,630	20,359	19,864	16,809
Net income	—	—	—	**1,367**
Cash dividends paid	—	—	—	**(374)**
Balance at December 31, 2002	**47,630**	**¥20,359**	**¥19,864**	**¥17,802**

	Number of shares of common stock (Thousands)	Thousands of U.S. dollars (Note 1)		
		Common stock	Additional paid-in capital	Retained earnings
Balance at December 31, 2001	47,630	$169,658	$165,533	$140,075
Net income	—	—	—	**11,392**
Cash dividends paid	—	—	—	**(3,117)**
Balance at December 31, 2002	**47,630**	**$169,658**	**$165,533**	**$148,350**

See the accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Senshukai Co., Ltd. and Consolidated Subsidiaries
For the years ended December 31, 2002 and 2001

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2002	2001	**2002**
Cash flows from operating activities:			
Income (loss) before income taxes and minority interests	**¥ 1,818**	¥(5,145)	**$15,150**
Adjustments for:			
Depreciation and amortization	**2,704**	3,019	**22,533**
Loss on investment securities	**443**	516	**3,692**
Loss on business restructuring	**379**	3,228	**3,158**
Provisions for allowance for doubtful accounts	**22**	189	**183**
Decrease in employees' retirement benefits	**(300)**	(424)	**(2,500)**
Interest and dividend income	**(63)**	(96)	**(525)**
Interest expenses	**51**	58	**425**
Decrease in notes and accounts receivable	**164**	531	**1,367**
Decrease (increase) in inventories	**465**	(1,466)	**3,875**
Decrease (increase) in other current assets	**1,078**	(2,134)	**8,983**
Decrease in notes and accounts payable	**(4,798)**	(518)	**(39,983)**
Increase (decrease) in accrued liabilities	**553**	(492)	**4,608**
Decrease in other current liabilities	**(61)**	(291)	**(508)**
Other, net	**292**	426	**2,434**
Subtotal	**2,747**	(2,599)	**22,892**
Interest and dividend income received	**62**	111	**517**
Interest expenses paid	**(47)**	(64)	**(392)**
Severance pay for retirement	**(1,877)**	(1,614)	**(15,642)**
Income taxes (paid) refunded	**(129)**	208	**(1,075)**
Net cash provided by (used in) operating activities	**756**	(3,958)	**6,300**
Cash flows from investing activities:			
Capital expenditures	**(1,045)**	(999)	**(8,708)**
(Increase) decrease in investment securities, net	**(521)**	853	**(4,342)**
(Increase) decrease in long-term loans receivable, net	**(133)**	21	**(1,108)**
Other, net	**246**	80	**2,050**
Net cash used in investing activities	**(1,453)**	(45)	**(12,108)**
Cash flows from financing activities:			
Proceeds from long-term debt	**145**	122	**1,208**
Repayments of long-term debt	**(332)**	(779)	**(2,767)**
Purchase of treasury stock	**(1,862)**	(2)	**(15,517)**
Cash dividends paid	**(374)**	(760)	**(3,117)**
Other, net	**(4)**	(48)	**(33)**
Net cash used in financing activities	**(2,427)**	(1,467)	**(20,226)**
Net decrease in cash and cash equivalents	**(3,124)**	(5,470)	**(26,034)**
Cash and cash equivalents at beginning of year	**11,360**	16,830	**94,667**
Cash and cash equivalents at end of year	**¥ 8,236**	¥11,360	**$68,633**

See the accompanying notes to consolidated financial statements.

Senshukai Co., Ltd. and Consolidated Subsidiaries

1 BASIS OF PRESENTING FINANCIAL STATEMENTS

Senshukai Co., Ltd. (the "Company") and its consolidated subsidiaries, all Japanese corporations, maintain their records and prepare their financial statements in Japanese yen.

The accompanying financial statements are based upon the financial statements that are prepared for Japanese domestic purposes in accordance with the provisions of the Securities and Exchange Law of Japan and accounting principles generally accepted in Japan and filed with the Minister of Finance of Japan and stock exchanges in Japan. Certain modifications have been made in the accompanying financial statements to facilitate understanding by readers outside Japan. Statements of shareholders' equity have been prepared as additional information.

No change has been made in the application of accounting policies.

For convenience only, U.S. dollar amounts presented in the accompanying financial statements have been translated from Japanese yen at the rate of ¥120=US$1, the approximate exchange rate prevailing on December 31, 2002.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Consolidated Subsidiaries

The consolidated financial statements include the accounts of the Company and its significant subsidiaries.

Investments in unconsolidated subsidiaries and affiliated companies (20% to 50% owned) are accounted for by the equity method.

(b) Cash and Cash Equivalents

The Company and its consolidated subsidiaries consider all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(c) Allowance for Doubtful Receivables

The allowance for doubtful receivables is provided for in an amount sufficient to cover possible losses on collection. It consists of the estimated uncollectible amount with respect to identified doubtful receivables and an amount calculated on the Company's formula with respect to remaining receivables.

(d) Securities

Securities available for sale with fair value:

Stated at fair value based on market prices, etc., at the end of this fiscal year (both unrealized gains and losses are included in "Net unrealized losses on securities," a component of shareholders' equity, cost being determined by the moving-average method).

Securities with no market prices:

Stated at cost determined using the moving-average method.

(e) Derivatives and Hedge Accounting

Stated at fair value based on market prices at the end of this fiscal year. 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 the fair value of derivative financial instruments until the related losses or gains on the hedged items are recognized.

(f) Inventories

Merchandise is stated at the lower of cost or market, cost being determined by the average method.

(g) Property and Equipment and Depreciation

Property and equipment is stated at cost. Depreciation is mainly computed using a declining-balance method for property and equipment, except for buildings acquired after April 1, 1998, which are depreciated using a straight-line method, at rates based on the estimated useful lives of the assets.

The principal estimated useful lives are as follows:

Buildings and structures	38 to 50 years
Machinery and equipment	12 years

(h) Employees' Retirement Benefits

Employees' retirement benefits are provided by the deemed retirement obligations at the end of this period, based on the net amount of estimated retirement obligations less estimated plan assets at the end of this fiscal year.

(i) Retirement Benefits for Directors and Statutory Auditors

The Company provides lump-sum retirement benefits for directors and statutory auditors and executive officers. Such benefits, which are not funded, are accrued based on the Company's internal guidelines.

(j) Income Taxes

Deferred income taxes are recognized by using the assets and liabilities method. The assets and liabilities method 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 the amounts used for income tax purposes.

(k) Net Income (Loss) and Dividends Per Share

Net income (loss) per share is computed based on the average number of common shares outstanding during each period.

Cash dividends per share shown for each year in the consolidated statements of income represent dividends approved by the shareholders and paid in the respective periods.

(l) Leases

In Japan, finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessee are accounted for by a method similar to that applicable to ordinary operating leases.

(m) Research and Development

Research and development expenditures are charged to income when incurred.

(n) Reclassifications

Certain reclassifications of prior year financial statements have been made to conform with the current year presentation.

3 MARKET VALUE INFORMATION

Investment securities at December 31, 2002 are summarized as follows:

1. Securities available for sale with fair value

	Millions of yen		
	Cost	Fair value (Carrying amount)	Net unrealized gains (losses)
Stock	¥2,387	¥2,078	¥(309)
Bonds:			
Corporate bonds	530	536	6
Other bonds	200	198	(2)
Other	403	363	(40)
Total	¥3,520	¥3,175	¥(345)

	Thousands of U.S. dollars		
	Cost	Fair value (Carrying amount)	Net unrealized gains (losses)
Stock	$19,892	$17,316	$(2,576)
Bonds:			
Corporate bonds	4,417	4,467	50
Other bonds	1,666	1,650	(16)
Other	3,358	3,025	(333)
Total	$29,333	$26,458	$(2,875)

2. Major contents and carrying amount of securities not practicable to fair value

	Carrying amount	
	Millions of yen	Thousands of U.S. dollars
Other securities:		
Unlisted stocks	¥117	$975

4 DERIVATIVES

To avoid the adverse effects of fluctuations of foreign currency exchange rates, the Company enters into foreign exchange forward contracts, foreign currency options and swaps. The Company utilizes these derivative transactions to reduce the risk inherent in its assets and liabilities to be hedged effectively, and these transactions are not likely to have a major impact on the performance of the Company. In addition, derivative transactions are not entered into for speculative trading purposes under the policy of the Company.

In accordance with the Company's internal regulations on derivative transactions, the Accounting and Finance Department of the Company is responsible for managing the market and credit risks of these transactions, and this division manages position limits, credit limits and status of derivative transactions.

The Company had the following derivative transactions outstanding at December 31, 2002:

	Millions of yen		
	Contract amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts:			
Buying U.S. dollars	¥ 672	¥724	¥ 52
Foreign currency options:			
Put options, sold:			
U.S. dollars	13,886		
(Premium)	(829)	197	(632)
Call options, bought:			
U.S. dollars	8,078		
(Premium)	(696)	778	82
Foreign currency swaps:			
Receiving U.S. dollars, paying Japanese yen	1,704	189	189

	Thousands of U.S. dollars		
	Contract amount	Fair value	Unrealized gain (loss)
Foreign exchange forward contracts:			
Buying U.S. dollars	$ 5,600	$6,033	$ 433
Foreign currency options:			
Put options, sold:			
U.S. dollars	115,717		
(Premium)	(6,908)	1,642	(5,266)
Call options, bought:			
U.S. dollars	67,317		
(Premium)	(5,800)	6,483	683
Foreign currency swaps:			
Receiving U.S. dollars, paying Japanese yen	14,200	1,575	1,575

Derivative transactions with hedge accounting applied are excluded in the above table.

5 INVENTORIES

Inventories at December 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Merchandise	**¥14,772**	¥15,022	**$123,100**
Supplies	**165**	380	**1,375**
	¥14,937	¥15,402	**$124,475**

6 INCOME TAXES

Deferred income taxes result from timing differences in the recognition of income and expenses for tax and financial statement purposes.

Deferred income taxes at December 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Current:			
Deferred tax assets:			
Accrued expenses	**¥ 812**	¥1,143	**$ 6,767**
Other	**108**	34	**900**
Total deferred tax assets	**920**	1,177	**7,667**
Valuation allowance	**242**	678	**2,017**
Total deferred tax assets, net of valuation allowance	**¥ 678**	¥ 499	**$ 5,650**
Deferred tax liabilities:			
Prepaid expenses	**¥ 666**	¥ 658	**$ 5,550**
Other	**0**	2	**0**
Total deferred tax liabilities	**666**	660	**5,550**
Net deferred tax assets (liabilities)	**¥ 12**	¥ (161)	**$ 100**
Noncurrent:			
Deferred tax assets:			
Provision for retirement and severance benefits	**¥ 905**	¥1,002	**$ 7,542**
Operating loss carryforward	**3,044**	2,355	**25,367**
Allowance for doubtful accounts	**246**	236	**2,050**
Other	**878**	930	**7,316**
Total deferred tax assets	**5,073**	4,523	**42,275**
Valuation allowance	**2,311**	1,485	**19,258**
Total deferred tax assets, net of valuation allowance	**¥2,762**	¥3,038	**$23,017**
Deferred tax liabilities:			
Investment securities	**¥ 37**	¥ 189	**$ 308**
Tax purpose reserves regulated by Japanese tax laws	**116**	122	**967**
Total deferred tax liabilities	**153**	311	**1,275**
Net deferred tax assets	**¥2,609**	¥2,727	**$21,742**

Operating loss carryforward is available to reduce future income taxes, if any.

7 SHORT-TERM LOANS AND LONG-TERM DEBT

Short-term loans at December 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Loans from banks at interest rates of 0.6% to 1.1%:			
Secured	**¥—**	¥104	**$—**
Unsecured	**—**	—	**—**
	¥—	¥104	**$—**

Long-term debt at December 31, 2002 and 2001 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2002	2001	**2002**
Loans from banks and financial institutions at interest rates of 1.1% to 5.4%:			
Secured	**¥550**	¥ 615	**$4,583**
Unsecured	**322**	411	**2,683**
	872	1,026	**7,266**
Less: current portion	**(94)**	(211)	**(783)**
	¥778	¥ 815	**$6,483**

The annual maturities of long-term debt at December 31, 2002 were as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending December 31,		
2003 (current portion)	¥ 94	$ 783
2004	44	367
2005	9	75
2006 and thereafter	725	6,041
	¥872	$7,266

As is customary in Japan, short-term and long-term bank loans are made under general agreements which provide that, under certain circumstances, security for future and present indebtedness must be given upon the request of the bank and that the bank shall have the right, as obligations become due or in the event of default in respect thereof, to offset cash deposits against such obligations due to the bank.

Each of the loan agreements grants the lender the right, under certain circumstances, to request the provision of security or additional security.

8 PLEDGED ASSETS

Assets pledged as collateral for the current portion of long-term debt and long-term debt at December 31, 2002 were as follows:

	Millions of yen	Thousands of U.S. dollars
Land	¥ 33	$ 275
Buildings and structures	57	475
Investment securities	526	4,383
	¥616	$5,133

9 EMPLOYEES' RETIREMENT BENEFITS

(a) Pension and Severance Plans

The Company adopted a qualified retirement pension plan in November 1964 to cover future retirement benefits for its employees. The Company may pay premium benefits in certain cases other than retirement benefits calculated on an actuarial basis in conformity with the retirement benefits accounting standard. Certain consolidated subsidiaries adopt unfunded retirement benefits plans provided on a lump-sum payment basis.

(b) Benefit Obligation and Plan Assets

	Millions of yen	Thousands of U.S. dollars
Benefit obligation at end of year	¥8,529	$71,075
Fair value of plan assets at end of year	(5,775)	(48,125)
Funded status	2,754	22,950
Unrecognized actuarial loss	(1,433)	(11,942)
Prepayment in respect of pensions	1	9
Net amount recognized in the consolidated balance sheets	¥1,322	$11,017

(c) Net Pension and Severance Costs

	Millions of yen	Thousands of U.S. dollars
Service cost	¥479	$3,992
Interest cost	253	2,108
Expected return on plan assets	(183)	(1,525)
Recognized actuarial loss	87	725
Net periodic benefit cost	¥636	$5,300

(d) Assumptions Used for Accounting Purposes

Discount rate	3.0%
Expected return on plan assets	3.0%

10 REVALUATION OF LAND

At March 31, 2000, land owned by the Company was revalued under the Land Revaluation Law, and unrealized losses resulting from the revaluation were debited directly to the section of shareholders' equity as a negative revaluation surplus amounting to ¥4,817 million after offsetting the related deferred tax assets amounting to ¥3,445 million as stipulated by the law. The negative revaluation surplus will be credited to gain or loss to be incurred as part of the related land sold.

At December 31, 2002, the unrealized loss of the land that was revalued at March 31, 2000 amounted to ¥1,694 million (US$14,117 thousand).

11 CONTINGENT LIABILITIES

Contingent liabilities at December 31, 2002 for guarantees of bank loans amounted to ¥341 million (US$2,842 thousand), including ¥261 million (US$2,175 thousand) for loans guaranteed on behalf of employees.

12 LEASES

The Company and its consolidated subsidiaries lease information equipment and other assets. Generally, leases of information equipment are for primary terms of five years.

Such leases for the year ended December 31, 2002 were as follows:

	Millions of yen	Thousands of U.S. dollars
Computers, peripheral equipment and software:		
Lease payments	¥1,129	$ 9,408
Lease obligations	2,356	19,633

All leases are finance leases that do not entail the transferal of ownership.

13 SUBSEQUENT EVENT

On March 28, 2003, the general meeting of shareholders approved the following appropriations of retained earnings:

	Millions of yen	Thousands of U.S. dollars
Cash dividends	¥176	$1,467

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders
Senshukai Co., Ltd.

We have audited the consolidated balance sheets of Senshukai Co., Ltd. and its consolidated subsidiaries as of December 31, 2002 and 2001 and the related consolidated statements of income, shareholders' equity and cash flows for the years ended December 31, 2002 and 2001, all expressed in yen. Our audits were 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.

In our opinion, the accompanying consolidated financial statements, expressed in yen, present fairly the consolidated financial position of Senshukai Co., Ltd. and its consolidated subsidiaries at December 31, 2002 and 2001 and the consolidated results of their operations and their cash flows for the years ended December 31, 2002 and 2001 in conformity with accounting principles and practices generally accepted in Japan applied on a consistent basis.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended December 31, 2002 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1 to the consolidated financial statements.

Shin Nihon & Co.

Osaka, Japan
March 28, 2003

Shin Nihon & Co.

See Note 1 to the consolidated financial statements, which explains the basis of preparing the consolidated financial statements of Senshukai Co., Ltd. and its consolidated subsidiaries under Japanese accounting principles and practices.

BOARD OF DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE AUDITORS

BOARD OF DIRECTORS

President and Representative Director
Yasuhiro Yukimachi

Representative Director
Tsunemasa Takai

Executive Vice President
Ken Hirosaki

Executive Managing Director and Executive Officer
Kimitoshi Noguchi

Managing Director and Executive Officer
Koichi Horii

Managing Directors
Yoshihiro Inoda
Kiyoshige Asahi

Senior Director
Takashi Miyaji

Directors and Executive Officers
Katsutoshi Shimada
Kiichi Tagawa
Michio Tanabe
Shohachi Sawamoto
Shoji Tottori

EXECUTIVE OFFICERS
Akira Yoshida
Akira Hyuga
Kiyoshi Kubota
Kazuhide Fujiyoshi
Chikatoshi Ota

CORPORATE AUDITORS
Makoto Sano
Hirotsugu Yamagishi
Heian Hazama
Hideyuki Koizumi

(As of March 28, 2003)

CORPORATE DATA

Senshukai Co., Ltd.

CORPORATE INFORMATION

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4-31, Doshin 1-chome,
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Telephone: 06-6881-3100

Tokyo Annex
Landic Gotanda Bldg.,
21-13, Higashigotanda 1-chome,
Shinagawa-ku, Tokyo 141-0022, Japan

Established
November 1955

Paid-in Capital
¥20,359,134,244

Number of Employees
676

Distribution Centers
Kanuma, Chubu, Kyoto, and Koshien

Subsidiaries and Affiliates
Japan—17 subsidiaries
Overseas—5 subsidiaries and 1 affiliate

SHAREHOLDER INFORMATION

Total Number of Shares Authorized
90,000,000 shares

Total Number of Shares Issued
47,630,393 shares

Number of Shareholders
6,158

Stock and Securities Exchange Listings
Tokyo and Osaka

Transfer Agent
The Sumitomo Trust & Banking Co., Ltd.,
5-33, Kitahama 4-chome,
Chuo-ku, Osaka 541-0041, Japan

(As of December 31, 2002)

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