A LEADING-EDGE
SERVICE PROVIDER
CREDIT SAISON CO., LTD.

ANNUAL REPORT 2009

Evolving as a leading-edge service company with a customer base of 34 million people

Around 80% of Credit Saison's operating revenues are derived from the credit service business. We will continue to strengthen this core business segment, as well as our involvement in finance business. The key to this strategy will be our ability to leverage skills that we have honed through our credit service business, including our service skills and our innovative abilities.

Credit Service Segment

- Credit Card Shopping Business
- Cash Advance Business
- Processing Agency Business
- Servicing Business

This segment consists of the credit card-related and servicing (loan collection agency) businesses. We have two brands, SAISON and UC, and our combined customer base, including processing agency service customers, reached 34 million as of March 31, 2009. The number of active cardholders during the year was 18 million.

Finance Segment

- Credit Guarantee Business
- Lease & Rental Business
- Loan Business

Activities in this segment include the credit guarantee business, the lease and rental business and the loan business. In the credit guarantee business, we are working closely with partner financial institutions to secure quality transactions. In fiscal 2008, we added rental services to our existing lease business under a tie-up with Yamada Denki, the biggest home appliance retailer in Japan.

CONTENTS

As a distribution sector credit card company, Credit Saison has continually improved its front-line marketing capabilities and its capacity to meet customer needs. Our ability to think flexibly and turn ideas into action has resulted in numerous service innovations, including cards with no annual fees, signature-less payments and permanent points.

While capitalizing on our unique strengths, we have also expanded our strategic alliances with leading companies, including the Mizuho Financial Group. Today, the customer base for our two card brands, SAISON Card and UC Card, together with our processing agency business has grown to 34 million, making us one of Japan's biggest credit card companies.

We are witnessing radical changes in the environment for the credit card business, including not only economic conditions, but also consumer spending trends and new regulatory requirements. The Credit Saison Group is adapting to this new environment by enhancing the potential of its massive customer base, and by building new business models based on further expansion of its links with partner companies. Our aim is to evolve into a leading-edge service company.

Real Estate Segment

- Real Estate Liquidation Business
- Servicing Business
- Real Estate Leasing Business

Our main activities in this segment are real estate liquidation, servicing business and real estate leasing. In fiscal 2009, we are responding to dramatic changes in the business environment by implementing major restructuring of the Atrium Group's business.

Entertainment Segment

- Amusement Business

Activities in this segment include the amusement business. Our goals are to create healthy, safe and enjoyable amusement facilities that will be welcomed by communities, and to expand sales and income by improving efficiency and cost-benefit performance.

Other Segment

- Insurance
- Others

Other activities include the insurance agency business, information processing services and the non-life insurance business.

Forward-looking Statements

This annual report contains discussions including management plans, projections, strategies and estimates that are not historical facts. Projections of future performance are based on management extrapolations from current data, but actual future performance may differ materially from projections.

Q1. How would you assess business conditions, segment performance and overall results in fiscal 2008, the year ended March 31 2009?

Conditions in fiscal 2008 were shaped by a widening financial crisis triggered by the subprime mortgage problem in the United States. It was a year of major uncertainty that included the collapse or restructuring of major financial institutions. One of the most significant events was the collapse of Lehman Brothers, the leading American securities firm. This severe situation also impacted on Japan, resulting in steep falls in both share prices and real estate values. There were serious downturns in a number of areas, including business earnings, consumer spending and employment.

Business conditions remained difficult for the Credit Saison Group's non-bank financial business and real estate business. In addition to a deteriorating real estate market, new and amended regulatory requirements, such as the Money-Lending Business Control and Regulation Law, the Installment Sales Law, also affected business conditions. The situation for our real estate business, especially our consolidated subsidiary Atrium Co., Ltd., was very serious. A severe credit squeeze in financial and capital markets dramatically reduced the liquidity of major development projects. This caused Atrium's financial position to deteriorate, and we were forced to implement radical rescue measures, including financial support and the acquisition of Atrium as a wholly owned subsidiary.

Despite a downturn in consumer spending, especially purchases of big-ticket items in department stores, our core credit service business benefited from the expanding use of cards for regular payments, such as public utility bills and mobile telephone charges. Meanwhile, use of cash advance services slowed because of deteriorating economic conditions and the impact of the amended Money-Lending Business Control and Regulation Law. As of March 31, 2009, Credit Saison had 27.57 million cardholders, a year-on-year increase of 6.0%. The card shopping transaction volume was 3.5% higher year on year at ¥3,891.0 billion, but the cash advance transaction volume declined to ¥765.3 billion, or 91.5% of the level a year earlier.

In the finance segment, the number of partner financial institutions using our credit guarantee services increased to 193, and there was also steady growth in our lease and rental business. Our amusement business moved onto a profitable footing, thanks to efficiency improvements.

Our consolidated operating results for fiscal 2008 included operating revenues of ¥327.0 billion and ordinary income of ¥30.9 billion. These figures are equivalent to 94.6% and 53.3%, respectively, of the previous year's figures. We also posted an extraordinary loss of ¥90.4 billion, due to a loss on the liquidation of our subsidiary Atrium Co., Ltd. as part of restructuring measures in the real estate segment. As a result of the above, there was a net loss, our first in six years, of ¥55.5 billion, down from net income of ¥26.7 billion in the previous year.

Financial Highlights

Consolidated:	2009	Millions of yen 2008	2007	% change 2009/2008	Thousands of U.S. dollars (Note 3) 2009
Operating revenues (Note 1)	327,089	345,587	333,683	(5.4)	3,328,815
Selling, general and administrative expenses	268,658	265,494	242,149	1.2	2,734,156
Financial cost	23,882	22,902	16,332	4.3	243,057
Operating income	34,548	57,191	75,201	(39.6)	351,602
Net income (loss)	(55,513)	26,756	14,821	—	(564,967)
Total net assets (Note 2)	320,594	418,667	399,828	(23.4)	3,239,384
Total assets	2,407,064	2,450,637	2,299,607	(1.8)	24,496,890

Credit card business data (Non-consolidated):

Card transaction volume	4,656,461	4,595,168	4,305,459	1.3	47,389,181
Card shopping	3,891,076	3,758,545	3,433,872	3.5	39,599,796
Cash advances	765,385	836,623	871,587	(8.5)	7,789,385
Total cardholders (millions)	27.57	26.01	24.91	6.0	
Active cardholders (millions)	13.91	13.22	12.49	5.2	
New cardholders (millions)	2.52	2.84	3.60	(11.3)	

Notes: 1. Operating revenues are shown after deduction of consumption taxes, etc.
2. Treasury stock is deducted from capital. In addition, treasury stock is subtracted from the total number of shares outstanding in computing per share data.
3. Japanese yen amounts have been translated into U.S. dollars at the rate of ¥98.26= U.S.$1, the approximate exchange rate on March 31, 2009, for the convenience of the reader.

Hiroshi Rinno

President and CEO

Q2. Please tell us about the trends in the core credit card business in fiscal 2008.

In fiscal 2008, we issued 2.52 million new cards. Cards that showed substantial increases in cardholder numbers included the Mizuho Mileage Club Card and the Yamada LABI Card, which are issued in partnership with the Mizuho Bank and Yamada Denki, respectively. This growth brought the total cardholder base to 27.57 million. However, the decline in consumer spending was far greater than anticipated, and business conditions remained extremely difficult.

The trend of department store closures and falling sales was especially serious in the second half of the fiscal year. Because a large part of our card transaction volume consists of department store sales, this impacted directly on card transactions. Revenues from cash advance services also fell because of the lowering of interest rate limits under the Money-Lending Business Control and Regulation Law. There were also cost increases resulting from the need to develop systems to meet new requirements concerning the issuance of documents and the limitation of total lending to individuals. We also continued to receive claims for interest repayments, and we had to add about ¥10 billion to the reserve.

Economic stagnation motivated consumers to seek ways to reduce costs. It also gave us the opportunity to remind consumers of the benefits of cards, including the ability to accumulate points.

On the positive side, the recession motivated consumers to seek ways to reduce costs, leading to renewed awareness of the benefits of cards over cash payments, such as the ability to accumulate points. Other factors contributing to growth included the increased use of cards to pay public utility bills and government charges, and the rapid spread of electronic toll collection (ETC). Card shopping transactions increased by 3.5% year on year. Consumers looking for smarter and more systematic ways to pay their bills also made increasing use of shopping credit in fiscal 2008, leading to a 12% rise in the balance of revolving credit receivables to ¥294.9 billion. To improve efficiency, we spun off our card-related administrative processing operations and merged them with Qubitous Co., Ltd.

We also provide services to cardholders through our Eikyu Fumetsu.com website (http://www.a-q-f.com/). We have made significant progress toward the development of this system as a business, and it now generates a transaction volume of ¥20 billion and income of ¥1 billion annually.

Q3. What progress have you made toward the integration of the Saison and UC brands?

We laid the foundations for the integration of the credit card business operations of Saison and UC in October 2007 with the establishment of Qubitous Co., Ltd. The founding of this new company, which is jointly owned by Credit Saison and the Mizuho Bank, represents an important step toward meeting the need for improved profitability in the credit card business. In April 2008, all processing for the Saison and UC brands was centralized under Qubitous, which provides infrastructure for the credit business as a specialist processor.

In addition to Saison and UC cards, Qubitous currently provides contract processing for around 80 companies. There are plans for expansion into other agency services, including e-money, business-to-business settlements and telecommunications. In addition to its high-quality processing services, Qubitous uses expertise accumulated through our credit business to offer support in a wide range of business situations. It is building integrated processing infrastructure that will be among the best in Japan in both qualitative and quantitative terms.

Qubitous Co., Ltd., a specialist processing company, was established jointly by Credit Saison and the Mizuho Bank. It is now developing a new backbone system.

The final stage in the Saison-UC merger will be the full integration of our credit card business. That will require the integration of the basic information systems for both brands. Our approach to integration has been based on sharing at the operational process level. In December 2008, we began development of a new credit backbone system in cooperation with Qubitous and Orient Corporation.

We will invest approximately ¥30 billion in the initial development of common backbone infrastructure. We have selected IBM Japan as the hardware vendor, and are currently working with that company to finalize requirements and develop the system. After completion, the three companies will progressively move their operations onto the new system. We plan to make our transition in the spring of 2012.

We anticipate that Qubitous will be able to dramatically improve its operational efficiency with the release and launch of the new system.

Q4. What trends do you anticipate in the credit card industry in fiscal 2009?

The megabank-led restructuring of the card industry is now largely over, and trends in the industry appear to have stabilized. However, there are still unresolved issues confronting the credit card industry, including the effects of the fully implemented new Money-Lending Business Control and Regulation Law and the Installment Sales Law, and the persistently high level of claims for interest repayments.

Furthermore, merchant commission rates are falling in inverse proportion to the expanding scope of credit card use, and the environment for sourcing finance appears uncertain. While these issues affect the entire industry, the severity of their impact varies according to the business operations of each individual company and the size of its cardholder base. Some companies may even become unable to stay in business.

Some companies are trying to secure their survival by radically restructuring their business portfolios. For example, some have reduced the scope of their activities by withdrawing from the cash advance business. Competition for market share is expected to intensify within the industry. We believe that to win in this environment, we need to review our operations, including the strategic card partnership schemes that we have established as joint ventures until now, and discover new sources of competitiveness.

Q5. What policies does the Credit Saison Group plan to implement in response to these industry trends in fiscal 2009, and what are your performance forecasts?

We will continue to restructure and strengthen the credit card business. We will also lay solid foundations for our role as a leading-edge service company by enhancing our cardholder service functions, especially those provided via the Internet.

Our greatest strengths are a customer base consisting of 34 million people and our background as a distribution sector credit card company, which is reflected in our ability to understand our clients' needs and market our services in frontline retail situations.

We are actively developing projects in collaboration with major retailers. Another priority is the expansion of our web-based services, including the Eikyu Fumetsu.com online shopping mall.

We will use these strengths to develop expanded collaboration schemes with major retailers throughout Japan. We have also identified a number of key themes. First, we will network with leading companies in a wide range of industries through joint marketing with the Mizuho Bank. Second, we will expand our range of premium cards, centering on American Express cards. Third, we will use our capabilities as a non-bank to develop composite marketing strategies targeted toward corporations. Fourth, we will further enhance our Internet-based member services through Eikyu Fumetsu.com and optional services.

We will also work dynamically to introduce cards that meet the needs of consumers in each area. Area marketing capabilities based on Credit Saison's nationwide branch network will play a key strategic role in this process.

On the cost side, we will review the administrative efficiency of our credit business with the aim of reducing labor costs, fees and other cost items. We also plan to achieve major reductions in advertising expenditure through a drastic media shift from print and television advertising to Internet-based advertising. We also intend to cut communication costs by using the Internet to deliver usage statements.

We also have plans for our non-card activities. We want to build a multicore income structure by aggressively expanding our operations in such areas as credit guarantees, leasing and rental and financing, while also maintaining comprehensive risk control systems.

Our most important priorities at the group management level are the rebuilding of Atrium, and the reinforcement of our group companies' governance systems. We will also focus on simplifying the head office organizations of group companies, and on developing human resources.

We anticipate that these measures will allow us to achieve operating revenues of ¥316.0 billion and ordinary income of ¥36.0 billion in fiscal 2009. These figures are equivalent to a 3.4% decrease and a 16.3% increase, respectively, compared with our results for fiscal 2008. On this basis, we expect net income to reach ¥17.0 billion, and we are predicting a dividend of ¥30.

*Please see details of the Priority Policies on pages 8-11.

Q6. Human resources are vital to sustained growth. What are your plans for human resource development and management systems?

Traditionally, we have made ability the most important criterion for human resource development and advancement. We have sought to develop human resource management systems that allow motivated and enthusiastic individuals to achieve their full potential, regardless of age, gender, academic background or past history.

In recent years, there has been an increase in the number of companies appointing female executives. We were among the first to adopt a progressive stance in this area, and we already have 9 female divisional managers and 34 female executives at the section manager level. We have also established unique systems to allow younger employees to express their views freely. These include the C-Board system for direct dialog with directors, and a system that allows employees to suggest their own starting salaries.

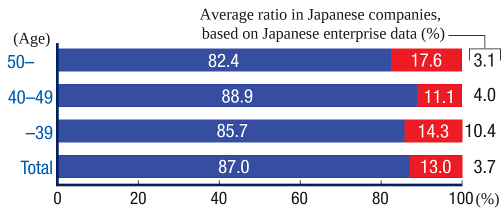
Other human resource policies include a recruitment system under which experienced people can be hired at any time, and a system that allows employees to act as headhunters. There is also a self-selection system for preferred assignments. In addition, employees wishing to work in new positions, new businesses or partner companies are able to apply through our “Open Challenge” internal recruitment system. In fiscal 2008, 25 employees found new positions through this system.

We have also expanded the range of employment options available to our employees. For example, we have enhanced our systems for working mothers and those caring for aged family members. Over 100 employees are currently working reduced hours while they care for children or aged relatives. These improvements to our working environment have also led to an increase in the number of females promoted to executive posts.

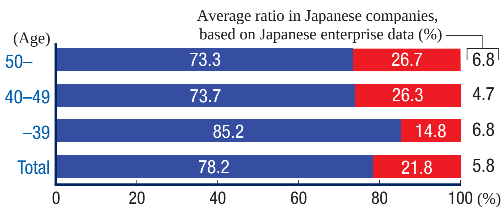
Our plans for restructuring group management across the Credit Saison Group include developing human resources through rotation across multiple group companies. We will use multi-company human resource management and transfer systems and education programs to improve the efficiency of our skill development and promotion processes. By allowing employees to experience work in various industries, we believe that we will be able to develop next-generation managers with broad horizons and an excellent sense of balance.

Management Track Profile at Credit Saison

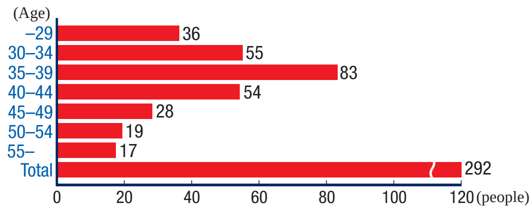
Male/Female Ratio at Department Manager Level



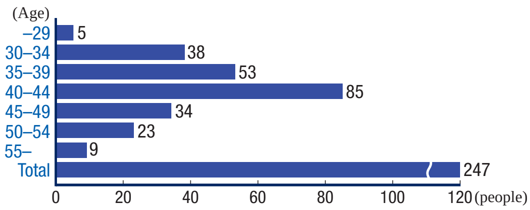
Male/Female Ratio at Section Manager Level



Age of Employees at Supervisor Level and Higher (Female)



Age of Employees at Supervisor Level and Higher (Male)



Q7. Finally, do you have a concluding message for shareholders, and what is your policy on shareholder returns?

Our basic policy on shareholder returns emphasizes long-term reliability. We are working under that policy to maximize corporate value.

We currently face challenging business conditions, including stagnant consumer spending and tighter regulatory requirements under the Money-Lending Business Control and Regulation Law and other laws. However, we are determined to fulfill our mission as a market leader in the credit card industry by developing our business outside of the square. Another priority will be measures to strengthen our management structure, including efficiency-oriented business restructuring, to support continuous growth. In this way, we aim to prevent shareholder returns from being affected dramatically by transient external factors, such as sudden shifts in the market environment.

The credit card market continues to expand. We will work to provide our shareholders with returns that reflect our business performance, while also accumulating the internal reserves that we need to maintain the advantage of the Credit Saison Group and achieve new business growth.

We look forward to the continuing support of shareholders and investors.

August 2009

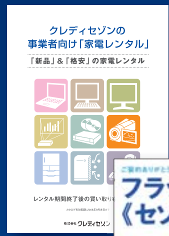
Hiroshi Rinno, President and CEO

Fiscal 2008 Topics

New services and alliances

- Business alliance with Shinhan Card Co., Ltd. (South Korea) (April)
- Entered into rental business by forming an alliance with Yamada Denki Co., Ltd. (June)
- Alliance with Higashi-Nippon Bank, Ltd. and Bank of the Ryukyus, Limited in the credit guarantee business. (September and October)
- Started the mortgage loan “Credit Saison Flat 35” business. (March)

Electronic appliance rental catalogue



Credit Saison Flat 35 catalogue

Issuance of new affinity cards

- Started accepting applications for “Credit nimoca Card.” (May)
- Stared issuing “Mizuho Mileage Club Card Saison Suica.” (September)
- Started issuing “SMARK Card Saison” together with a shopping mall in Isezaki City. (October)
- Started accepting applications for “LalaGarden Kawaguchi Card Saison.” (October)
- Formed alliance with Maruhiro Department Store, Ltd. (Saitama Prefecture) and started accepting applications for “MaruhiroM Club Card.” (October)
- Started accepting applications for the “National Lawyers’ Association Saison Platinum Business American Express Card,” a premium card for lawyers. (March)

Mizuho Mileage Club Card Saison Suica

Restructuring of affiliated companies

- Qubitous Co., Ltd. became a Credit Saison subsidiary, jointly managed with Mizuho Bank, Ltd. (April)
- Merger by acquisition of LAWSON CS Card Inc. (September)
- Established the holding company JPN Holdings Co., Ltd. (February)
- Announced restructuring plan for Atrium Co., Ltd. (March)

The call center at Qubitous

Reforms in the Credit Card Business

Business conditions have changed radically over the past few years. Our goal is to develop highly original credit card services from which to expand income and establish a credit service business that does not rely on cash advance business.

Collaboration with major retailers

Returning to our roots as a retail sector card company

Since 1982, Credit Saison has built a business as a distribution sector credit card company serving major retailers in the former Saison Group. We have grown by expanding our links with operators of various types of retail outlets, including department stores, specialty stores and supermarkets, and by creating cards that provide a high level of convenience from the perspective of consumers.

Our knowledge of distribution sector cards is our greatest competitive strength in the current adverse environment, which is characterized by economic stagnation and sluggish consumer spending. We aim to expand our card transactions by applying this knowledge to the business operations of our partners, thereby helping them to improve customer services and increase sales.

Specifically, we will expand sales through collaborations with multiple partners in each area. In addition to our traditional partners, we are also actively developing joint marketing schemes with partners involved in new business formats, such as outlet shopping malls, discount stores, specialty store retailers of private label apparel

Initiatives with Mitsui Fudosan and LaLaport Management

(1) Issuance of two affinity cards
- Mitsui Shopping Park Card Saison and MITSUI OUTLET PARK Card
- Can be used at Lalaport, LalaGarden and Mitsui Outlet Park.

(2) Joint operation with stores and facilities, Joint marketing with affiliated cards.

(3) Work jointly with Mitsui Fudosan Group to expand measures for attracting customers.

(SPAs), and operators of businesses based in railway stations. The aim of this diversification is to strengthen our ability to adapt to changing trends in consumer spending.

Joint marketing with Mizuho Bank

Sharing the Mizuho Financial Group's marketing network

We began to issue Mizuho Mileage Club Cards in partnership with the Mizuho Financial Group in 2004. By May 2009, we had issued 2.4 million cards. In just five years, the Mizuho Mileage Club Card has become our leading card in terms of number of cards issued. Cards issued by financial institutions that incorporate the features of bank account cards are more likely to be carried by cardholders. By adding various other functions, including ANA mileage and access to East Japan Railway's "Suica" system, we have developed the Mizuho Mileage Club Card into a highly prestigious product with potential for long-term use. In fiscal 2009, we will further expand the scale of our cardholder recruitment activities. We expect dynamic marketing by the Mizuho Bank to drive continuing growth in our cardholder base.

In April 2009, we began to issue the Mizuho Saison Platinum American Express Card, which is targeted toward wealthy Mizuho Bank customers. This product will extend our coverage beyond the customer profile for the Mizuho Mileage Club Card, and we aim to sign up 100,000 cardholders over the next three years.

Another initiative launched with the Mizuho Bank involves business-to-business settlement services for middle-ranked companies and small and mid-sized companies (SMEs) in Mizuho Bank's customer base. Here, we handle invoicing and collection and other business-to-business transactions on behalf of customers. There is a huge market for business-to-business settlement services, but little use has been made of credit-based methods in the past. We see this as an area with considerable growth potential.

We are also expanding our marketing cooperation with Mizuho Bank in areas other than credit. In fiscal 2008, we implemented a campaign offering preferential interest rates on Mizuho Bank time deposits for holders of our Gold cards. This concept was very popular with cardholders. We aim to make a continuing contribution to the marketing efforts of the Mizuho Bank, including the promotion of Mizuho Bank products to our cardholders.

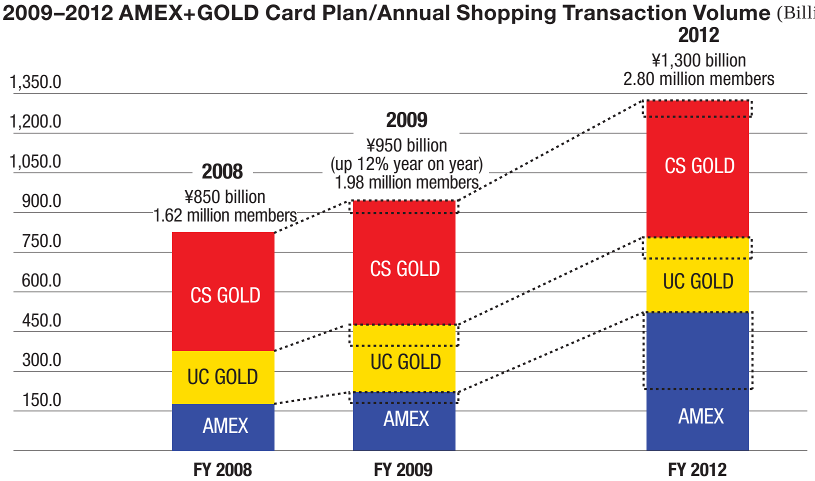
Credit Saison Premium Cards

Product differentiation through partnership with American Express

Our most important strategy for sustainable growth entails service enhancement and the expansion of our cardholder base for premium cards, including Platinum and Gold cards. The reinforcement of our alliance with American Express is a vital component of that strategy.

We began to issue the Platinum cards in 2005 and the Gold cards in 2007. The total number of cardholders, including holders of the Associe Card launched in late 2008, has reached 105 million.

2009–2012 AMEX+GOLD Card Plan/Annual Shopping Transaction Volume (Billions of yen)



*AMEX includes all AMEX cards, including agents. CS Gold includes all Gold cards. UC Gold includes personal cards only.

In fiscal 2007, we also added American Express to Visa, MasterCard and JCB as one of the brands for proper cards issued by Credit Saison. Our American Express card is the first to be issued in Japan without a yearly membership fee. Credit Saison's new proper card currently accounts for an expanding portion of cards issued under the American Express brand. Its popularity with a wide range of users reflects the American Express reputation for high-quality service.

Expanding corporate business

Strategic role for our nationwide branch network

Our marketing activities for products aimed at corporate users focus primarily on the increased use of corporate credit cards. We are also working to expand our customer base for settlement services and develop the user base for home appliance rentals. In the past, marketing activities in these areas have been handled by individual business divisions. In the current fiscal year, we are adopting a cross-sales approach based on the centralization of corporate marketing activities in multiple areas at ten new branches throughout Japan.

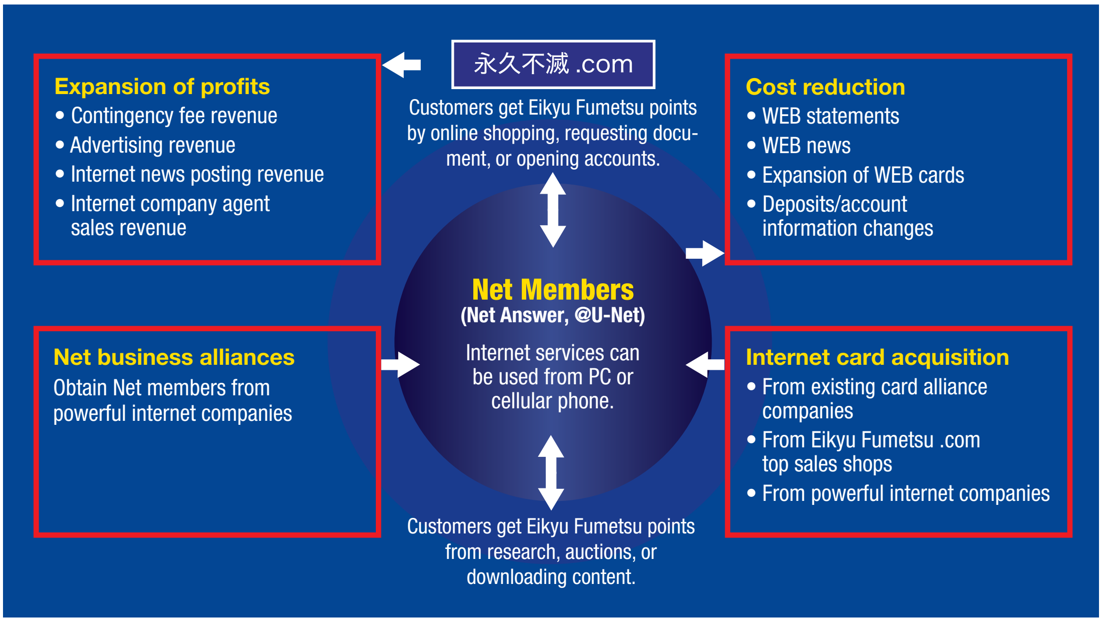
Corporate account staff in these branches is also actively involved in the development of affiliated merchants for net business operators on a contracted agency basis. This is becoming an important new source of revenues.

Using the Internet to Expand Revenues and Reduce Costs

As of July 2009, over 3.5 million of our 27.5 million cardholders were registered for the use of our services via the Internet. Convenient services for these members include the ability to check their card use and invoices online, and access to information about affiliated merchants and campaigns. By communicating with members through the Internet, we are able to stimulate card usage while also reducing communication and member acquiring costs. We will continue to encourage cardholders to sign up for Internet services. We plan to expand the number of registered members to 5 million by the end of March 2010.

We are also building on the high popularity of the Eikyu Fumetsu.com online shopping mall, which we introduced exclusively for cardholders registered for Internet-based services, by developing Internet-based cardholder services into a new fee business. The name "Eikyu Fumetsu" literally means "permanent." Cardholders who use their cards to shop online can earn up to 20 times the normal number of permanent points. We earn

Concept Diagram of Internet-Based Business



affiliation fees in the form of success payments linked to the value of transactions. The number of merchants has already exceeded 440.

In addition to our online shopping mall, we have developed a range of other services that allow consumers to accumulate points. These include online auctions under the Eikyu Fumetsu Auction system, internet research through Eikyu Fumetsu Research, and downloads of digital content, such as music, movies and books, from Eikyu Fumetsu Content.

This internet membership base will contribute to affiliate revenues and cost savings. We anticipate income contributions of ¥2 billion in fiscal 2009 and ¥7 billion in fiscal 2011.

Growth in the Financing Business and New Activities

In addition to our credit card business, we are also involved in non-bank financing business. We are achieving sustained growth in all of our activities in this area, including credit guarantee services, lease and rental services, and loan services.

In fiscal 2008, we added several more banks, including the Higashi-Nippon Bank and the Bank of the Ryukyus, to the list of alliance partners for our credit guarantee business. We now have 193 partners, most of which are regional banks and shinkin banks (financial cooperatives). The balance of credit guarantees now stands at over ¥175.0 billion. Risk control will remain an important priority in this business area. We will continue our efforts to form new alliances with regional financial institutions.

In June 2008, we launched a new operating lease business that will not be affected by changes in the accounting standards for leases. Through collaboration with Yamada Denki, we offer home appliance rental services for customers. Under our innovative system, customers are supplied with the latest brand-new products at affordable prices and are able to purchase the items at the end of the rental period. We have strengthened our marketing resources by combining our 10 branches nationwide, using know-how from our leasing business and Yamada Denki's network of stores. Target customers include business hotels, schools and hospitals. By 2010, we expect this activity to grow into a business generating turnover of ¥50 billion and income of ¥1.5 billion.

In March 2009, we further expanded the scope of our financing business with "Flat 35" mortgage loans, which are long-term loans provided at low, fixed interest rates by the Japan Housing Finance Agency. Our Flat 35 package is designed to meet the needs of customers who are considering a house purchase. We aim to increase the number of loans processed by adding unique supplementary benefits for services for Saison-UC cardholders. Further information is available at http://www.saison-flat.com.

Features of the Credit Saison Flat 35 Package

- **Our commitment to stress-free borrowing—loans available for up to 35 years* at the industry's lowest interest rates**

* Up to 50 years with our Flat 50 package, which is available only for quality, long-life housing

- **Exclusive benefits for Credit Saison cardholders (as of July 31, 2009)**
  (1) Preferential loan processing charges
  1.5% (1.575% including tax) instead of the normal fee of 1.7% (1.785% including tax)
  (2) Quintuple Eikyu Fumetsu points (maximum of 400 points) for card payments of premiums for Saison car and fire insurance ("Jibun de Eraberu Kasai Hoken")
- **Gifts of up to 10,000 Yamada points (points provided under Yamada Denki's own system) (As of July 31, 2009)**

Corporate Governance

The Credit Saison Group is expanding and strengthening its business infrastructure to support its role as a leading-edge service company with Credit card business as its core segment. We recognize that, along with the achievement of business objectives, the reinforcement of corporate governance is vital for obtaining the understanding and support of all our stakeholders—our customers, business partners, employees and society. To increase management transparency and strengthen management supervision functions, the Company is developing internal control systems and strengthening compliance.

● Corporate governance system

The Board of Directors consists of 13 directors, including one outside director. It decides important management matters and supervises the directors' performance. To ensure that business is conducted properly and soundly and to strengthen corporate governance, the Board has acted to develop effective internal control systems and establish and maintain a framework to ensure group-wide compliance with laws, regulations and the Articles of Incorporation.

To ensure that directors perform their duties appropriately, the Board operates in accordance with the Board of Directors Regulations. The directors perform their duties in accordance with the Corporate Law, and properly manage the divisions under their control in accordance with the Organizational and Segregation of Duties Regulations to ensure that their business activities are executed appropriately and efficiently.

Directors serve a one-year term of office. This policy allows us to build a flexible management structure capable of adapting to a changing business environment, while also requiring management to earn the confidence of shareholders every year.

The Company has introduced a statutory auditor system. The Board of Corporate Auditors consists of four statutory auditors, including four outside statutory auditors. The statutory auditors conduct rigorous audits by attending Board of Directors meetings and other important meetings, reading important resolution documents, and examining the conduct of business and the state of the Company's assets. The Board of Corporate Auditors also audits the effectiveness and functioning of internal control systems and strives to ensure the early detection of problems and improvement of accuracy. To assist the statutory auditors in their duties, the Company has established the Auditors' Secretariat, which consists of specialists in internal auditing.

The Company plans and implements compliance measures, and engages in risk management. To that end, the Company has established the Compliance Department as a dedicated department to ensure the observance of laws, regulations and corporate ethics, and the Compliance Committee and Risk Management Committee as dedicated organizations to ensure compliance and risk management.

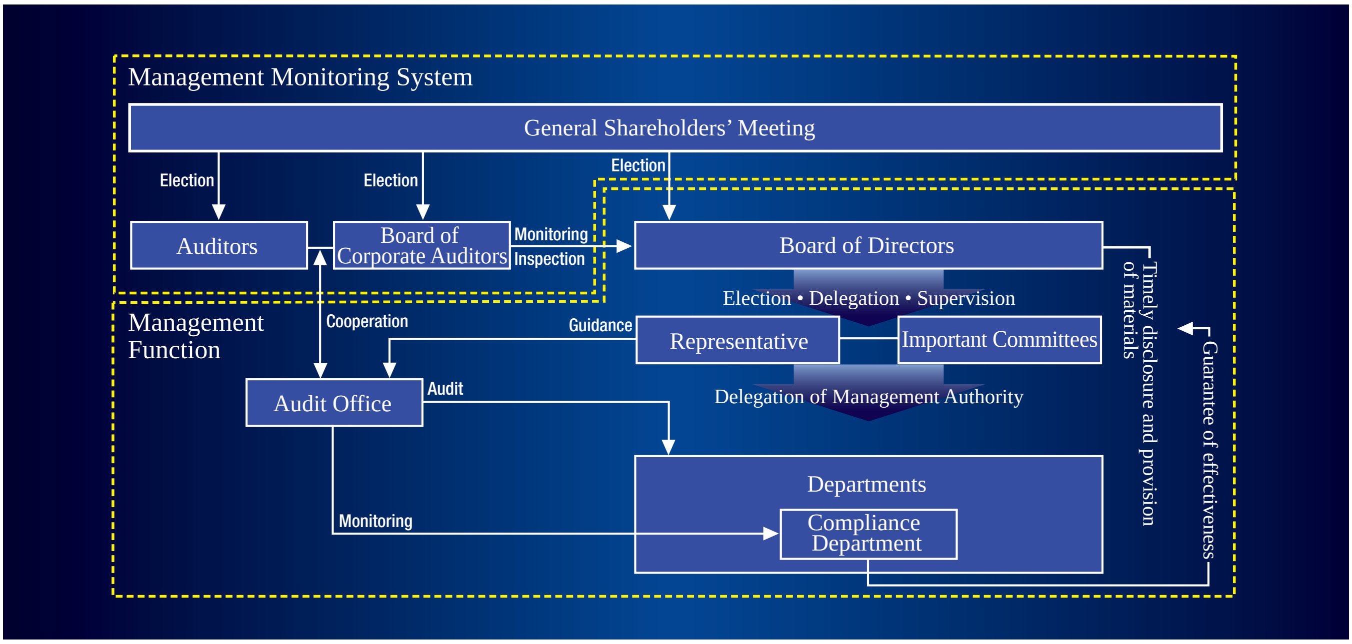
The Internal Audit Office audits compliance, risk management, internal control systems and corporate governance in the organizational operations and business activities of the entire Credit Saison Group, and makes evaluations and recommendations based on the results.

We will continue to expand information sharing among group companies and strengthen our group management systems, and to study approaches to management that meet the needs of the Credit Saison Group and contribute to the improvement of consolidated value.

● Remuneration for directors and statutory auditors

Under the new Corporate Law, the Company has revised its remuneration system for directors to clarify their responsibility for business execution and results and increase the independence of statutory auditors and outside directors. The Company has

Corporate Governance Structure



eliminated the previous retirement bonus system and unified compensation for the performance of duties, including directors' bonuses, and worked to increase awareness of the importance of business performance by promoting director ownership of Company shares.

Remuneration, etc., paid to directors and statutory auditors in fiscal 2008 is as follows:

Details of remuneration for directors
Total remuneration paid to directors in fiscal 2008:
¥478 million (including ¥12 million to an outside director)

Total annual remuneration paid to statutory auditors in fiscal 2008:
¥68 million (including ¥50 million to outside statutory auditors)

Remuneration for independent auditors
Remuneration based on duties performed pursuant to Article 2, Paragraph 1 of the Certified Public Accountants Law: ¥114 million
Other remuneration: ¥26 million

● Overview of internal control systems

As per the Corporate Law, the Board of Directors has set basic policies for directors to build a system that ensures compliance with laws, regulations and the Articles of Incorporation and the adequacy and efficiency of its business. These policies are based on a fundamental Company philosophy: "Always realize profitable growth and maximize the satisfaction of customers and other stakeholders by pursuing innovative ideas and strategies."

We have established a J-SOX Committee under the chairmanship of a representative director to oversee compliance with the Financial Instruments and Exchange Act (known as the "J-SOX Law"). We have also adopted the basic internal control plans and policies required to ensure the reliability of financial reports. Specialist staff in the Compliance Department coordinate the development of internal control systems by the Company, and by companies included the consolidation, and independent monitoring is carried out by specialist staff from the Internal Audit Office. On this basis, we are able to report to the authorities that our internal control systems are working effectively.

With these systems, the Company aims to link internal control to the fulfillment of corporate social responsibilities by enhancing business performance and maximizing shareholder benefit while building trust with stakeholders through appropriate and efficient business operations.

● Rigorous implementation and enhancement of compliance

Based on this reinforcement of corporate governance and internal controls, the Compliance Committee and Compliance Division are taking the lead in ensuring compliance with laws and regulations, and fairness and morality in business activities. The Crisis Management Committee has a central role in developing a group-wide management structure for crisis management and ensuring a rapid response to crises.

Senior Managing Director Toshiharu Yamamoto chairs the Compliance Committee, which reports to the Board of Directors. To discuss compliance-related matters, the Committee convenes several times a year, and its secretariat meets more than 20 times a year.

Executive Vice President Teruyuki Maekawa chairs the Crisis Management Committee, which has developed a group-wide communication system and responds rapidly to crisis situations.

In fiscal 2006, to further enhance compliance, the Company reviewed its code of ethics and established standards of conduct and employee conduct guidelines. To ensure familiarity and observance with Company rules, regulations and ethics, we have published these standards and guidelines in Our Compliance, a pamphlet distributed to regular and contract employees.

The Company is working to prevent misconduct and scandals by publicizing its compliance consultation desk. The consultation desk strives to create a user-friendly environment by maintaining systems inside and outside the Company for accepting inquiries, including dedicated addresses on the Company intranet and the Internet. When a report is received, the Compliance Division cooperates closely with an attorney to confirm the validity of the report and quickly resolve the matter, reports to the Board of Directors and Board of Corporate Auditors without delay, and then takes action to prevent reoccurrence.

In addition, the Compliance Division invites outside lecturers to conduct compliance training for executives, including directors and division managers. The Company appoints compliance officers and compliance coordinators in each division, and the divisions take the initiative in conducting compliance training in cooperation with the Compliance Division.

To raise awareness, we have announced that compliance specialists and staff are also empowered as J-SOX specialists and staff.

● Security and reliability of information systems

As the use of IT grows, maintaining the security and stability of information systems is becoming increasingly important to ensure that customers can rely on the Company's credit cards. Here, we have implemented countermeasures against system disruptions, which may be caused by a wide variety of factors, including natural disasters, accidents or computer viruses. Higher systems efficiency was achieved by centralizing clerical work. Credit Saison will continue efforts to keep its systems secure, reliable and efficient.

● Risk management

To prevent and appropriately respond to risk, the Company has established risk management systems based on the Regulations Concerning Management of Risk of Loss and Crisis Management Regulations. The Company conducts periodic internal education and training for people working with risk management, and the Board of Directors periodically examines the regulations and issues revisions and improvements.

We maintain control over factors within the Credit Saison Group that have the potential to create serious risks by monitoring the operations of group companies under the Affiliated Company Regulations, which are administered primarily by the Corporate Planning Department. Our risk management systems are further enhanced through information-sharing with the management organizations of group companies.

● Proactive disclosure of information

The Company proactively discloses business information through results briefings, investment conferences, IR meetings and other events, and strives to ensure highly transparent management by posting financial result summaries, IR activities and other information on its website.

URL for corporate and IR information:
http://corporate.saisoncard.co.jp/en

Corporate Social Responsibility (CSR) of Credit Saison

Our vision is to become a leading-edge service company, and we regard our customers, business partners, employees and society at large as our stakeholders. We aim to fulfill our social responsibilities by providing returns to our shareholders through activities that satisfy customers, are based on mutual respect for our interests and those of our business partners, and instill shared ideals and goals in our employees. We will also build a reputation for reliability by adapting flexibly to a changing business environment, and by ensuring regulatory compliance in all business activities.

The Credit Saison approach to CSR

Our concept of CSR is not limited simply to regulatory compliance and the creation of profit. We believe that CSR also means responding to the needs of citizens, communities and society, and developing business methods and activities that meet and surpass these needs. This concept guides our CSR activities, which are based on three perspectives:

(1) Activities that are essential to our corporate survival and the interests of our customers, employees, shareholders and stakeholders

Our corporate mission is to conduct our business activities in a sound, appropriate and timely manner. This requires continual effort to improve management transparency and strengthen the systems used to monitor the achievement of management targets.

(2) Activities that contribute to society and the fulfillment of our responsibilities through our core business activities in the areas of credit cards and financing

In addition to being convenient, credit cards drive economic activity as extremely effective tools for settlements. Our priority is to prevent excessive use leading to heavy indebtedness, while ensuring that credit cards help to enrich the lives of our customers and contribute to economic development. As a finance company, we are entrusted with personal credit information. We carefully manage this information in accordance with the Private Information Protection Law, and use it to prevent excessive indebtedness through the prudent provision of credit and appropriate monitoring after credit is provided.

■ Appropriate management of personal information

We manage personal information in accordance with laws, regulations and other requirements, including guidelines and industry rules. We have established internal corporate rules, and give our employees training in ethics. Our efforts to raise awareness of information management include the use of the “private information manager” qualification established by the Japan Consumer Credit Industry Association. This qualification is now basically compulsory for employees who handle personal information. Security measures have also been strengthened, with the use of leased lines, limited access authorization, encryption, and restricted access to data terminals. Since May 2006, Credit Saison has been authorized to use the Privacy Mark, a certification given to businesses with appropriate systems for handling personal information.

■ Preventing excessive indebtedness

We recognize the risks of credit, and strive to prevent excessive borrowing by monitoring borrowers’ credit status after loans have been issued. Assistance for customers includes changes to contract terms and repayment amounts.

(3) Activities that contribute to society in ways that are unique to Credit Saison

Tens of thousands of people, including our employees and their families, depend on the Credit Saison Group. We recognize our responsibilities as an employer, and work constructively to resolve any employment issues. As a distribution sector credit card company, we aim to use our business activities to provide services and contribute to society.

■ Resolving employment issues

Credit Saison aims to provide amenable working environments for all employees, regardless of age or gender. We have made several workplace improvements in response to changes caused by Japan’s falling birthrate and aging population. These include systems to help female employees continue working after marriage and childbirth, and more flexibility for employees caring for older relatives. We also actively re-employ retirees.

■ Developing unique services

Credit Saison maintains two-way communication with customers through a nationwide network of 137 service counters. Customer communication is also an important characteristic of our credit card business. We are always ready to advise customers about their credit use, and offer unique services to meet their needs.

This commitment to service is not limited to individual customers. We also work with our many partner companies to advance our mutual interests through the issuance of affinity cards and corporate cards.

Environmental protection and social contribution

Our customers can participate in social contribution activities with their cards. For example, points earned through card use can be used to make donations to charities, including the World Heritage Programme and World Terakoya Movement of the National Federation of UNESCO Organizations in Japan, the environmental activities of the Forest Culture Association, and guide dog training by the Japan Guide Dog Association.

Our credit cards are made from recycled materials, and we use environment-friendly materials to produce printed materials for customers. We encourage our employees to participate in the government’s COOL BIZ initiative, designed to reduce the need for air conditioning in offices by introducing special summer dress codes. Other initiatives include the reduction of paper use in our offices, and the sorting of office waste to facilitate recycling.

Board of Directors and Auditors (as of June 26, 2009)

Hiroshi Rinno
President and CEO

Head of Audit Office and Credit Card Division

Teruyuki Maekawa
Executive Vice President and Representative Director

Head of Public Relations Office, Corporate Planning Dept., Treasury Dept., Business Management Dept. and General Affairs Dept.

Toshiharu Yamamoto
Senior Management Director and Representative Director

Head of Human Resources Dept., Customer Satisfactions Promotion Office, Compliance Dept., System Planning Dept. and Credit Division/General Manager, Credit Division

Hidetoshi Suzuki
Managing Director

General Manager, Credit Card Division

Kazufusa Inada
Managing Director

Corporate Planning Dept. and Treasury Dept.

Naoki Takahashi
Managing Director

Head of Strategic Investment Dept., Internet Business Division and Finance Division

Mitsusuke Yamamoto
Managing Director

Head of Sales Development Division / General Manager, Sales Development Division

Takayoshi Yamaji
Director

Sales Promotion Dept., Financial Products Dept., Card Finance Dept. and Loan Center

Hideo Suzuki
Director

Solution Dept. No.1, Solution Dept.No.2, Solution Dept.No.3, Mizuho-Alliance Development Dept. and Leasing & Rental Business Dept.

Hiroshi Yamamoto
Director

General Manager, Finance Division

Haruhisa Kaneko
Director

Sales Planning & Marketing Dept., Saison Card Dept., Millennium Card Dept., UC Card Dept., LABI Card Dept., Gold & AMEX Card Dept. and Takashimaya Card Dept.

Junji Kakusho
Director

General Manager, Internet Business Division and Internet Business Dept.

Yoshiro Yamamoto
Director
(External)

Hiroshi Tomizawa
Standing Auditor
(External)

Masaru Sakurai
Standing Auditor
(External)

Kotaro Matsumoto
Standing Auditor
(External)

Atsushi Toki
Auditor
(External)

Major Group Companies (As of March 31, 2009)

Qubitous Co., Ltd.

Processing business
Qubitous provides processing services in the areas of credit card application screening, monitoring, call center operation, and other processing operations, with a focus on credit services. The company engages in contracted processing for more than 70 client companies, primarily for Saison brand and UC brand credit cards. The company will seek active expansion of its contracted processing business with the aim of being the no.1 comprehensive processing company in both quality and quantity by providing high-quality services and attaining cost leadership.

Saison Fundex Group

Personal loans and mortgage loans
Under SAISON's Loan Hyakusen brand, Saison Fundex offers card loan products, such as the Cash reserve loan and VIP loans for prime borrowers, as well as the contract type loan products Lifestyle Support Loans and real Estate Mortgage Loans. The company also provides project loans to companies that operate real estate businesses. In this business, it focuses on project content and meets wide-ranging funding requirements.

Real estate development and construction
House Planning has built its business by making customer satisfaction its first priority.

Its goal is to supply comfortable, reliable and safe residential properties, especially detached houses, on high-quality land.

JPN Holdings Group

JPN Holdings Co., Ltd. is a pure holding company for two business companies: JPN COLLECTION SERVICE CO., LTD., which is involved in the servicing business, and the temporary staffing company Cosmo Support Co., Ltd.

Servicing business
Powerful infrastructure in the form of a large-scale call center gives the JPN Holdings Group an important advantage in this business area. The company provides services meeting a wide range of needs, from the management and recovery of small, unsecured receivables to the purchase of receivables from financial institutions and non-banks. The JPN Holdings Group also provides services to local authorities and other government sector organizations, including temporary staffing, research services and back-up services.

Temporary staffing business
The JPN Holdings Group provides total solutions relating to collection services. Through its temporary staffing services, it helps to improve the recovery performance of its clients, especially financial institutions and non-banks.

Atrium Group

Real estate liquidation and servicing business
The Atrium Group will make a new start as a wholly owned subsidiary of Credit Saison, specializing in real estate securitization and the servicing business, from August 1, 2009. We will rapidly and flexibly implement a package of radical business restructuring measures that will take the Atrium Group back to its original structure as a specialist in two core activities: short-term, high-turnover real estate liquidation for small and medium-sized properties, and the special servicing business. We will also further refine and enhance the knowledge and skills that the Atrium Group has developed through its involvement in the real estate business.

Atrium produces value by regenerating real estate assets. We aim to build customer confidence and support by focusing on customer satisfaction and implementing effective compliance and corporate governance.

Concerto Co., Ltd.

Amusement business
Concerto aims to create optimal amusement spaces for the enjoyment of its customers and has established 27 pachinko parlors in eastern Japan. As an organization with strong regional links, it contributes to local communities by combining spacious facilities with fine-tuned services.

Real estate rental business
Concerto rents commercial buildings, especially its "The Prime" properties in Shibuya and other central Tokyo locations. It is working to develop new properties and expand its leasing business under a concept that calls for utilization and development of properties that enhance local communities.

Membership club management
The concept for Concerto's uraku AOYAMA membership club is to provide "the ultimate in hospitality." With facilities that include a fitness gym, restaurant and guest rooms, this luxurious complex provides superb service and the ideal environment in which to enjoy the benefits of club membership.

Saison Information Systems Co., Ltd.

Information processing services
Saison Information Systems engages in systems construction and operation grounded in a wealth of business process expertise developed in fields such as finance and distribution. The company also actively engages in payroll outsourcing and communications middleware based on HULFT technology. It aims to be a company that enjoys the complete trust of customers by providing a one-stop service for everything from systems construction to outsourcing and package products.

Card Tie-Ups

Credit Saison has expanded its affinity card range across wide-ranging sectors. With a cardholder base of 27.5 million (34 million including cardholders of affiliates), it issues more than 200 affinity cards under the SAISON and UC brands.

Standard

SAISON CARD International

Gold Card SAISON International

SAISON CARD International American Express Card

SAISON Gold American Express Card

MONEY CARD (Loan Card)

UC Card

UC Card Gold

SAISON American Express Card

SAISON Platinum American Express Card

MONEY CARD GOLD (Loan Card)

Shopping

Sogo Co., Ltd.

The Seibu Department Stores, Ltd.

Parco Co., Ltd.

MARUHIRO DEPARTMENT STORE. LTD.

SAKURANO DEPARTMENTS STORE CO., LTD.

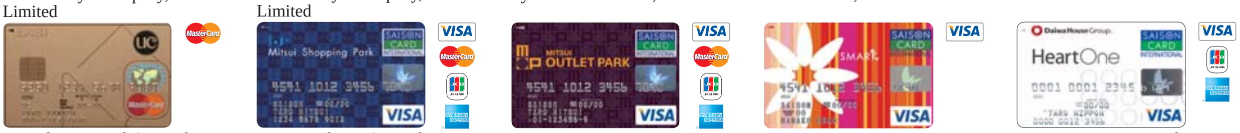
Takashimaya Company, Limited

Takashimaya Company, Limited

Ryohin Keikaku Co., Ltd.

The Loft Co., Ltd.

LAWSON Inc.



Yamada Financial Co., Ltd.

Mitsui Fudosan Co., Ltd. LaLaport Management Co., Ltd.

Mitsui Fudosan Co., Ltd.

Tokyo Tatemono Co., Ltd.

Daiwa House Financial Co., Ltd.

Travel & Entertainment

SEIBU HOLDINGS INC.

SOFTBANK MOBILE Corp.

Japan Football Association

United Airlines, Inc.

PADI

LPGA CLUB

Nishi-Nippon Railroad Co., Ltd.

TOHO Cinemas Ltd.

Asiana Airlines, Inc.

WOWOW Inc.

Financial Institutions

Mizuho Bank, Ltd.

Resona Card Co., Ltd.

Shizugin Saison Card Co., Ltd.

Yamaguchi Financial Group, Inc.

KDDI CORPORATION.

Automotive

Idemitsu Credit Co., Ltd.

Honda Motor Co., Ltd.

Mazda Motor Corporation

Japan Automobile Federation

YANASE & CO., LTD.

Social Contribution and Others

World Wide Fund for Nature Japan

Japan Leukaemia Research Fund

TOKYO GAS Co., Ltd.

Tokyo Gas Energy Co., Ltd.

Waseda University

Financial Section

SIX-YEAR SUMMARY OF SELECTED FINANCIAL DATA

As of and for the years ended March 31

As of and for the years ended March 31	2009	2008	2007	2006	2005	2004	2009
	(Millions of yen)						Thousands of U.S. dollars (Note 4)
CONSOLIDATED							
For the year:							
Operating revenues (Note 1)	¥ 327,089	¥ 345,587	¥ 333,683	¥ 274,666	¥ 240,385	¥ 220,332	$ 3,328,815
Selling, general and administrative expenses	268,658	265,494	242,149	193,126	172,024	156,502	2,734,156
Financial cost	23,883	22,902	16,333	11,965	9,771	9,825	243,057
Operating income	34,548	57,191	75,201	69,575	58,590	54,005	351,602
Net income (loss)	(55,514)	26,756	14,822	42,220	31,818	22,420	(564,967)
At year-end:							
Total net assets (Note 2)	¥ 320,594	¥ 418,661	¥ 399,828	¥ 377,127	¥ 301,310	¥ 258,253	$ 3,239,384
Total assets	2,407,064	2,450,637	2,299,607	2,062,612	1,512,949	1,352,710	24,496,890
Interest-bearing debt (Note 3)	1,893,017	1,854,057	1,608,307	1,480,380	1,146,928	1,011,563	19,265,388
Per share data (in yen and U.S. dollars):							
Net income (loss) per share	¥ (308.25)	¥ 148.78	¥ 82.79	¥ 237.29	¥ 185.00	¥ 130.55	$ (3,113)
Net assets per share	1,766.95	2,147.04	2,077.69	2,013.85	1,721.35	1,519.13	17,982
Key financial ratios (%):							
Return on shareholders' equity (ROE)	—	7.1	4.0	12.8	11.4	9.1	
Return on assets (ROA)	—	1.1	0.7	2.4	2.2	1.7	
Shareholders' equity ratio	13.2	15.8	16.2	17.5	19.9	19.1	
NON-CONSOLIDATED							
For the year:							
Operating revenues (Note 1)	¥ 270,901	¥ 277,741	¥ 270,275	¥ 216,453	¥ 190,248	¥ 175,725	$ 2,756,981
Selling, general and administrative expenses	220,709	223,816	204,765	156,887	135,403	123,746	2,246,173
Financial cost	21,531	20,322	14,067	9,700	8,186	7,154	219,123
Operating income	28,661	33,603	51,442	49,886	46,659	44,824	291,685
Net income (loss)	(44,973)	24,579	10,221	27,131	25,798	24,396	(455,862)
At year-end:							
Total net assets (Note 2)	¥ 304,231	¥ 361,520	¥ 349,754	¥ 341,423	¥ 298,502	¥ 261,792	$ 3,096,184
Total assets	2,220,792	2,066,514	1,962,996	1,761,666	1,290,067	1,155,776	22,601,181
Interest-bearing debt (Note 3)	1,748,246	1,554,630	1,350,134	1,239,043	948,561	828,639	17,792,042
Per share data (in yen and U.S. dollars) (Note 2):							
Net income (loss) per share	¥ (249.40)	¥ 136.51	¥ 57.03	¥ 152.21	¥ 149.78	¥ 142.00	$ (2,538)
Net assets per share	1,686.70	2,006.89	1,945.22	1,904.13	1,703.39	1,536.51	17,166
Dividends per share	30.00	28.00	28.00	26.00	20.00	18.00	0.305
Key financial ratios (%):							
Return on equity (ROE)	—	7.0	3.0	8.5	9.2	9.8	
Return on assets (ROA)	—	1.2	0.6	1.8	2.1	2.2	
Equity ratio	13.7	17.5	17.8	19.4	23.1	22.7	
TRANSACTION VOLUME: NON-CONSOLIDATED							
Card shopping	¥3,891,076	¥3,758,545	¥3,433,872	¥2,527,808	¥2,078,117	¥1,912,210	$39,599,796
Shopping loans	5,785	6,092	5,693	6,952	9,440	13,367	58,874
Guarantees	107,532	103,303	85,431	62,097	36,179	31,683	1,094,362
Cash advances and specialty loans	1,091,556	1,116,594	1,058,335	739,038	592,359	555,984	11,108,854
Agency services	1,347,261	1,269,579	809,992	747,998	576,270	328,119	13,711,185
Leases	100,272	88,273	87,488	90,011	82,999	73,665	1,020,476
Merchandise sales	—	—	—	—	—	2,763	—
Others	16,692	16,187	10,700	9,794	8,317	6,604	169,876
Total volume of new contracts	6,560,174	6,358,573	5,491,515	4,183,698	3,383,681	2,924,399	66,763,424

Notes: 1. Operating revenues do not include consumption taxes.
2. Effective from the year ended March 31, 2007, the Company adopted "Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Statement No. 5) and "Implementation Guidance on Accounting Standard for Presentation of Net Assets in the Balance Sheet" (ASBJ Guidance No. 8). Under the previous accounting standard, total net assets were recorded as shareholders' equity. The figure for total net assets for the year ended March 31, 2006 has been calculated using the new accounting standards. Figures for prior years utilize the old standards.
3. Interest-bearing debt includes asset-backed securities.
4. Japanese yen amounts have been translated into U.S. dollars at the rate of ¥98.26= U.S.$1, the approximate exchange rate on March 31, 2009, for the convenience of the reader.

MANAGEMENT'S DISCUSSION AND ANALYSIS

THE CREDIT SAISON GROUP

The Credit Saison Group has five business segments: Credit Service, Finance, Real Estate, Entertainment and Other. The Credit Service Segment is the Group's most important segment, and provided approximately 75% of total operating revenues in fiscal 2008.

The Group's operating revenues consists primarily of fees from affiliated stores generated via credit card and installment purchases, and customer fees generated via revolving account payments, specialty loans and other transactions. Both of these are earned in our mainstay Credit Service Segment.

Operating expenses consists primarily of advertising expenses, point redemption costs, costs of uncollectible receivables, personnel expenses, fees and financial costs.

CHANGES IN THE SCOPE OF CONSOLIDATION

In fiscal 2008, ending March 31, 2009, the Credit Saison Group had eleven consolidated subsidiaries, compared with eight in the previous fiscal year. The number of affiliated companies accounted for by the equity method decreased from nine to eight in the year under review.

With regard to consolidated subsidiaries, from fiscal 2008 Qubitous Co., Ltd. was included in the consolidation as a result of acquisition of its shares. In addition, AW3 YK, Grande Trust Nine YK and a special purpose company, MAPJ, were also added to the consolidation due to their increasing importance to the Group's operations. However, LAWSON CS Card, Inc., which was included in the consolidation from fiscal 2008 following additional acquisition of its shares, was excluded from the consolidation as of September 1, 2008 due to its merger with Credit Saison. A&A Corporation was also excluded from the consolidation as of February 16, 2009 due to a merger with Concerto Co., Ltd., which is a consolidated subsidiary of Credit Saison.

ANALYSIS OF INCOME STATEMENTS

In fiscal 2008, the Japanese economy continued to be significantly affected by the worldwide financial crisis, which was triggered by the U.S. subprime loan crisis. The economic outlook became uncertain due to concerns driven by a very apparent economic vicious circle: The financial crisis was reflected in substantial stock market falls and sudden yen appreciation, which in turn caused sharp deterioration in corporate earnings. The worsened corporate performance raised concerns about employment conditions and weakened personal consumption, all of which led to further economic downturn.

In the non-banking sector, to which the Credit Saison Group belongs, industry reorganization is likely to be accelerated under a new competitive landscape resulting mainly from a drastic shift in the earnings structure of businesses affected by amendments to the Money-Lending Business Control and Regulation Law.

In the real estate and real estate financing business sectors, markets continue to be slow. The U.S. subprime loan crisis triggered an abrupt credit crunch, which in turn caused significant liquidity deterioration in real estate transactions, as well as large-scale bankruptcies in the construction business and the real estate business.

Under these circumstances, Credit Saison's consolidated operating revenues decreased by 5.4% year on year to ¥327,089 million, while consolidated operating income decreased by 39.6% year on year to ¥34,548 million. The bottom line was a consolidated net loss of ¥55,514 million.

Operating Revenues and Expenses, and Operating Income

In fiscal 2008, operating revenues decreased by ¥18,498 million, or 5.4%, year on year to ¥327,089 million. The Credit Service Segment, our core segment, maintained about the same level of operating revenues as in the previous fiscal year, edging up by ¥10 million to ¥254,725 million.

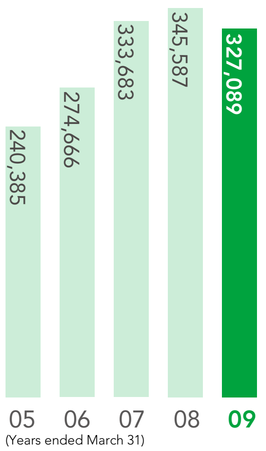
Card shopping revenues rose due to an increase in the card shopping transaction volume, although cash advance revenues decreased, affected by the shrinking market. The Finance Segment posted operating revenues of ¥46,733 million, a year-on-year increase of ¥2,363 million, or 5.3%, on the back of steady performances in the credit guarantee business and the lease and rental business. The Real Estate Segment, however, recorded a significant drop in operating revenues, due to market conditions characterized by ever-lower liquidity in real estate transactions. As the segment was also affected by the normalization of the one-time peak contributing to the previous year's performance, which included sales of several large-scale projects, the operating revenues of the segment decreased by ¥19,407 million, or 51.1%, to ¥18,550 million.

Operating expenses amounted to ¥292,541 million, a year-on-year increase of ¥4,145 million, or 1.4%. Among major items, the cost of writing off of uncollectible receivables rose by ¥2,878 million, or 3.9%, to ¥77,204 million, mainly due to an increase in receivables in which third parties, including attorneys, had intervened on customers' behalf, as well as due to an increase in the provision for allowance for losses on interest repayments.

Regarding selling, general and administrative (SG&A) expenses other than the costs of uncollectible receivables, advertising expenses stood out with a remarkable decrease in its amount by ¥3,607 million, or 16.2%, to ¥18,711 million. Other major SG&A items included a ¥13,357 million provision for allowance for losses on card point programs (down ¥1,374 million, or 9.3%, year on year), ¥52,907 million in fees

Total Operating Revenues

(Millions of yen)



Breakdown of Selling, General and Administrative (SG&A) Expenses

(Millions of yen)

Years ended March 31,	2009	2008	% change
Cost of uncollectible receivables	77,204	74,326	3.9
Included in the above:			
Allowance for losses on accounts receivable	57,580	56,015	2.8
Losses on accounts receivable	277	59	366.5
Provision for losses on interest repayment	14,821	14,650	1.2
Allowance for losses on guarantees	4,525	3,602	25.6
SG&A expenses excluding cost of uncollectible receivables	191,455	191,167	0.1
Included in the above:			
Advertising expenses	18,711	22,318	(16.2)
Provision for point program	13,357	14,731	(9.3)
Personnel expenses	47,311	45,440	4.1
Fees paid	52,907	52,791	0.2
Total SG&A expenses	268,658	265,493	1.2

paid (up ¥116 million, or 0.2%, year on year) and ¥47,311 million in personnel expenses (up ¥1,871 million, or 4.1%, year on year). Financial costs amounted to ¥23,883 million, a ¥981 million, or 4.3%, year-on-year increase.

As a result, operating income for fiscal 2008 decreased by ¥22,643 million, or 39.6%, from the previous fiscal year to ¥34,548 million.

Non-operating Revenues and Expenses, and Net Income

Net non-operating losses soared to ¥83,698 million from the previous fiscal year's level of ¥1,404 million. Non-operating revenues marked only a slight increase of ¥345 million to ¥19,566 million, including a ¥12,835 million gain on sales of investment in Visa Inc. and other investment securities. In addition, non-operating expenses increased substantially by ¥82,639 million year on year to ¥103,264 million, mainly due to a ¥90,404 million loss on business restructuring of Atrium Co., Ltd. Regarding Atrium Co., Ltd., out of a ¥1,681 million provision for allowance for doubtful accounts, ¥1,661 million was provided for a loan to Mr. Tsuyoki Takahashi, the former representative director of Atrium Co., Ltd.

As a result of the above, a ¥55,514 million net loss was posted for fiscal 2008.

POLICY FOR RETURN TO SHAREHOLDERS

To raise shareholder value, Credit Saison places high importance on initiatives to reinforce our corporate culture and to continuously expand our businesses. Our fundamental policy for shareholder returns calls for steady enlargement of internal reserves to realize the initiatives described above, while delivering appropriate, stable and continuous dividend payments to our shareholders.

Dividend per Share

Based on its dividend policy, Credit Saison allocated annual dividends of ¥30 per share in fiscal 2008, ¥2 more than in the previous fiscal year.

Other than cash dividend payments, shareholders who also hold credit cards issued by Credit Saison are granted "Eikyu Fumetsu Points," which have no expiry date and can be exchanged for items of choice at any time on Eikyu Fumetsu.com. The number of points granted depends on the number of shares owned.

REVIEW OF OPERATIONS BY SEGMENT

Credit Service Segment

This segment consists of the credit card shopping business, servicing (loan collection agency) business and other businesses. Segment operating revenues for fiscal 2008 maintained about the same level as in the previous fiscal year, and amounted to ¥254,725 million, while segment operating income decreased by 16.0% to ¥25,679 million.

(i) Credit Card Shopping Business

In the credit card sector, credit card usage has continued to grow as a result of increased use of credit cards for small-amount settlements via electronic money, as well as settlement of public utility bills, such as electricity, gas and water services.

Meanwhile, the effects of the Money-Lending Business Control and Regulation Law have appeared in the shrunk market scale of cash advance services due to tighter credit standards, or in increased development costs for new IT systems. Thus, it is expected that the business environment will continue to be challenging for all companies in this business sector.

In this business climate, Credit Saison strived to expand its network of alliances with large-scale retailers in Japan, public transport companies and major credit card issuers overseas. We also focused on improving business efficiency by reinforcing our Internet strategies, restructuring our sales network and implementing measures against credit risks.

The total number of cardholders as of March 31, 2009 increased by 6.0% from the previous fiscal year-end to 27.57 million, adding a total of 2.52 million new cardholders.

The card shopping transaction volume amounted to ¥3,891 billion, a year-on-year increase of 3.5%, while the shopping-related revolving credit balance rose by 11.8% to ¥294.8 billion. The number of active cardholders also increased, up by 5.2% to 13.91 million. In addition, cash advances on cards decreased by 0.7% to ¥665.3 billion, ¥6.0 billion of which has been securitized by Credit Saison, resulting in a net balance of ¥659.3 billion.

Key Initiatives in the Credit Card Shopping Business during Fiscal 2008

● Alliance Network Expansion

In the fiscal year under review, Credit Saison continued to expand its alliance network with retail companies, public transport companies and major credit card issuers overseas, taking full advantage of its corporate strengths.

Examples include the Sakurano Saison Card for customers of Sakurano Department Stores, issued in alliance with Sakurano Tohoku Co., Ltd. and Sakurano Department Store Co., Ltd.; SMARK Card Saison for customers of the commercial facility SMARK in Isezaki City, Gunma Prefecture, issued in alliance with Prime Place Co., Ltd., a wholly-owned subsidiary of Tokyo Tatemono Co., Ltd.; LaLa Garden Kawaguchi Card Saison for customers of the commercial facility LaLa Garden Kawaguchi in Kawaguchi City, Saitama, issued in alliance with LaLaport Management Co., Ltd.; Maruhiro M Club Card and the Atre M Club Card for customers of Maruhiro Department Stores, issued in alliance with Maruhiro Department Store Ltd., which has ten department stores in Saitama Prefecture; and nimoca Saison Card, which was issued in alliance with Nishi-Nippon Railroad Co., Ltd. and also provides nimoca IC card services.

Operating Revenues and Operating Income by Segment

(Millions of yen)

	Operating Revenues			Operating Income (Loss)		
	2009	2008	% change	**2009**	2008	% change
Credit Service	**254,725**	254,715	0.0	**25,679**	30,581	(16.0)
Finance	**46,733**	44,370	5.3	**10,548**	11,252	(6.3)
Real Estate	**18,550**	37,958	(51.1)	**613**	22,761	(97.3)
Entertainment	**15,538**	14,396	7.9	**1,652**	(3,010)	—
Other	**1,939**	1,995	(2.8)	**1,345**	1,327	1.4
Total	**337,485**	353,434	(4.5)	**39,837**	62,911	(36.7)
Eliminations or corporate	**(10,396)**	(7,847)	—	**(5,289)**	(5,720)	—
Consolidated	**327,089**	345,587	(5.4)	**34,548**	57,191	(39.6)

Note: Operating revenues and operating income of each segment include intersegment operating revenues.

In addition, Credit Saison and UC CARD Co., Ltd. have reached an agreement with Shinhan Card Co., Ltd, a leading card company in South Korea, regarding a business alliance in our credit card operations.

Through this new business alliance, the three parties will be able to provide value-added services to their respective cardholders and affiliated stores in Japan and South Korea. The parties will also cooperate in the development of new products and services. Furthermore, in the future, we are willing to go beyond the three-company alliance, and encourage banks and card companies in the wider Asia-Pacific region to participate in broad-based partnership. To this end, we will study the possibility of constructing an alliance network that will provide added value to the cardholders of each company participating in such alliances.

● Enhancement of Internet Strategies

The total number of Net Members, including SAISON Card Internet members (Net Answer members) and UC Card Internet members (@UNet members) reached 3.26 million as of March 31, 2009, a 30.4% year-on-year increase.

Credit Saison operates Eikyu Fumetsu.com, an online shopping mall for its Internet card members, using two powerful tools at our disposal: our growing list of Net Members and the non-expiring Eikyu Fumetsu Points. In the two and a half years since its opening, this online mall has grown to have 350 tenants and ¥1.7 billion in monthly sales, and set a daily sales record of ¥80 million. We are determined to reinforce our initiatives in new Internet businesses, such as Eikyu Fumetsu Auctions, Eikyu Fumetsu Research, Eikyu Fumetsu Contents and Eikyu Fumetsu Click, in order to grow fee businesses based on commissions from online shops into major revenue sources.

● Restructuring of the Sales Network

To further improve management efficiency, we have worked to restructure our sales network. Our efforts during fiscal 2008 include closing 25 Saison counters and opening 17 new counters in new locations. We are aiming to operate our service counters in a manner that takes revenues and efficiency aspects into account throughout all processes, from the offering of a new card to the provision of various services.

● Ensuring Credit Risk Management

Although interest refund claims and receivables intervened for by third parties, including attorneys and certified judicial scriveners, are maintaining their high level, the increasing trend previously observed abated in fiscal 2008.

We will continue to focus on improving the quality of receivables through credit management while keeping an eye on trends regarding changes in laws and regulations, and maintain thorough credit control that balances returns and risks through appropriate offers of credit.

New Developments and Future Initiatives

To expand our revenue base in the credit card businesses, Credit Saison promoted solicitation of revolving account payments at sites of purchase in cooperation with clients including affiliated stores, resulting in a steady growth in the revolving account balance in fiscal 2008. Since commission rates of revolving account payments were revised for SAISON brand credit cards in March 2009, we expect greater revenues to be generated by the revolving account business in fiscal 2009 and thereafter.

Credit Saison also implemented initiatives to secure high-net-worth cardholders, who are expected to be frequent and high-amount card users. These initiatives included a tie-up with the Japan Federation of Bar Associations (JFBA), through which we launched the Lawyers Saison Platinum Business American Express Card. We intend to expand our base of high-net-worth customers and high-quality receivables, as well as continue our revenue structure reforms in the credit card business through initiatives including readjusted card renewal standards and cost reductions attained through wider use of online statements.

(ii) Servicing (Loan Collection Agency) Business

Due mainly to the amendment of the Money-Lending Business Control and Regulation Law, the business environment of the non-banking sector has worsened considerably, in turn significantly affecting the servicing industry.

In this business climate, JPN Collection Service Co., Ltd. shifted to a holding company structure in February 2009. With this change, the company aims to strengthen its ability to respond promptly and flexibly to changes in the business environment, enable business developments in new business domains and enhance its compliance-related systems.

In the fiscal year under review, the Credit Saison Group began to actively offer services for government and municipal offices, launched new initiatives with existing business partners and developed sales for small-amount unsecured loan receivables in the agency business. However, due mainly to requests from clients to review transaction conditions and tightened credit standards in credit companies, which decreased the number of outsourced transactions, operating revenues for the servicing business in fiscal 2008 remained at the same level as in the previous fiscal year.

Finance Segment

This segment consists of the credit guarantee business, the lease and rental business and the loan business. In fiscal 2008, transaction volumes in the credit guarantee business and the lease business remained strong, resulting in segment operating revenues of ¥46,733 million, a 5.3% year-on-year increase. However, the cost of uncollectible receivables increased, mainly due to the introduction of new accounting standards for lease transactions in fiscal 2008, and operating income for the segment decreased by 6.3% from the previous fiscal year to ¥10,548 million.

(i) Credit Guarantee Business

Credit Saison focused on obtaining high-quality items by utilizing its close business relationships with affiliated financial institutions in both sales and management, particularly in the guarantee business for unsecured free-loans to individual customers. In addition, we endeavored to increase our transaction volume by entering into a total of 35 new alliances with regional financial institutions. As a result, the gross guarantee balance before recording an allowance for losses on guarantees increased by 13.1% from the previous fiscal year to ¥176.8 billion.

(ii) Lease & Rental Business

Credit Saison provides a variety of unsecured consumer loans, such as Member's Loans for SAISON Card cardholders. The balance of other consumer loan receivables stood at ¥34.6 billion, down by 30.5% from the previous fiscal year-end.

(iii) Loan Business

Credit Saison engages in financing collateralized by real estate properties with individuals and corporations. Reflecting stricter screening of facilities, the balance of loans decreased by 57.0% year on year to ¥106.2 billion. Meanwhile, the trust receivables of ¥70.0 billion that were securitized in August 2007 were redeemed earlier than scheduled due to a decrease in qualified receivables. In addition, Credit Saison started to offer a long-term fixed-rate housing loan called Flat 35 (the receivable of which is acquired and securitized by Japan Housing Finance Agency) in March 2009.

(iv) Lease Business

Based on statistics provided by Japan Leasing Association, the overall lease contract volume for the industry marked its lowest level in 22 consecutive months, reflecting weakened capital investment by corporations.

Nevertheless, Credit Saison increased its lease contract volume by 13.6% from the previous fiscal year to ¥100.2 billion. This achievement was partly a result of our efforts to enhance our relationships with existing business partners and to steadily obtain new affiliated stores. In addition, in alliance with Yamada-Denki Co., Ltd., we launched a digital household equipment rental business targeting corporations. We aim to grow this new business by continuously diversifying rentable equipment and sales channels.

Real Estate Segment

This segment consists of the real estate liquidation business, the servicing business, the real estate loan guarantee business, the strategic investments business, and the real estate leasing business.

Since the second half of fiscal 2008, the Atrium Group, which previously formed the core of the real estate-related business of the Credit Saison Group, has focused on selling off real estate inventories under a strategy prioritizing the improvement of operating cash flows.

However, actual sales of real estate inventories failed to achieve the planned target, due to the extreme deterioration in liquidity seen in the real estate market. Moreover, Atrium's subrogation payments in the real estate loan guarantee business surged beyond its forecast, which hindered Atrium from reducing its assets. As a result, operating revenues of the segment decreased by 51.1% year on year to ¥18,550 million, and operating income dropped sharply by 97.3% to ¥613 million.

The Credit Saison Group has concluded that the key cause of this deterioration in business results was that the Atrium Group prioritized the profit aspect too much when the real estate market was booming, and therefore concentrated too much on large-scale development projects. Based on this analysis, we will refrain from large-scale development projects, and withdraw from the real estate loan guarantee business and the strategic investments business, which are two major factors behind our performance decline.

Accordingly, loss on valuation of inventories, provision for losses on doubtful accounts of guarantor's claims, and other losses incurred in connection with the said two businesses, were recorded in the financial statements as "loss on business restructuring of subsidiaries."

(i) Real Estate Liquidation Business

We limited procurement to real estate-collateral acquired in the real estate loan guarantee business, and concentrated our efforts on sales activities to improve operating cash flows. However, due to the downturn in the real estate market, actual sales were far below the planned figure.

(ii) Servicing Business

While refraining from procuring loan receivables, we steadily collected purchased loan receivables. We also strived to sell real estate properties as commercialized products.

(iii) Real Estate Loan Guarantee Business

The balance of loan guarantees as of February 28, 2009 decreased as a result of ever-stricter screening of the execution of financial guarantees.

In addition, reflecting the deterioration in the real estate market, the subrogation payment ratio (aggregate amount of subrogation payments since the business start / aggregate amount of financial guarantees executed since the business start) rose to 15.2% as of February 28, 2009. Since Credit Saison has determined the real estate loan guarantee business to be one of the causes of our recent weak business performance, we withdrew from this business as of March 25, 2009. Accordingly, provision for losses on doubtful accounts of guarantor's claims, and other losses incurred in connection with this business, were recorded in the financial statements as "loss on business restructuring of subsidiaries."

(iv) Strategic Investments Business

In fiscal 2008, Credit Saison earned dividend income from securitized large-scale rental properties. However, although we worked to sell off the Atrium Value Balance Fund, which was planned for closure, we failed to complete this task due to the severe situation in the real estate market. Moreover, there was substantial impact from the bankruptcy of portfolio companies, resulting in losses being recorded in the statement of operations.

Since Credit Saison has determined the strategic investments business to be one of the causes of our recent weak business performance, we withdrew from this business as of March 25, 2009. Accordingly, a loss on valuation of inventories, and other losses incurred in connection with this business, were recorded in the statement of operations as "loss on business restructuring of subsidiaries."

(v) Real Estate Leasing Business

This business includes the rental property business, which utilizes real estate properties owned by Credit Saison, and the real estate sub-lease business, which operates and manages real estate properties rented collectively from real estate owners.

In response to the Atrium crisis, the Board of Directors of Credit Saison approved the implementation of a proposal for Credit Saison to support the restructuring of Atrium Co., Ltd. at the meeting held on March 25, 2009.

Accordingly, Credit Saison and Atrium entered into a basic agreement regarding restructuring support. This support comprises financial support by which Credit Saison will assume debt owed by Atrium to financial institutions and other relevant transactions, thereby consolidating Atrium's interest-bearing debt. Furthermore, Atrium will issue new shares to Credit Saison by means of a third-party allocation of new shares through a debt-equity swap, and Atrium will become a wholly owned subsidiary of Credit Saison through a share exchange.

Credit Saison believes that the implementation of the restructuring support described above will secure the corporate value of the Credit Saison Group, and contribute to the best interests of our shareholders, by ensuring that Atrium's business remains as an integral part of the Group. Meanwhile, Credit Saison will also conduct a prompt and fundamental review of Atrium's business structure and realize fundamental reforms, including withdrawal from the real estate loan guarantee business and strategic investment business.

Entertainment Segment

This segment consists of the amusement business and other operations. Although the effects of tightened regulations on game machines still remained, Credit Saison continued to create sound, safe and comfortable facilities that have the support of their communities. We also worked to streamline our operations to raise cost efficiency. As a result, operating revenues of the segment amounted to ¥15,538 million, a 7.9% year-on-year increase, and operating income stood at ¥1,652 million.

Other Segment

This segment is comprised of the insurance agency business, information processing service business, non-life insurance business and others. Operating revenues of the segment decreased by 2.8% year on year to ¥1,939 million, while operating income increased by 1.4% to ¥1,345 million.

LIQUIDITY AND FINANCIAL POSITION

Fund Procurement and Liquidity Management

The Credit Saison Group emphasizes stability and low cost in the procurement of funds, and is actively working to diversify fund procurement methods. Key procurement methods include negotiated transactions with banks, farming and forestry-related financial institutions, life insurance companies and non-life insurance companies. In addition, the Group procures funds indirectly through syndicated loans and committed lines of credit, and directly by issuing commercial paper and by securitizing receivables. Consolidated interest-bearing debt (including debt incurred through off-balance sheet securitizations in the amount of ¥183.1 billion) totaled ¥1,893.0 billion as of March 31, 2009. Of this total, loans, bonds, commercial paper, and securitized receivables accounted for 62.8%, 14.9%, 8.5%, and 13.8%, respectively.

With regard to indirect fund procurement, in an effort to mitigate refinance risks and reduce costs, Credit Saison is working to strengthen its alliances with existing lenders. We also aim to diversify sources of procurement and examine new counterparties, targeting financial institutions with which we can expect long-term stable transactions. In terms of direct fund procurement, in an effort to mitigate liquidity risk and reduce costs, Credit Saison not only utilizes corporate bonds and commercial paper, but is also setting up new fund procurement schemes, including securitization of receivables that will be unaffected by the creditworthiness of Credit Saison.

To support smooth fund procurement from the capital market, Credit Saison has obtained credit ratings for the bonds it issues. We have been given an A+ rating for domestic unsecured corporate bonds, and an a-1 rating for domestic commercial paper by Rating and Investment Information, Inc. (R&I).

As regards securing liquidity, of the total assets held by the Credit Saison Group, installment accounts receivable centered on the credit card business accounted for 71.8%. Their annual average turnover was more than three times, helping Credit Saison maintain a high level of liquidity.

Cash Flows

Net Cash Used in Operating Activities

Net cash used in operating activities soared to ¥69,670 million, marking a 189.1% increase from the previous fiscal year. Although there were major cash in-flow items, including non-cash expenses of depreciation and amortization of ¥17,456 million, a ¥49,150 million loss before income taxes and minority interests was posted, in addition to ¥33,270 million income taxes paid.

Net Cash Used in Investing Activities

Net cash used in investing activities dropped by 88.6% year on year to ¥10,800 million. Major cash in-flow items included ¥6,964 proceeds from sales or redemption of investment securities, while cash out-flow items included ¥20,147 million payments for purchases of property and equipment and other assets.

Net Cash Provided by Financing Activities

Net cash provided by financing activities amounted to ¥54,653 million, a 63.0% decrease from the previous fiscal year. The breakdown of cash flows from financing activities shows ¥80,000 proceeds from securitized account receivables and lease investment assets and ¥46,000 million net increase in commercial paper as cash in-flows, and ¥53,429 million net decrease in short-term debts as cash out-flows.

As a result of the above, in addition to a ¥425 million increase in cash and cash equivalents of newly consolidated subsidiaries, cash and cash equivalents at the end of fiscal 2008 decreased by ¥25,363 million from the previous fiscal year end to ¥68,282 million.

Assets, Liabilities and Equity

Total assets at the end of fiscal 2008 decreased by 1.8% or ¥43,573 million year on year, to ¥2,407,064 million. Major decreasing factors included a ¥43,064 million increase in allowance for doubtful accounts recorded in current assets, due to Atrium's provision for losses on doubtful accounts of guarantor's claims in connection with its business withdrawal.

Finance leases that do not transfer ownership had been accounted for as operating leases until the previous fiscal year. Effective from fiscal 2008, "Accounting Standard for Lease Transactions" (Accounting Standards Board of Japan (ASBJ) Statement No. 13, issued by the ASBJ on March 30, 2007, revising the previous accounting standard issued by the Business Accounting Council on June 17, 1993) and "Guidance on Accounting Standard for Lease Transactions" (ASBJ Guidance No. 16 issued by the ASBJ on March 30, 2007, revising the previous implementation guideline issued by the Japanese Institution of Certified Public Accountants on January 18, 1994) are adopted, and in accordance with these new accounting standards, finance leased that do not transfer ownership are capitalized.

The effect of the accounting change described above was to increase lease investment assets by ¥187,955 million, which pushed up current assets by 8.2% or ¥165,613 million to ¥2,188,844 million.

The said accounting change also had an impact on net lease assets and software in fixed assets, which was to decrease them by ¥169,385 million and ¥18,569 million, respectively. Accordingly, total fixed assets decreased by 48.9% or ¥209,186 million from the previous fiscal year, to ¥218,220 million. A breakdown of this change shows that property and equipment decreased by ¥164,323 million to ¥47,919 million; intangible assets decreased by ¥4,617 million to ¥43,209 million; and other investments and other assets decreased by ¥40,246 million to ¥127,092 million.

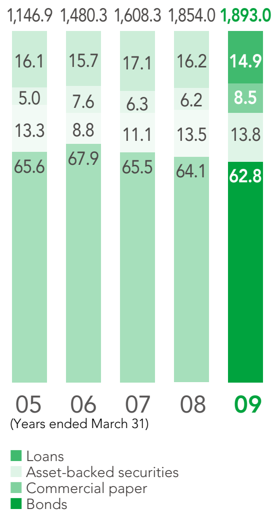
Total liabilities as of the end of fiscal 2008 stood at ¥2,086,470 million, a 2.7% or ¥54,494 million year-on-year increase. Major increasing factors included an increase in interest-bearing debt resulting from the issuance of commercial paper and borrowings from financial institutions. Current liabilities increased by ¥57,853 million to ¥972,236 million, while long-term liabilities decreased by ¥3,359 million to ¥1,114,234 million.

As a result, the balance of interest-bearing debt as of March 31, 2009 amounted to ¥1,893,017 million, a 2.1% or ¥38,960 million increase from the previous fiscal year end. This balance includes securitized receivables of ¥183.1 billion accounted for as off-balance sheet transactions.

Total equity at the end of fiscal 2008 declined by 23.4% or ¥98,067 million year on year, to ¥320,594 million. This decrease was mainly due to loss on business restructuring of subsidiaries posted in connection

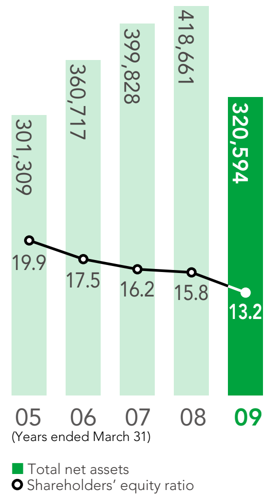
Composition of Interest-Bearing Debt

(Billions of yen/%)



Changes in Total Net Assets and Capital Adequacy Ratio

(Millions of yen/%)



with Atrium Co., Ltd. The regulatory capital adequacy ratio dropped by 2.54 percentage points to 13.2%.

CREDIT RISKS

Of total receivables (i.e. the balance calculated by adding up the balance of installment accounts receivables and the balance of contingent liabilities related to the Finance Business and the Real Estate-related Business), receivables overdue by more than 90 days amounted to ¥216,427 million, marking an increase of 169.5% year on year. The balance of the allowance for uncollectible receivables (current assets) as of March 31, 2009 was ¥118,365 million, a 57.2% year-on-year increase. Consequently, the ratio of the allowance to the receivables overdue for more than 90 days rose to 180.3% from 125.8% at the previous fiscal year end.

RISK INFORMATION

The following presents an overview of operating, accounting and other issues that exert or could exert a significant influence on investor decisions. Forward-looking statements are Credit Saison Group estimates as of March 31, 2007.

1. Operating Conditions

Results and financial position in the Credit Saison Group's primary Credit Service, Finance and Real Estate-related business are subject to the influence of domestic economic conditions. Factors contingent upon economic conditions, including worsening of the employment environment, disposable household income or consumer spending, affect or may affect transaction volume and repayment in Group businesses including credit cards, loans, credit guarantees, and real estate mortgage loans, and therefore have the potential to negatively impact Group operating revenues and cost of uncollectible receivables. Recently, an increasing number of individuals have assumed substantial loan and credit card obligations from multiple financial institutions. This problematic economic situation also has the potential to affect Group results. Small and medium-sized companies are the principal customer group of the Lease segment. Factors contingent upon economic conditions, including contraction in capital expenditures and deteriorating corporate performance, have the potential to negatively impact operating revenues, losses on receivables and other results as well as financial position.

2. Changes in Cost of Funds

Changes in financial conditions and reduction in the Credit Saison Group's credit rating may increase interest rates on funds the Group procures and have the potential to negatively impact operating revenues and other results as well as financial position. Changes in interest rates on loans and other instruments are impacted by a wide array of considerations. These include the maximum interest rates and fees as prescribed by the Law Concerning the Regulation of Receiving of Capital Subscription, Deposits and Interest on Deposits (the Capital Subscription Law) and other regulations, which may mandate that the Credit Saison Group operate below the maximum allowable limits; changes in the terms of customer contracts; and interest rates applicable to other companies in the consumer credit business. The Credit Saison Group may be unable to price its products and services to reflect higher interest rates on the capital it procures, which would have the potential to reduce the Group's interest margin.

3. Competitive Environment

Financial system has undergone substantial deregulation in recent years, which has resulted in energetic restructuring of the retail financial services industry in Japan. Large mergers in the credit card industry, the entry of competitors from other industries and other events have caused competition to intensify. In this changing market, the results and financial position of the Credit Saison Group may be negatively impacted by the occurrence of events such as reduced profitability due to a decrease in fee rates from member stores or changes in the terms of transactions with business partners.

4. Unfavorable Performance among Primary Alliance Partners

In the credit services business, the Credit Saison Group has agreements including affinity card issuance and member store contracts with numerous companies and organizations. Unfavorable performance among these alliance partners has the potential to negatively impact

Comparison of Delinquent Receivables and the Allowance for Receivables (Millions of yen)

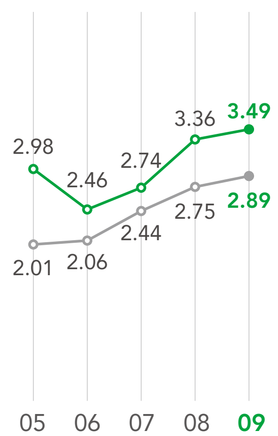
	2009	2008	% change
(1) Receivables	¥2,273,707	¥2,352,769	(3.4)
(2) Receivables overdue by more than 90 days	216,427	80,305	169.5
(3) Collateralized portion included in (2)	150,768	20,439	637.6
(4) Allowance for losses on receivables included in current assets	118,365	75,300	57.2
Receivables overdue by more than 90 days as a percentage of receivables [(2) ÷ (1)]	9.5%	3.4%	—
Ratio of allowance of losses on receivables to receivables overdue by more than 90 days [(4) ÷ ((2)–(3))]	180.3%	125.8%	—
(Reference) Receivables overdue by more than 90 days excluding collateralized portion as a percentage of receivables [((2)–(3)) ÷ (1)]	2.9%	2.5%	—

Changes in the Allowance for Uncollectible Receivables (Millions of yen)

	2009	2008	% change
Allowance for losses on receivables at the beginning of the year	¥90,899	¥70,573	28.8
Increase	90,072	69,870	28.9
Decrease	59,084	49,545	19.3
Allowance for losses on receivables at the end of the year	121,886	90,898	34.1
(Reference) Losses on receivables	277	59	366.5

Delinquency Ratio (Over 90 days) and Write-off Ratio (Non-consolidated basis)

(Billions of yen/%)



(Years ended March 31)

● Write-off ratio
● Delinquency ratio (more than 90 days)

the Credit Saison Group's performance and financial position. For example, the Credit Saison Group acquires approximately 50 percent of new cardholders through the outlets of alliance partners in the retailing industry. Reduced ability to attract customers or lower sales among these companies has the potential to negatively impact the Credit Saison Group's operating revenues. In addition, the Credit Saison Group has capital relationships with a number of its alliance partners. Unfavorable performance among such alliance partners has the potential to incur impairment losses on investment securities in the Credit Saison Group's portfolio.

5. System Operation Problems

The Credit Saison Group relies heavily on computer systems and communication networks in numerous aspects of its main businesses, including the credit services business. A number of situations could compromise the Credit Saison Group's sales capabilities, damage its credibility and cause other problems that would have the potential to negatively impact the Credit Saison Group's performance and financial position. These situations include Group and counterparty system inoperability resulting from temporary system overload due to factors such as system errors or spikes in access caused by Group or counterparty hardware or software problems; breakdown in communication networks resulting from factors including natural disasters and accidents; and illegal or inappropriate system operation.

6. Leakage of Personal Information and Other Issues

The Credit Saison Group maintains a large volume of personal information concerning its cardholders and others, and implements appropriate controls throughout the Group. However, based on the Private Information Protection Law, incidents such as leakage or illegal use of this information are regulatory violations that could result in administrative guidance, orders or fines. This would damage the Credit Saison Group's credibility and cause other problems that would have the potential to negatively impact the Credit Saison Group's performance and financial position.

7. Regulatory Changes

The Credit Saison Group operates in accordance with current regulations and the risks that result from these regulations. The Group's businesses are subject to the Installment Sales Law, the Money-Lending Business Control and Regulation Law and other laws. Circumstances arising from amendments to or changes in the interpretation of these laws in the future would have the potential to negatively impact on the Credit Saison Group's operations, performance and financial position.

On December 13, 2006, the Law Partially Revising the Money-Lending Business Control and Regulation Law came into force and, as a result, over the approximately three years after the promulgation of the amended law, the regulations on excessive lending by money-lending businesses will be strengthened, the constructive repayment system will be abolished and the interest rate ceiling set in the Capital Subscription Law will be lowered. In anticipation of these revisions, we changed the actual annual percentage rate of the cash advance service offered with the credit card issued by the Company to 18.0% or lower, within the interest rate ceiling set by the Interest Rate Restriction Law. For the SAISON brand, the new percentage rate starts from the balance as of July 17, 2007. For the UC brand, the new rate starts from the amount handled on June 11, 2007.

Moreover, the portion of interest that is higher than the interest rate ceiling set by the Interest Rate Restriction Law can be deemed invalid and may be subject to claims for reimbursement. Credit Saison is booking an allowance for losses on interest repayments in preparation for future claims for reimbursements of this type, but future regulatory revisions or regulatory trends that unexpectedly expanded such reimbursement claims would have the potential to negatively impact on the Credit Saison Group's performance and financial position.

The type, content and degree of potential regulatory revisions are difficult to predict, and the Credit Saison Group has no control over their potential impact on its operations.

8. Impairment Loss of Property and Equipment and Evaluation Losses

A material decline in the fair value of the Credit Saison Group's land and buildings, or a projected decline in operating income in businesses employing such assets that is not deemed to be temporary, will incur impairment losses that have the potential to negatively impact the Credit Saison Group's results and financial position. Moreover, a material decline in the fair value of investment securities and investments and loans to affiliates, or unfavorable performance among investees, has the potential to incur evaluation losses.

9. Retirement Benefit Obligations

A decrease in the fair value of the assets in the pension plans of the Credit Saison Group and changes in the actuarial assumptions used to calculate retirement benefit obligations have the potential to negatively impact the Credit Saison Group's results and financial position.

10. Influence of the Real Estate Market

The businesses in which the Credit Saison Group engages, especially the Real Estate-related Business, tend to be easily influenced by economic trends, interest-rate fluctuations, land price movements, housing-related taxation and other factors. If inventory facilities were to fail to sell as scheduled, those facilities could result in deterioration in financial liquidity for the Group, which would then potentially worsen the Group's financial position. In addition, if the credit crunch and other unfavorable effects brought by the subprime loan issue started in 2007 were to persist, real estate market conditions could be worsen further, and the Group's sales activities, operating results and financial position could be unfavorably affected. Moreover, if natural disasters were to occur, properties of the Group could be damaged or lost, which also would have the potential to negatively impact the Group's performance and financial position.

OUTLOOK FOR THE FISCAL YEAR ENDING MARCH 2009

The business environment for the fiscal year ending March 31, 2010 in the non-banking sector, in which Credit Saison is engaged, are likely to continue to be challenging, affected by the industry realignment led by mega-banks, amendments of the Money-Lending Business Control and Regulation Law and Installment Sales Act, the credit crunch brought by the worldwide recession triggered by the financial crisis in the United States, and sluggish personal consumption due to slowdown in the domestic economy.

In response to these severe business conditions, Credit Saison, as a credit card company in the distribution industry, is determined to eliminate redundancies in the credit card business. We will also continue to reinforce this core business area by using our expertise to strengthen cooperation with clients and thereby expand business alliances, co-develop new products with affiliated retailers by utilizing 27 million card members as a key asset, promote low-cost operations in Qubitous Co., Ltd., and improve the quality of loan receivables through credit control that quickly adapts to amendments in laws and regulations and changes in the business environment. We also aim to maximize group synergies by enhancing corporate governance and establishing a group management structure capable of realizing sustainable growth.

Based on the activities described above, Credit Saison forecasts its consolidated results for the period ending March 31, 2010 to be operating revenues of ¥316.0 billion, operating income of ¥35.0 billion, and net income of ¥17.0 billion.

CONSOLIDATED BALANCE SHEETS

Credit Saison Co., Ltd. and Consolidated Subsidiaries
As of March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
ASSETS			
Current Assets:			
Cash and deposits	¥ 67,367	¥ 57,245	$ 685,597
Receivables and Lease investment assets:			
Accounts receivable-installment (Notes 4 and 6)	1,729,043	1,738,773	17,596,611
Lease investment assets (Notes 5, 6 and 10)	195,755	—	1,992,211
Short-term loans receivable	3,465	34,401	35,263
Less: Allowance for doubtful accounts	(118,365)	(75,301)	(1,204,605)
	1,809,898	1,697,873	18,419,480
Operational investment securities (Note 11)	2,499	4,471	25,433
Securities (Note 11)	1,000	2,500	10,177
Inventories (Notes 6 and 7)	212,254	198,028	2,160,126
Deferred tax assets (Note 13)	24,574	25,052	250,094
Prepaid expenses and other current assets	71,252	38,062	725,139
Total current assets	2,188,844	2,023,231	22,276,046
Property and Equipment, at Cost:			
Lease assets (Note 10)	517	310,019	5,265
Buildings and improvements	36,881	35,114	375,344
Fixtures and equipment	29,047	30,216	295,609
Total	66,445	375,349	676,218
Less: Accumulated depreciation	(34,694)	(176,216)	(353,085)
Net property and equipment	31,751	199,133	323,133
Land	15,743	11,504	160,214
Construction in progress	425	1,605	4,328
Total property and equipment	47,919	212,242	487,675
Investments and Other Assets:			
Investment securities (Note 11)	40,062	53,977	407,711
Investments in unconsolidated subsidiaries and affiliated companies	25,384	39,231	258,336
Long-term loans receivable	15,368	28,514	156,400
Intangible assets	43,209	47,826	439,744
Lease deposits	7,386	7,717	75,165
Deferred tax assets (Note 13)	36,813	44,657	374,656
Others	5,601	9,145	56,997
Less: Allowance for doubtful accounts	(3,522)	(15,598)	(35,840)
Less: Allowance for losses on investments in unconsolidated subsidiaries and affiliated companies	—	(305)	—
Total investments and other assets	170,301	215,164	1,733,169
Total assets	¥ 2,407,064	¥2,450,637	$ 24,496,890

The accompanying notes are an integral part of these statements.

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
LIABILITIES AND EQUITY			
Current Liabilities:			
Notes and accounts payable	¥ 205,375	¥ 217,060	$ 2,090,119
Short-term loans (Note 9)	398,192	406,901	4,052,433
Current portion of long-term debt (Notes 6 and 9)	139,751	98,176	1,422,250
Commercial paper (Note 9)	160,000	114,000	1,628,333
Current portion of long-term lease obligations (Note 9)	201	—	2,049
Accrued income taxes	1,900	15,018	19,339
Unearned income	6,276	5,704	63,873
Accrued employees' bonuses	2,289	2,083	23,300
Accrued directors' bonuses	72	98	733
Allowance for losses on interest repayments	15,647	11,630	159,238
Allowance for losses on business structural reforms	—	435	—
Allowance for losses on collecting gift tickets	163	141	1,658
Accrued expenses and other current liabilities	42,370	43,137	431,198
Total current liabilities	972,236	914,383	9,894,523
Long-Term Liabilities:			
Long-term debt (Notes 6 and 9)	1,011,975	1,019,780	10,298,950
Long-term lease obligations (Note 9)	648	—	6,597
Accrued pension and severance costs (Note 12)	3,238	5,326	32,955
Accrued retirement benefits to directors and corporate auditors	143	241	1,453
Allowance for losses on guarantees	4,525	3,608	46,051
Allowance for losses on warranty for defects	86	124	875
Allowance for losses on point program	53,538	45,474	544,861
Allowance for losses on interest repayments	29,039	33,841	295,525
Negative goodwill	1,417	298	14,423
Others (Note 13)	9,625	8,901	97,955
Total long-term liabilities	1,114,234	1,117,593	11,339,645
Commitments and Contingent Liabilities (Notes 8 and 20)			
Equity (Note 21)			
Common stock	75,929	75,685	772,739
Capital surplus	81,573	81,331	830,174
Stock acquisition rights	0	—	0
Retained earnings	165,291	225,855	1,682,185
Net unrealized gain on available-for-sale securities	2,842	10,171	28,927
Deferred loss on derivatives under hedge accounting	(1,236)	(670)	(12,581)
Less: Treasury stock, at cost	(6,098)	(6,093)	(62,060)
Total	318,301	386,279	3,239,384
Minority Interests	2,293	32,382	23,338
Total equity	320,594	418,661	3,262,722
Total liabilities and equity	¥2,407,064	2,450,637	$ 24,496,890

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Operating Revenues (Note 18)			
Income from the credit service business	¥ 250,814	¥247,279	$ 2,552,555
Income from the finance business	40,545	41,284	412,627
Income from the real estate related business	13,000	31,238	132,304
Income from the entertainment business	15,521	14,379	157,959
Income from the other business	1,939	1,995	19,738
Financial income	5,270	9,412	53,632
Total operating revenues	327,089	345,587	3,328,815
Operating Expenses:			
Selling, general and administrative expenses	268,658	265,494	2,734,156
Financial cost	23,883	22,902	243,057
Total operating expenses	292,541	288,396	2,977,213
Operating Income	34,548	57,191	351,602
Non-Operating Revenues:			
Gain on sales of Property and Equipment and Intangible assets	796	—	8,105
Gain on sales of investment securities (Note 14)	12,835	—	130,621
Gain on redemptions of investment securities	—	14,413	—
Gain on changes in equity interest	—	99	—
Equity in earnings of equity method-affiliated companies	—	967	—
Equity in earnings of limited liability partnerships and other similar partnerships	5	133	55
Gain on reversal of allowance for doubtful accounts	2,193	106	22,315
Gain on reversal of allowance for losses on business structural reforms	375	—	3,812
Other	3,362	3,503	34,216
Total non-operating revenues	19,566	19,221	199,124
Non-Operating Expenses:			
Loss on devaluation of investment securities	2,038	622	20,744
Impairment loss (Note 15)	776	515	7,898
Loss on business restructuring of subsidiaries (Note 16)	90,404	—	920,051
Loss on business structural reforms	—	2,441	—
Provision of allowance for doubtful accounts (Note 17)	1,681	11,264	17,101
Provision for losses on collecting gift tickets	—	111	—
Equity in losses of equity method-affiliated companies	1,066	—	10,851
Loss on changes in equity interest	2	418	20
Loss on adjustment for changes of accounting standard for lease transactions	504	—	5,128
Other	6,793	5,254	69,131
Total non-operating expenses	103,264	20,625	1,050,924
Non-Operating Expenses, Net	(83,698)	(1,404)	(851,800)
Income (Loss) before Income Taxes and Minority Interests	(49,150)	55,787	(500,198)
Income Taxes (Note 13):			
Current	15,847	33,848	161,276
Deferred	15,622	(11,280)	158,985
Income (Loss) before Minority Interests	(80,619)	33,219	(820,459)
Minority interest in net income (loss)	(25,105)	6,463	(255,492)
Net Income (Loss)	¥ (55,514)	¥ 26,756	$ (564,967)

	Yen		U.S. dollars (Note 2)
	2009	2008	2009
Per Share Data			
Equity	¥ 1,766.95	¥2,147.04	$ 17.982
Net income (loss), basic	(308.25)	148.78	(3.137)
Net income, diluted	—	148.41	—
Cash dividends	¥ 30.00	¥ 28.00	$ 0.305

The accompanying notes are an integral part of these statements.
Diluted net income per share is not disclosed because of the Companies net loss position.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Years ended March 31, 2009 and 2008

	Millions of yen								
	Issued number of shares of common stock (thousands)	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Net unrealized gain on available-for-sale securities	Deferred loss on derivatives under hedge accounting	Treasury stock	Minority interests
Balance at March 31, 2007	181,313	¥ 75,231	¥ 80,876	¥ —	¥ 204,130	¥ 19,152	¥ (183)	¥ (6,047)	¥ 26,669
Net income for the year ended March 31, 2008					26,756				
Cash dividends					(5,031)				
Increase in treasury stock								(4)	
Decrease in treasury stock			(0)						
Exercise of stock options	339	454	455						
Purchase of shares of consolidated subsidiary								(42)	
Net changes in the year						(8,981)	(487)		5,713
Balance at March 31, 2008	181,652	¥ 75,685	¥ 81,331	¥ —	¥ 225,855	¥ 10,171	¥ (670)	¥ (6,093)	¥ 32,382
Net loss for the year ended March 31, 2009					**(55,514)**				
Cash dividends					**(5,040)**				
Adjustment of retained earnings for newly consolidated subsidiaries					**(10)**				
Increase in treasury stock								**(6)**	
Decrease in treasury stock			**(2)**					**3**	
Exercise of stock options	**233**	**244**	**244**						
Purchase of shares of consolidated subsidiary								**(2)**	
Net changes in the year				**0**		**(7,329)**	**(566)**		**(30,089)**
Balance at March 31, 2009	**181,885**	**¥ 75,929**	**¥ 81,573**	**¥ 0**	**¥ 165,291**	**¥ 2,842**	**¥ (1,236)**	**¥ (6,098)**	**¥ 2,293**

	Thousands of U.S. dollars (Note2)								
	Issued number of shares of common stock (thousands)	Common stock	Capital surplus	Stock acquisition rights	Retained earnings	Net unrealized gain on available-for-sale securities	Deferred loss on derivatives under hedge accounting	Treasury stock	Minority interests
Balance at March 31, 2008	**181,652**	**$ 770,252**	**$ 827,707**	**$ —**	**$ 2,298,549**	**$ 103,514**	**$ (6,819)**	**$ (62,008)**	**$ 329,553**
Net loss for the year ended March 31, 2008					**(564,967)**				
Cash dividends					**(51,288)**				
Adjustment of retained earnings for newly consolidated subsidiaries					**(109)**				
Increase in treasury stock								**(59)**	
Decrease in treasury stock			**(18)**					**30**	
Exercise of stock options	**233**	**2,487**	**2,485**						
Purchase of shares of consolidated subsidiary								**(23)**	
Net changes in the year				**0**		**(74,587)**	**(5,762)**		**(306,215)**
Balance at March 31, 2009	**181,885**	**$ 772,739**	**$ 830,174**	**$ 0**	**$ 1,682,185**	**$ 28,927**	**$ (12,581)**	**$ (62,060)**	**$ 23,338**

The accompanying notes are an integral part of these statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Years ended March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2009	2008	2009
Cash Flows from Operating Activities:			
Income (loss) before Income Taxes and Minority Interests	¥ (49,150)	¥ 55,787	$ (500,198)
Adjustments to reconcile income before income taxes to net cash provided by (used in) operating activities:			
Income taxes paid	(33,270)	(54,902)	(338,590)
Depreciation and amortization	17,456	68,051	177,647
Loss on business restructuring of subsidiaries	90,404	—	920,051
Increase (decrease) in allowance for doubtful accounts	14,044	20,325	142,931
Increase (decrease) in accrued pension and severance costs	(2,733)	(1,166)	(27,810)
Increase (decrease) in allowance for losses on point program	8,064	9,269	82,068
Increase (decrease) in allowance for losses on interest repayments	(793)	(432)	(8,074)
Increase (decrease) in allowance for other reserves	168	1,259	1,710
Interest and dividends income	(6,257)	(6,687)	(63,683)
Interest expenses	23,748	22,694	241,682
Equity in loss (earning) of equity method-affiliated companies	1,066	(967)	10,851
Equity in earning of limited liability partnerships and other similar partnerships	(5)	(133)	(55)
Foreign currency exchange (gain) loss	(22)	294	(224)
(Gain) loss on sales of investment securities	(11,500)	(13,490)	(117,042)
Loss on devaluation of investment securities	2,038	622	20,744
Net (gain) loss on changes in equity interest	2	319	20
Impairment loss	776	1,296	7,898
Loss on disposal of property and equipment, and other assets	748	14,737	7,613
(Increase) decrease in operational investment securities	(16,828)	—	(171,261)
(Increase) decrease in trade receivables	28,393	(253,379)	288,958
(Increase) decrease in lease investment assets	(42,771)	—	(435,284)
Proceeds from liquidation of trade receivables	—	190,000	—
(Increase) decrease in inventories	(32,749)	(40,523)	(333,288)
(Increase) decrease in other assets	(16,983)	(5,018)	(172,836)
Interest and dividends received	7,025	7,160	71,497
Interest paid	(23,624)	(22,462)	(240,428)
Increase (decrease) in notes and accounts payable	(11,403)	(20,210)	(116,045)
Increase (decrease) in other liabilities	(15,953)	3,458	(162,351)
Other	438	—	4,462
Net Cash Provided by (Used in) Operating Activities	(69,670)	(24,098)	(709,037)
Cash Flows from Investing Activities:			
Payments for purchases of investment securities	(3,564)	(22,687)	(36,268)
Proceeds from sales or redemption of investment securities (Note 22 (b))	6,964	26,723	70,869
Payments for purchases of shares of consolidated subsidiaries	(273)	—	(2,782)
Payments for purchases of investments in subsidiaries resulting in change in scope of consolidation (Note 22 (c))	(362)	—	(3,679)
Proceeds from purchase of investments in subsidiaries resulting in change in scope of consolidation (Note 22 (c))	555	—	5,643
Payments for purchases of property and equipment, and other assets	(20,147)	(98,961)	(205,038)
Proceeds from sales of property and equipment, and other assets	5,121	357	52,120
Payments for short-term and long-term loans	(4,113)	(200)	(41,854)
Proceeds from short-term and long-term loans	2,176	832	22,145
(Increase) decrease in other assets	2,843	(438)	28,935
Net Cash Used in Investing Activities	(10,800)	(94,374)	(109,909)
Cash Flows from Financing Activities:			
Increase (decrease) in short-term debts	(53,429)	17,668	(543,752)
Increase (decrease) in commercial paper	46,000	12,700	468,146
Proceeds from long-term debts	90,735	164,100	923,417
Repayments of long-term debts	(81,774)	(54,274)	(832,218)
Proceeds from issuance of bonds	17,869	68,564	181,850
Repayment of bonds	(37,240)	(43,140)	(378,994)
Repayment of payables under securitized lease receivables	—	(13,029)	—
Proceeds from securitized account receivables and lease investment assets	80,000	—	814,166
Payments of payables under securitized account receivables and lease investment assets	(981)	—	(9,983)
Repayments of lease obligations	(99)	—	(1,010)
Proceeds from issuance of stock resulting from exercise of subscription rights to shares	0	—	0
Proceeds from issuance of new stock	489	908	4,972
Proceeds from minority shareholders	2	236	23
Proceeds from sales of treasury stock	1	0	11
Purchases of treasury stock	(6)	(5)	(59)
Cash dividends paid	(5,040)	(5,030)	(51,288)
Cash dividends paid to minorities	(1,874)	(1,057)	(19,071)
Net Cash Provided by Financing Activities	54,653	147,641	556,210
Translation Gain (Loss) on Cash and Cash Equivalents	29	(253)	293
Increase (Decrease) in Cash and Cash Equivalents	(25,788)	28,916	(262,443)
Cash and Cash Equivalents at the Beginning of Year	93,645	62,397	953,033
Increase in Cash and Cash Equivalents of Newly Consolidated Subsidiaries	425	1,496	4,320
Cash and Cash Equivalents Increased by Merger	—	836	—
Cash and Cash Equivalents at the End of Year (Note 22 (a))	¥ 68,282	¥ 93,645	$ 694,910

The accompanying notes are an integral part of these statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Credit Saison Co., Ltd. and Consolidated Subsidiaries
For the Years ended March 31, 2009 and 2008

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared based on the accounts maintained by Credit Saison Co., Ltd. (the "Company") and its consolidated subsidiaries (together the "Companies") in accordance with the provisions set forth in the Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan, which differ from International Financial Reporting Standards in certain respects as to application and disclosure requirements.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2008 consolidated financial statements to conform to the classifications used in 2009.

2. U.S. DOLLAR AMOUNTS

Japanese yen amounts have been translated into U.S. dollars at the rate of ¥98.26=US$1, the approximate exchange rate on March 31, 2009, for the convenience of the reader. These translations should not be construed as representations that Japanese yen amounts actually represent, have been or could be converted into U.S. dollars at that or any other rate.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of consolidation and accounting for investments in affiliated companies

As at March 31, 2009, the consolidated financial statements include the accounts of the Company and its eleven (eight for 2008) significant subsidiaries.

(New)
Qubitous Co., Ltd.
LAWSON CS Card, Inc.
(Qubitous Co., Ltd. and LAWSON CS Card, Inc. are included among our consolidated subsidiaries effective from the fiscal year ended March 31, 2009, in line with new or additional acquisition of shares.)
AW3 YK
Grande Trust Nine YK
Special-purpose company MAPJ
(AW3 YK, Grande Trust Nine YK and the special-purpose company MAPJ are included among our consolidated subsidiaries effective from the fiscal year ended March 31, 2009, due to an increase in their materiality.)
(Exclusion)
A&A Corporation
(A&A Corporation was excluded from the scope of consolidation as of February 16, 2009 due to a merger with Concerto Co., Ltd.)
LAWSON CS Card, Inc.
(LAWSON CS Card, Inc was excluded from the scope of consolidation as of September 1, 2008 due to a merger with the Company.)

All significant intercompany balances and transactions and unrealized profit among the Companies, if any, have been eliminated on consolidation. Unconsolidated subsidiaries would have no material effect on the consolidated financial statements of the Companies and have therefore been excluded from consolidation.

The investments in eight (nine for 2008) significant affiliates are accounted for by the equity method.

(Exclusion)
LAWSON CS Card, Inc.
(LAWSON CS Card, Inc., which was previously included among our affiliated companies accounted for by the equity method until the fiscal year ended March 31, 2008, is excluded from the scope of the equity method application and included among our consolidated subsidiaries due to additional acquisition of shares during the fiscal year ended March 31, 2009).

Investments in unconsolidated subsidiaries and affiliates not accounted for by the equity method are stated at cost, due to their immaterial effects on the consolidated financial statements of the Companies.

All assets and liabilities of consolidated subsidiaries are marked to fair value as of the acquisition of control, and any differences between equity at fair value and the investment amounts are recognized as goodwill, which is amortized on a straight-line basis over an effective period extending to within 20 years. However, if the amount is not material, it is charged to income when incurred.

(b) Inventories

Prior to April 1, 2008, inventories were stated at cost, determined by the specific identification method. In July 2006, the Accounting Standards Board of Japan (ASBJ) issued ASBJ Statement No.9," Accounting Standard for Measurement of Inventories". This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The Companies applied the new accounting standard for measurement of inventories effective April 1, 2008. The effect of this change was to decrease income before income taxes and minority interests for the year ended March 31, 2009 by ¥720 million (US$7,325 thousand).

Supplies are stated at cost determined principally by the latest purchase cost method.

(c) Financial instruments

i Derivatives

All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of operations except for derivatives that are designated as "hedging instruments" (see iii. Hedge accounting).

ii Securities

Securities held by the Companies are classified into four categories:

Trading securities, which are held for the purpose of generating profits on short-term differences in prices, are measured at fair value, with changes in fair value included in profit or loss for the period in which they arise.

Held-to-maturity debt securities that the Companies intend to hold to maturity with such ability are stated at cost after accounting for premiums or discounts on acquisition, which are amortized over the period to maturity.

Investments in equity securities issued by unconsolidated subsidiaries and affiliates are accounted for by the equity method. Exceptionally, investments in certain unconsolidated subsidiaries and affiliates are stated at cost.

Securities not included in the above categories are defined as "available-for-sale securities." Available-for-sale securities that have market prices are measured at fair value, and the cumulative change in fair value is not credited or charged to income, but net unrealized gains or losses on these securities are reported as a separate item in equity at a net-of-tax amount other than the amounts related gains or losses on embedded derivative.

Available-for-sale securities that do not have market prices are stated at cost using the moving-average method. Equities of limited liability partnerships for investment business and of other similar partnerships (defined as "securities" by Article 2, Section 2 of the Financial Instruments and Exchange Act) are valued at the net equity equivalents based on the recently available financial statements of the partnership corresponding to the reporting dates of the financial statements defined by the partnership agreements.

In cases where the fair value of held-to-maturity debt securities, equity securities issued by unconsolidated subsidiaries and affiliates, or available-for-sale securities has declined significantly and such decline in of the value is not deemed temporary, those securities are written down to fair value, and the resulting loss is included in profit or loss for the period.

(Change of accounting policy 2008)

Beginning in the fiscal year ended March 31, 2008, the trust beneficiary interests conventionally included in "installment accounts receivable", which is qualitatively segregated such as senior or subordinated and had been held by a number of holders, are included in "Investment securities" as these have been categorized as securities following an announcement of "Practical Solution on Accounting for Trusts" (Implementation Guidance No. 23 issued by ASBJ) on August 2, 2007. This change had no impact on profits and losses.

Trust beneficiary interests included under "investment securities" amounted to ¥1,098 million as of March 31, 2008, while the respective trust beneficiary interests included in "installment accounts receivable" at March 31, 2007 were ¥300 million.

iii Hedge accounting

Derivatives used as hedging instruments by the Companies are principally interest rate swaps and foreign currency forward contracts. The related hedged items are securities bank loans and bonds issued by the Companies.

The Companies use interest rate swaps and foreign currency forward contracts to manage their exposure to fluctuations in foreign exchange and interest rates. The Companies do not enter into derivatives for speculative purposes.

As per the accounting standard for derivative financial instruments, a) all derivatives except those which qualify for hedge accounting, are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of operations, 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 hedged items, gains or losses on derivatives are deferred until maturity of the hedged transactions.

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

(d) Property and equipment

Depreciation of property and equipment is computed principally by the straight-line method over the estimated useful lives of the assets. Lease assets are depreciated by the straight-line method over the respective lease periods.

(e) Lease

In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008.

The Companies applied the revised accounting standard effective April 1, 2008.

(lessee)

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information is disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the revised accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

(lessor)

Under the previous accounting standard, finance leases that deem to transfer ownership of the leased property to the lessee were to be treated as sales. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if sold" information is disclosed in the note to the lessor's financial statements. The revised accounting standard requires that all finance leases that deem to transfer ownership of the leased property to the lessee should be recognized as lease receivables, and all finance leases that deem not to transfer ownership of the leased property to the lessee should be recognized as lease investment assets. In addition, the revised accounting standard permits the value of lease investment assets of leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to take over the appropriate book value (net of accumulated depreciation) of the leased property as of March 31, 2008 , and after the adoption of the revised accounting standard, the aggregate amount equivalent to interests is allocated over the lease term based on the straight-line method.

The effect of this change was to increase in operating income by ¥943 million (US$9,601 thousand), and to decrease loss before income taxes and minority interests by ¥943 million (US$9,601 thousand).

Also as a result of the adoption of the revised accounting standard, lease investment assets categorized as current assets increased by ¥187,955 million, while lease assets and intangible assets decreased by ¥169,385 million (acquisition cost ¥310,019 million, accumulated depreciation ¥140,634 million), and 18,569 million, respectively, in the consolidated balance sheet.

The amount provided as an allowance for losses on receivables related to lease investment assets as of April 1, 2008 also changed, resulting in a ¥504 million (US$ 5,128 thousand) loss on adjustment for changes in the accounting standard for lease transactions, recorded under non-operating expenses.

Among securitizations of lease receivables accounted for as financial transactions, the rights to receive future lease revenues that are included in lease investment assets transferred in the course of said securitizations, and that also meet the criteria for extinguishment of financial instruments, are accounted for as transfers.

In line with the above accounting changes, certain amounts stated in the consolidated statement of cash flows are shown as "(Increase) decrease in lease investment assets" in cash flows from operating activities. Specifically, these are amounts that relate to lease transactions formerly included in "Depreciation and amortization" (¥54,227 million, for the year ended March 31, 2008) and "Loss on disposal of property and equipment, and other assets" (¥11,511 million for the year ended March 31, 2008) in cash flows from operating activities; "Payments for purchases of property and equipment, and other assets" (¥(73,548) million for the year ended March 31, 2008) and "Proceeds from sales of property and equipment, and other assets" (¥347 million, for the year ended March 31, 2008) in cash flows from investing activities; and "Repayment of payables under securitized lease receivables" (¥(13,029) million, for the year ended March 31, 2008) in cash flows from financing activities.

(f) Intangible assets
Intangible assets are amortized by the straight-line method over the useful lives. Intangible assets held for lease are depreciated by the straight-line method over the respective lease periods.

(g) Long-lived assets
The Companies review their long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

(h) Bond issue costs
Bond issue costs are amortized by the straight-line method over the bond term.

(i) Allowance for doubtful accounts
Receivables and lease investment assets are classified into four risk categories: bankrupt, doubtful, substandard and normal.

The Companies individually provide a specific reserve for bankrupt and doubtful receivables based on the fair value of any underlying collateral.

The Companies provide collectively a general reserve for substandard and normal receivables, applying a ratio determined based on the Companies' loan loss experience.

(j) Accrued employees' bonuses
Accrued employees' bonuses are provided at the estimated amounts, which are to be paid for services rendered through the year.

(k) Accrued directors' bonuses
Accrued directors' bonuses is maintained at the amount accrued at the end of fiscal year, based on the estimated future payments and service period.

(l) Allowance for losses on business structural reforms
To prepare for losses potentially incurred through business structural reforms, the estimated amount of future losses was earmarked at the time when business structural reforms were decided upon.

(m) Allowance for losses on collecting gift tickets
Allowance for losses on collecting gift tickets etc, issued by the Company takes into account its registration of collected tickets in order to prepare for the possible future use of those tickets that had been recorded as revenue after the passage of the constant period.
(Additional information 2008)
In the past, uncollected gift tickets, etc. were recorded as non-operating revenue by reversing the same amount of liability. However, following an announcement of "Audit treatment for regulatory deposit, reserve or deposit and allowance for retirement benefit for officers" (Opinion No. 42 issued by the Japanese Institute of Certified Public Accountants ("JICPA") Audit and Assurance Practice Committee), in order to prepare for possible losses incurred through collection of such gift tickets, etc., for the year ended March 31, 2008, the Company changed its accounting method to enable provision of loss for the amount of vouchers expected to be used in future to be based on the amount of vouchers hitherto collected.

As a result, operating income and income before income taxes and minority interests decreased by ¥30 million (US$295 thousand) and ¥141 million (US$1,407 thousand), respectively.

(n) Allowance for losses on interest repayments
Allowance for losses on interest repayments is provided at the estimated amount based on payment experience, required to refund upon customers' legal claims.

(o) Allowance for losses on investments in unconsolidated subsidiaries and affiliated companies
Allowance for losses on investments in unconsolidated subsidiaries and affiliated companies is provided for based on their financial conditions.

(p) Accrued pension and severance costs
Accrued pension and severance costs are provided for employees' retirement benefits based on the projected benefit obligation and the fair value of pension plan assets at the end of the fiscal year.

Unfunded past service costs and actuarial differences of the plans are amortized over a period of nine to eleven years, within the average remaining services period at the time of occurrence. Amortization of unfunded past service costs and amortization of actuarial differences start from occurrence and from the following fiscal year, respectively.

(q) Accrued retirement benefits to directors and corporate auditors
Directors and corporate auditors customarily receive lump-sum payments upon termination of services, subject to shareholders' approval.

Some consolidated subsidiaries accrued retirement benefits in an amount equal to the total benefits calculated based on the unfunded retirement plan for the directors and corporate auditors.
(Additional information 2008)
Previously, in order to prepare for future payments, the estimated allowance for retirement benefits for directors and corporate auditors was recorded at the fiscal year-end as per the Company's internal regulations. However, on April 18, 2007, the Board of Directors resolved to abolish the retirement benefit plan of the Company after the conclusion of the General Meeting of Shareholders on June 23, 2007.

Following this resolution, the Company decided to pay out the accumulated retirement allowances to the directors and corporate auditors for their respective service periods up until the ordinary General Meeting of Shareholders. Payment will be made when directors and corporate auditors resign from their post. Accrued retirement benefits to directors and corporate auditors of the Company have been reversed for the purpose of recording these under "Long—Term liabilities—Others" until the time when the respective resignations occur. The relevant unpaid amount included under "Long-term liabilities—Others" as at March 31, 2008 was ¥464 million.

(r) Allowance for losses on guarantees
An allowance for losses on guarantees is provided for potential losses arising from the Companies' guarantee obligations of customers' liabilities (personal loans to individuals from the banks with which the Companies have guarantee service arrangements).

The allowance is provided at an amount determined by applying the ratio of the Companies' loss experience to the balance of guarantees outstanding at each year-end.

(s) Allowance for losses on warranty for defects
Allowance for losses on warranty for defects is provided for the potential repair costs on sold real estate due to the Companies' warranty for defects. The allowance is provided at the amount estimated based on the past experience of repair costs.

(t) Allowance for losses on point program

To stimulate card usage, the Company provides cardholders with credit card points, which can be exchanged for various commodities and services. Allowance for losses on point program is provided based on estimated usage of card points outstanding at year-end and exchange experience.

(u) Income taxes

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.

(v) Per share information

Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period, retroactively adjusted for stock splits.

Diluted net income per share reflects the potential dilution that could occur if securities were exercised or converted into common stock. Diluted net income per share of common stock assumes full exercise of the Companies' stock options at the beginning of the year (or at the time of issuance) with an applicable adjustment for related interest expense, net of tax, and full exercise of outstanding warrants.

Cash dividends per share presented in the accompanying consolidated statements of operations are dividends applicable to the respective years including dividends to be paid after the end of the year.

(w) Cash and cash equivalents

Cash and cash equivalents in the consolidated statements of cash flows comprise cash on hand, demand deposits in banks and highly liquid, short-term investments with a low risk of fluctuation in value that are scheduled to mature within three months of acquisition.

4. ACCOUNTS RECEIVABLE-INSTALLMENT

As of March 31, 2009 and 2008, liquidated receivables were as follows, and the following amounts of trust beneficiary rights and other receivables generated from liquidation or operational transactions were included in accounts receivable-installment.

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Liquidating receivables:			
Single-payment card shopping ,etc	¥ 164,000	¥ 120,000	$ 1,669,041
Revolving card cashing	6,061	25,302	61,679
Real estate mortgage loan	—	68,375	—
Trust beneficiary rights and other receivables include:			
Single-payment card shopping ,etc	195,689	154,629	1,991,548
Revolving card cashing	38,547	17,785	392,298
Real estate mortgage loan	—	25,126	—
Acquisition from operational transaction	110	270	1,117

5. LEASE INVESTMENT ASSETS

As of March 31, 2009, liquidated lease investment assets were as follows, and the following amounts of trust beneficiary rights were included in lease investment assets.

	Millions of yen	Thousands of U.S. dollars
	2009	
Liquidating receivables	¥ 13,100	$ 133,320
Trust beneficiary rights	26,994	274,715

6. PLEDGED ASSETS

As of March 31, 2009, pledged assets and liabilities related to pledged assets were as follows:

	Millions of yen	Thousands of U.S. dollars
	2009	
Pledged assets		
Accounts receivable-installment	¥ 40,000	$ 407,083
Lease investment assets	39,019	397,101
Inventories	24,000	244,250
Liabilities related to pledged assets		
Current portion of long-term debt	3,430	34,911
Long term debt	85,589	871,044

7. INVENTORIES

Inventories at March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Receivable by purchase	¥ 21,142	¥ 29,926	$ 215,166
Real estate for sale	189,710	164,016	1,930,695
Other	1,402	4,086	14,265
Total	¥ 212,254	¥ 198,028	$ 2,160,126

8. LOAN COMMITMENTS

(a) Lender

The Companies provide cashing and card loan services that supplement their credit card operations.
The unexercised loans contingent with the loan commitments in these businesses were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Total loan limits	¥ 9,041,581	¥ 8,486,458	$ 92,016,900
Loan executions	649,947	670,926	6,614,564
	¥ 8,391,634	¥ 7,815,532	$ 85,402,336

Most of the contracts for the above loan commitments were for cashing services supplementary to credit card services furnished to the Company's cardholders, such that not all unexecuted loans will be exercised.

The above amounts include the commitments connected with the liquidated revolving receivables on card cashing.

(b) Borrower

The Companies have concluded loan commitment contracts with 11 banks for efficient procurement of working capital. The portion of the credit line that had not been exercised under these contracts as of March 31, 2009 was as follows:

	Millions of yen	Thousands of U.S. dollars
	2009	
Total loan limits	¥ 155,000	$ 1,577,448
Loan executions	35,000	356,198
	¥ 120,000	$ 1,221,250

9. SHORT-TERM LOANS AND LONG-TERM DEBT

Short-term loans are represented principally by 30 to 365 day notes to banks, with an average interest rate of 1.24% as of March 31, 2009.
Commercial paper is issued by the Companies, with an average interest rate of 1.04% as of March 31, 2009.
Long-term debt and lease obligations as of March 31, 2009 and 2008 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Average 1.60 % unsecured loans from banks, insurance companies and other financial institutions, due in installments through 2018	¥ 791,144	¥ 782,182	$ 8,051,532
0.46% to 3.39% bonds, due in installments through 2017*1	281,563	300,803	2,865,484
Lease obligations*2	849	—	8,647
Average 0.79% payables on under securitized lease receivables*3	—	34,971	—
Average 1.05% payables on under securitized loans*3	79,019	—	804,184
Subtotal	1,152,575	1,117,956	11,729,847
Less: Current portion	(139,952)	(98,176)	(1,424,300)
	¥1,012,623	¥1,019,780	$10,305,547

*1 Pledged bonds ¥10,000 million (US$101,771 thousand) were included in bonds.
*2 Because interests are included in lease obligations, presentation of average interest rate is omitted.
*3 Payables under securitized lease receivables and loans result from liquidation.

The aggregate annual maturities of long-term debt subsequent to March 31, 2009 are as follows:

	Millions of yen	Thousands of U.S. dollars
Year ending March 31		
2010	¥ 139,952	$ 1,424,300
2011	128,711	1,309,906
2012	167,703	1,706,729
2013	186,819	1,901,268
2014 and thereafter	529,390	5,387,645

As is customary in Japan, short-and long-term bank loans are made under general agreements that provide that additional security and guarantees for present and future indebtedness will be given upon request of the bank under certain circumstances, and that any collateral so furnished will be applicable to all indebtedness to the bank. To date, the Companies have not received any such requests from their banks.

10. LEASE TRANSACTIONS

(a) Finance leases that do not transfer ownership (lessee)

i. Lease assets

Property and equipment – mainly servers and other equipment
Intangible assets – mainly software used in the credit service business

ii. Depreciation

Depreciation equivalent is computed by the straight-line method under the assumption that the lease term equals the useful life, and that there is no residual value.

iii. As discussed in Note 3 (e), the Companies accounts for leases which existed at the transition date (March 31, 2008) do not transfer ownership of the leased property to the lessee as operating lease transactions.

Pro forma information of such leases existing at the translation date, such as acquisition cost, accumulated depreciation, obligations under finance leases, depreciation expense, interest expense, on a "as if capitalized" basis for the years ended March 31, 2009 and 2008 are as follows:

Pro forma capitalization of leased items

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Building:			
Acquisition cost	¥ 340	¥ 497	$ 3,461
Accumulated depreciation	(201)	(287)	(2,045)
Net book value	139	210	1,416
Other (fixtures and equipment)			
Acquisition cost	1,836	2,004	18,692
Accumulated depreciation	(1,201)	(1,134)	(12,227)
Net book value	635	870	6,465
Total:			
Acquisition cost	2,176	2,501	22,153
Accumulated depreciation	(1,402)	(1,421)	(14,272)
Net book value	¥ 774	¥ 1,080	$ 7,881

Minimum future lease payments

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Due within one year	¥ 387	¥ 477	$ 3,939
Due after one year	451	666	4,592
Total	¥ 838	¥ 1,143	$ 8,531

The impairment loss account for leased assets amounted to ¥6 million (US$62 thousand) and ¥11 million as of March 31, 2009 and 2008, respectively.

Lease payments, depreciation equivalent and interest equivalent

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Lease payments	¥ 593	¥ 711	$ 6,034
Reversal of impairment loss account for leased assets	6	5	60
Depreciation equivalent	599	657	6,091
Interest payable equivalent	31	53	318

Depreciation equivalent is computed by the straight-line method over their lease term determined by their useful lives, with zero residual value.

Interest equivalent, which represents the aggregate lease payments less the acquisition cost equivalent, is allocated over the lease term based on the interest method.

(b) Finance leases that do not transfer ownership (lessor)

i. Lease investment assets

	Millions of yen	Thousands of U.S. dollars
	2009	
Gross lease receivables	¥ 230,710	$ 2,347,955
Residual value	—	—
Unearned interest income	(34,955)	(355,744)
Lease investment assets	¥ 195,755	$ 1,992,211

ii. Collection schedule for the amount of lease payments related to lease investment assets after March 31, 2009

	Millions of yen	Thousands of U.S. dollars
	2009	
Due within one year	¥ 47,610	$ 484,535
Due within two year and after one year	45,174	459,737
Due within three year and after two year	40,491	412,080
Due within four year and after three year	31,525	320,827
Due within five year and after four year	19,915	202,677
Due after five year	11,040	112,355
Total	¥ 195,755	$ 1,992,211

iii. The Companies account for the value of lease investment assets of leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to take over the appropriate book value (net of accumulated depreciation) of the leased property as of March 31, 2008, and after the adoption of the revised accounting standard, the aggregate amount equivalent to interests is allocated over the lease term based on the straight-line method.

As a result, loss before income taxes and minority interests was larger by ¥8,741 million (US$88,963 thousand) than it would have been if the revised accounting standard had been retroactively adopted starting from the lease transaction commencement dates.

(c) Operating leases (lessee)

Minimum future lease payments as of March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Due within One Year	¥ 2,451	¥ 1,155	$ 24,942
Due after One Year	4,309	3,574	43,850
Total	¥ 6,760	¥ 4,729	$ 68,792

11. AVAILABLE-FOR-SALE SECURITIES

(a) As of March 31, 2009 and 2008 acquisition costs and amounts on the consolidated balance sheets of available-for-sale securities that have market value are summarized below:

	Millions of yen						Thousands of U.S. dollars		
	2009			2008			2009		
	Acquisition cost	Balance sheet amount	Difference	Acquisition cost	Balance sheet amount	Difference	Acquisition cost	Balance sheet amount	Difference
Balance sheet amount exceeding acquisition cost:									
Equity shares	¥ 17,753	¥ 24,216	¥ 6,463	¥ 22,035	¥ 39,761	¥ 17,725	$180,676	$246,451	$ 65,775
Bonds									
Government	—	—	—	1,500	1,500	0	—	—	—
Other	1,098	1,158	60	604	636	33	11,175	11,780	605
Subtotal	18,851	25,374	6,523	24,139	41,897	17,758	191,851	258,231	66,380
Balance sheet amount not exceeding acquisition cost:									
Equity shares	5,022	4,229	(793)	1,560	1,138	(422)	51,105	43,041	(8,064)
Bonds									
Government	—	—	—	1,000	1,000	0	—	—	—
Corporate	200	153	(47)	200	174	(26)	2,035	1,558	(477)
Other	1,692	971	(721)	3,031	2,368	(663)	17,219	9,879	(7,340)
Subtotal	6,914	5,353	(1,561)	5,791	4,680	(1,111)	70,359	54,478	(15,881)
Total	¥ 25,765	¥ 30,727	¥ 4,962	¥ 29,930	¥ 46,577	¥ 16,647	$262,210	$312,709	$ 50,499

(b) Available-for-sale securities whose fair value is not readily determinable as of March 31, 2009 and 2008 were as follows:

	Carrying amount		
	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Available-for-sale:			
Equity securities	¥ 8,490	¥ 8,780	$ 86,403
Debt securities	2,111	—	21,487
Other	2,233	5,592	22,723
Total	¥12,834	¥14,372	$ 130,613

(c) Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008 were ¥14,421 million (US$146,766 thousand) and ¥4,353 million, respectively.

Gross realized gains and losses on these sales, computed on the moving-average cost basis, were ¥12,835 million (US$130,621 thousand) and ¥1,305 million (US$13,277 thousand), respectively for the year ended March 31, 2009 and ¥501 million and ¥1,591 million, respectively for the year ended March 31, 2008.

(d) The carrying values of debt securities by contractual maturities for securities classified as available-for-sale securities at March 31, 2009 were as follows:

	Millions of yen	Thousands of U.S. dollars
	2009	
	Available-for-sale securities	
Due in one year or less	¥ 1,000	$ 10,177
Due in one to five years	0	0
Due in five to ten years	—	—
Due after ten years	153	1,558
Total	¥ 1,153	$ 11,735

12. RETIREMENT BENEFIT PLANS

The Company and some of its consolidated subsidiaries had defined benefit plans composed of a corporate pension plan and a lump-sum payment plan.

Effective October 1, 2004, the Company and certain of its consolidated subsidiaries changed the former defined benefit pension plans to cash balance plans. Moreover, as per the Defined Contribution Pension Plan Law, a certain portion of future benefits was shifted either to defined contribution plans or to prepaid retirement benefit payment plans at the employee's option.

(a) Accrued pension and severance costs

Accrued pension and severance costs as of March 31, 2009 and 2008 are calculated below:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Retirement benefit obligations	¥ (10,835)	¥ (9,532)	$ (110,269)
Plan assets	6,105	4,560	62,134
Funded status	(4,730)	(4,972)	(48,135)
Unrecognized actuarial differences	4,743	3,230	48,271
Unrecognized prior service costs	(3,251)	(3,584)	(33,091)
Accrued pension and severance costs	(3,238)	(5,326)	(32,955)

(b) Retirement benefit expenses

Retirement benefit expenses for the year ended March 31, 2009 and 2008 are stated below:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Service costs	¥ 541	¥ 496	$ 5,511
Interest costs	215	212	2,192
Expected return on plan assets	(168)	(192)	(1,708)
Actuarial difference recognized as expense	705	665	7,178
Prior service costs recognized as expenses	(625)	(596)	(6,374)
Other*	310	276	3,158
Retirement benefit expenses	¥ 978	¥ 861	$ 9,957

* Other represents payments to defined contribution pension fund, and other items.

The principal assumptions used in determining retirement benefit obligations and other components for the Companies' plans are stated below:

	2009	2008
Discount rate	2.0%	2.0%
Expected rate of return on plan assets	3.0%	4.0%
Period of recognition of prior service costs	9-11 years evenly	9-11 years evenly
Period of recognition of actuarial differences	9-11 years evenly	9-11 years evenly

13. DEFERRED TAX ASSETS AND LIABILITIES

(a) Effective tax rate

The effective income tax rate of the Companies differs from the statutory tax rate for the year ended March 31, 2009 for the following reasons:

	2009
Statutory tax rate	40.70%
Reconciliation:	
Expenses not deductible for tax purposes	(0.55)
Inhabitants taxes per capita	(0.37)
Amortization of negative goodwill	0.18
Equity in net earnings (losses) of affiliated companies	(0.88)
Increase (decease) of evaluation allowance	(105.98)
Income tax credit	0.04
Other	2.83
Effective tax rate	(64.03)%

* A difference of 5% or less between the effective income tax rate of the Companies and the statutory tax rate has been omitted from the 2008 column above.

(b) Deferred tax assets

Deferred tax assets as of March 31, 2009 and 2008 were comprised of the following:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Deferred tax assets:			
Inventories	¥ 24,343	¥ 3,217	$ 247,745
Amortization of goodwill	1,671	3,344	17,009
Accumulated Impairment losses of property and equipment, and other assets	4,118	3,034	41,905
Accumulated depreciation expense of property and equipment, and other assets	1,383	2,877	14,078
Operational investment securities	6,241	—	63,512
Investment securities	2,776	2,178	28,250
Allowance for losses on receivables	29,796	18,072	303,235
Allowance for losses on interest repayments	18,187	18,506	185,089
Accrued expenses	675	246	6,868
Accrued enterprise taxes	160	1,243	1,629
Accrued pension and severance costs	1,417	2,166	14,419
Allowance for losses on point program	21,790	18,508	221,758
Other allowance	2,966	2,657	30,188
Long-term unearned revenue	488	732	4,969
Accumulated deficit carryforwards	612	180	6,224
Unrealized losses on available-for-sale securities	26	99	269
Unrealized losses on hedging derivatives	818	428	8,326
Other	2,726	3,180	27,739
Subtotal	120,193	80,667	1,223,212
Less evaluation allowance	(56,112)	(4,024)	(571,056)
Total deferred tax assets	64,081	76,643	652,156
Deferred tax liabilities:			
Capital gains deferred for tax purposes	(212)	(212)	(2,154)
Unrealized gains on available-for-sale securities	(1,371)	(6,691)	(13,952)
Unrealized gains on hedging derivatives	(15)	(20)	(154)
Adjustment account of retirement debt	(478)	—	(4,869)
Adjustment account of debt	(369)	—	(3,750)
Other	(283)	(11)	(2,885)
Total deferred tax liabilities	(2,728)	(6,934)	(27,764)
Net deferred tax assets	¥ 61,353	¥ 69,709	$ 624,392

Net deferred tax assets are presented on the consolidated balance sheets as of March 31, 2009 and 2008 as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Current assets	¥ 24,574	¥ 25,052	$ 250,094
Investment and other assets	36,813	44,657	374,656
Current liabilities-other	—	—	—
Long-term liabilities-other	35	—	358

14. GAIN ON SALES OF INVESTMENT SECURITIES

Gain on sales of investment securities included profit of ¥11,383 million (US$115,844 thousand) from sales of shares of Visa Inc. shares.

15. IMPAIRMENT LOSS

For the year ended March 31, 2009, the Companies wrote down the book value of amusement facilities in change for use, operating facilities and real estate for lease from which operating income had deteriorated and was not expected to recover in the short term.

The Companies recorded impairment losses for the year on the following assets:

March 31, 2009		
Asset	Description	Location
Certain amusement facilities	Buildings, Other (Fixtures, equipment, other)	Kanto region
Operating facilities	Buildings, Other (Fixtures, equipment, other), Software	Kanto
Real estate for lease	Buildings	Tohoku

For the year ended March 31, 2008, the Companies wrote down the book value of amusement facilities, operating facilities and real estate for lease from which operating income had deteriorated and was not expected to recover in the short term.

The Companies recorded impairment losses for the year on the following assets:

March 31, 2008		
Asset	Description	Location
Certain amusement facilities	Buildings, Other (Fixtures, equipment, other), Lease deposits	Kanto region
Operating facilities	Buildings, Other (Fixtures, equipment, other)	Kanto
Real estate for lease	Buildings	Tohoku

Accumulated impairment losses were subtracted directly from individual assets. Impairment losses recognized for the years ended March 31, 2009 and 2008 were as follows :

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Property and equipment:			
Buildings and improvements	¥ 566	¥ 346	$ 5,753
Other (Fixtures and equipment, other)	210	164	2,139
Investments and other assets:			
Intangible assets	0	—	6
Lease deposits	—	5	—
Total	¥ 776	¥ 515	$ 7,898

Regarding certain amusement facilities, operating facilities and real estate for lease, the recoverable amount is measured at value in use, and the discount rate use for computation of the present value of future cash flow is 4.0%. (4.0% in 2008)

The assets of the Companies are grouped by the operating unit that is able to control income efficiently. However, real estate for lease and idle assets are grouped by the physical unit, and operating facilities and amusement facilities are grouped by site.

16. LOSS ON BUSINESS RESTRUCTURING OF SUBSIDIARIES

In connection with the business withdrawal of subsidiaries, a loss on business restructuring was recorded for the fiscal year ended March 31, 2009. The following is a breakdown of the loss on business restructuring:

	Millions of yen	Thousands of U.S. dollars
	2009	
Loss on valuation of inventories	¥ 45,529	$ 463,355
Provision for losses on doubtful account	27,218	277,004
Loss on valuation of operational investment securities	15,300	155,709
Loss on valuation of investment securities	258	2,629
Impairment loss	47	478
Other	2,052	20,876
Total	¥ 90,404	$ 920,051

17. PROVISION OF ALLOWANCE FOR DOUBTFUL ACCOUNTS

Provision of allowance for doubtful accounts in non-operating expenses for the fiscal year ended March 31, 2009 included a provision for a loan to Mr. Tsuyoki Takahashi, the former representative director of the Company's consolidated subsidiary, Atrium Co., Ltd.

This provision amounted to ¥1,661 million (US$16,904 thousand) and was based on an estimated credit loss calculated as the loan balance outstanding minus the estimated disposal value of the collateral pledged for the loan. The outstanding loan to Mr. Takahashi as of March 31, 2009 was ¥1,980 million (US$20,154 thousand). The loan has been applied to the payment of personal income tax and inhabitant tax incurred through execution of stock options, and expenses for stock option execution. Mr. Takahashi resigned from his position as representative director on the day of the 30th general shareholders' meeting of Atrium Co., Ltd., May 28, 2009.

(2008)

With respect to a part of the long-term loans (performance-linked subordinated loans), the Companies have recorded a provision for losses on receivables that matches the projected uncollectible amount after revaluating the loans by taking into account changes in the environment surrounding the base for repayment.

18. OPERATING REVENUES

Operating revenues for the years ended March 31, 2009 and 2008 were comprised of the following revenues and expenses:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Income from the credit service business	¥ 250,814	¥ 247,279	$ 2,552,555
Finance business:			
Sales	40,545	109,594	412,627
Cost of sales	—	68,310	—
Income from finance business	40,545	41,284	412,627
Real estate related business:			
Sales	66,048	112,225	672,181
Costs of sales	53,048	80,987	539,877
Income from real estate related business	13,000	31,238	132,304
Entertainment business:			
Sales	92,373	109,449	940,088
Cost of sales	76,852	95,070	782,129
Income from entertainment business	15,521	14,379	157,959
Other business:			
Sales	1,939	2,535	19,738
Cost of sales	—	540	—
Income from other business	1,939	1,995	19,738
Financial income	5,270	9,412	53,632
Total operating revenues	¥ 327,089	¥ 345,587	$ 3,328,815

19. DERIVATIVES

Contractual values or notional principal amounts and unrealized profits (losses) on derivative transactions as of March 31, 2009 and 2008 are summarized below:

(a) Interest rate transactions

Millions of yen

	2009			2008		
	contractual value or notional principal amount		unrealized profit (loss)	contractual value or notional principal amount		unrealized profit (loss)
	Total	Over 1year		Total	Over 1year	
Over-the-counter interest rate swaps:						
Floating-rate receipt /fixed-rate payment	¥ 4,000	¥ 4,000	¥ (152)	¥20,750	¥20,500	¥ (883)
Total	¥ 4,000	¥ 4,000	¥ (152)	¥20,750	¥20,500	¥ (883)

Thousands of U.S. dollars

	2009		
	contractual value or notional principal amount		unrealized profit (loss)
	Total	Over 1year	
Over-the-counter interest rate swaps:			
Floating-rate receipt /fixed-rate payment	$ 40,708	$ 40,708	$ (1,550)
Total	$ 40,708	$ 40,708	$ (1,550)

Notes: 1. Fair value is calculated based on prices and other information presented by financial and other institutions with which the Companies has concluded derivatives agreements.
2. Hedged derivatives transactions are excluded.

(b) Foreign exchange transactions

	Millions of yen			Thousands of U.S. dollars		
	2009					
	contractual value or notional principal amount		unrealized profit (loss)	contractual value or notional principal amount		unrealized profit (loss)
	Total	Over 1year		Total	Over 1year	
Over-the-counter foreign currency forward contracts:						
Purchase-rate (US$)	¥ 1,171	¥ —	¥ (8)	$ 11,914	$ —	$ (86)
Total	¥ 1,171	¥ —	¥ (8)	$ 11,914	$ —	$ (86)

Notes: 1. Fair value is calculated based on prices and other information presented by financial and other institutions with which the Companies has concluded derivatives agreements.
2. Where foreign currency forward contracts have been applied to foreign currency receivables and/or payables to finalize their yen-denominated settlement amounts, and those receivables and/or payables have been stated in the consolidated balance sheets at the said yen-denominated settlement amounts, such foreign currency forward contracts are excluded.
3. Hedged derivatives transactions are excluded.

(c) Other

Millions of yen

	2009			2008		
	contractual value or notional principal amount		unrealized profit (loss)	contractual value or notional principal amount		unrealized profit (loss)
	Total	Over 1year		Total	Over 1year	
Over-the-counter credit derivatives:						
Selling of protection	¥ 3,000	¥ 3,000	¥ (680)	¥ 3,000	¥ 3,000	¥ (356)
Total	¥ 3,000	¥ 3,000	¥ (680)	¥ 3,000	¥ 3,000	¥ (356)

Thousands of U.S. dollars

	2009		
	contractual value or notional principal amount		unrealized profit (loss)
	Total	Over 1year	
Over-the-counter Credit derivatives:			
Selling of protection	$ 30,531	$ 30,531	$ (6,920)
Total	$ 30,531	$ 30,531	$ (6,920)

Notes: Fair value is calculated based on prices and other information presented by financial and other institutions with which the Companies have concluded derivatives agreements.

20. COMMITMENTS AND CONTINGENT LIABILITIES

As of March 31, 2009, the Companies were contingently liable as credit guarantors for customers borrowing from the alliance banks, amounting to ¥175,055 million (US$1,781,544 thousand).

21. EQUITY

(a) Equity

Since May 1, 2006, Japanese companies have been subject to the Companies Act of Japan (the "Companies Act"). The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

i Dividends

Under the Companies Act, companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting. For companies that meet certain criteria such as; (1) having the Board of Directors, (2) having independent auditors, (3) having the Board of Corporate Auditors, and (4) the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation, the Board of Directors may declare dividends (except for dividends in kind) at any time during the fiscal year if the company has prescribed so in its articles of incorporation. However, the Company cannot do so because it does not meet all the above criteria.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate. The Companies Act provides certain limitations on the amounts available for dividends or the purchase of treasury stock. The limitation is defined as the amount available for distribution to the shareholders, but the amount of net assets after dividends must be maintained at no less than ¥ 3 million.

ii Increases/decreases and transfer of common stock, reserve and surplus

The Companies Act requires that an amount equal to 10% of dividends must be appropriated as a legal reserve (a component of retained earnings) or as additional paid-in capital (a component of capital surplus) depending on the equity account charged upon the payment of such dividends until the total of aggregate amount of legal reserve and additional paid-in capital equals 25% of the common stock. Under the Companies Act, the total amount of additional paid-in capital and legal reserve may be reversed without limitation. The Companies Act also provides that common stock, legal reserve, additional paid-in capital, other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

iii Treasury stock and treasury stock acquisition rights

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors. The amount of treasury stock purchased cannot exceed the amount available for distribution to the shareholders which is determined by specific formula. Under the Companies Act, stock acquisition rights are presented as a separate component of equity. The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock. Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquisition rights.

(b) Common stock

The Company has 300,000,000 authorized shares of which 181,884,725 shares as of March 31, 2009 and 181,651,525 shares as of March 31, 2008 were issued.

Type and number of shares issued and treasury stock

(Thousands of shares)

	Issued shares (Common stock)	Treasury stock (Common stock)
Balance at March 31, 2007	181,313	1,710
Number of shares increase	339 *1	29 *2
Number of shares decrease	—	0 *3
Balance at March 31, 2008	181,652	1,739
Number of shares increase	233 *4	4 *5
Number of shares decrease	—	0 *6
Balance at March 31, 2009	181,885	1,743

Notes: 1. Increase in number of issued shares
Number of stock acquisition rights issued:
339 thousand shares
2. Increase in treasury stock
Changes in equity interest to consolidated subsidiaries;27 thousand shares
Acquisition of fractional shares;2 thousand shares
3. Detail of decrease
Sales of fractional shares; Less than a thousand shares
4. Increase in number of issued shares
Number of stock acquisition rights issued:
233 thousand shares
5. Increase in treasury stock
Changes in equity interest to consolidated subsidiaries;1 thousand shares
Acquisition of fractional shares;3 thousand shares
6. Detail of decrease
Sales of fractional shares; Less than a thousand shares

(c) Stock option plans

i The Company has the following option plans for directors, corporate auditors, officers, employers and corporate counselors of the Companies as of March 31, 2009, which were approved by the General Shareholders' Meetings

Date of approval	Number of stock acquisition rights unexercised	Type and number of targeted shares	Exercise price	Effective period	Issue price	Per share addition to common stock
June 25, 2005	15,268	Common stock 1,526,800 shares	¥3,740 per share	June 30,2007 to June 29, 2010	¥3,740	¥1,870
June 27, 2003	—	Common stock —	¥2,095 per share	June 30, 2005 to June 29, 2008	¥2,095	¥1,048

Notes: 1. Conditions of execution

In the event a granted person retires or resigns under the regulations, stock acquisitions rights may be exercised within two years after that. In the event a granted person retires voluntary or dies, stock acquisitions right will be canceled.

2. Transfer of stock option

Transfer of stock option to the third person needs the approval of the Board of Directors' Meeting.

ii Stock options for certain subsidiaries

Date of approval	Number of stock acquisition rights unexercised	Type and number of targeted shares	Exercise price	Effective period	Issue price
September 13, 2004	158	Common stock 94,800 shares	¥259 per share	September 14, 2006 to September 13, 2009	¥259
December 16, 2003	—	Common stock —	¥162 per share	December 17, 2005 to December 16, 2008	¥162

All of the unexercised stock acquisition rights were waived on April 28, 2009.

(d) Dividend

i Dividend payment

Resolution	Type of share	Total amount (¥ million)	Thousands of U.S. dollars	Dividend per share (¥)	U.S. dollars	Record date	Effective date
General Meeting of Shareholders on June 21,2008	Common stock	5,040	51,288	28.00	0.285	March 31, 2008	June 24, 2008

ii For dividend payments with an effective date in the year ended March 31, 2010, the record date occurred in the year ended March 31, 2009

Expected resolution	Type of share	Source of payment	Total amount (¥ million)	Thousands of U.S.dollars	Dividend per share (¥)	U.S.dollars	Record date	Effective date
General Meeting of Shareholders on June 26,2009	Common stock	Retained earnings	5,406	55,022	30.00	0.305	March 31, 2009	June 29, 2009

22. CASH FLOWS INFORMATION

(a) The balances of cash and cash equivalents as of March 31, 2009 and 2008 are reconciled with the respective consolidated balance sheet items as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	**2008**	**2009**
Consolidated balance sheet:			
Cash and deposits	**¥ 67,367**	¥ 57,245	**$ 685,597**
Securities	**1,000**	2,500	**10,177**
Short-term loans	**—**	33,981	**—**
Segregated trustee deposits	**(85)**	(81)	**(865)**
Cash and cash equivalents at end of year	**¥ 68,282**	¥ 93,645	**$ 694,910**

(b) Description of proceeds from sales or redemption of investment securities

	Millions of yen		Thousands of U.S. dollars
	2009	**2008**	**2009**
Proceeds from sales of investment securities	**¥ 3,036**	¥ 4,399	**$ 30,898**
Proceeds from redemption of investment securities	**3,920**	20,897	**39,894**
Proceeds from distribution of limited liability partnerships and other similar partnerships or return of capital	**8**	1,427	**76**
Total proceeds from sales or redemption of investment securities	**¥ 6,964**	¥ 26,723	**$ 70,869**

(c) Breakdown of major assets and liabilities of subsidiaries newly added to the consolidation through share acquisition

The following is a breakdown of assets and liabilities of newly consolidated subsidiaries at the time of the first consolidation, acquisition costs of these subsidiaries, and net revenues from or net payments for acquisitions.

Qubitous Co., Ltd.	Millions of yen	Thousands of U.S. dollars
Current assets	**¥ 10,361**	**$ 105,447**
Noncurrent assets	**15,799**	**160,784**
Current liabilities	**(25,009)**	**(254,521)**
Long-term liabilities	**(647)**	**(6,588)**
Negative goodwill	**(2)**	**(17)**
Minority interests	**(247)**	**(2,510)**
Total	**255**	**2,595**
Cash and cash equivalents	**(810)**	**(8,238)**
Net increase in purchase	**¥ 555**	**$ 5,643**

LAWSON CS CARD, Inc.	Millions of yen	Thousands of U.S. dollars
Current assets	**¥ 47,717**	**$ 485,621**
Noncurrent assets	**440**	**4,482**
Goodwill	**244**	**2,480**
Current liabilities	**(47,474)**	**(483,149)**
Long-term liabilities	**(76)**	**(769)**
Equity in purchase	**(182)**	**(1,856)**
Total	**669**	**6,809**
Cash and cash equivalents	**(307)**	**(3,130)**
Net decrease in purchase	**¥ (362)**	**$ (3,679)**

23. SEGMENT INFORMATION

(a) Business segments

Segment information by business segment for the years ended March 31, 2009 and 2008 were as follows:

Year ended March 31, 2009	Millions of yen								
	Operating revenues			Operating expenses	Operating income	Assets	Depreciation	Loss on impairment	Capital expenditures
	outside customers	inter segment	total						
Credit service	¥ 254,147	¥ 578	¥ 254,725	¥ 229,044	¥ 25,679	¥ 1,504,110	¥ 13,197	¥ —	¥ 23,172
Finance	42,482	4,251	46,733	36,185	10,548	412,928	352	—	331
Real estate related	13,000	5,550	18,550	17,938	613	338,613	515	62	186
Entertainment	15,521	17	15,538	13,886	1,652	19,493	3,178	761	2,447
Other	1,939	—	1,939	594	1,345	517	2	—	18
Total	327,089	10,396	337,485	297,647	39,837	2,275,661	17,244	823	26,154
Eliminations or corporate	—	(10,396)	(10,396)	(5,106)	(5,289)	131,403	253	—	(4,403)
Consolidated	¥ 327,089	¥ —	¥ 327,089	¥ 292,541	¥ 34,548	¥ 2,407,064	¥ 17,497	¥ 823	¥ 21,751

Year ended March 31, 2009	Thousands of U.S. dollars								
	Operating revenues			Operating expenses	Operating income	Assets	Depreciation	Loss on impairment	Capital expenditures
	outside customers	inter segment	total						
Credit service	$ 2,586,473	$ 5,877	$ 2,592,350	$ 2,331,007	$ 261,342	$ 15,307,451	$ 134,311	$ —	$ 235,825
Finance	432,341	43,261	475,602	368,265	107,337	4,202,409	3,578	—	3,373
Real estate related	132,304	56,481	188,785	182,552	6,233	3,446,089	5,243	634	1,893
Entertainment	157,959	172	158,131	141,318	16,814	198,378	32,341	7,742	24,899
Other	19,738	—	19,738	6,043	13,695	5,263	19	—	179
Total	3,328,815	105,791	3,434,606	3,029,185	405,421	23,159,590	175,492	8,376	266,169
Eliminations or corporate	—	(105,791)	(105,791)	(51,972)	(53,819)	1,337,300	2,578	—	3,639
Consolidated	$ 3,328,815	$ —	$ 3,328,815	$ 2,977,213	$ 351,602	$ 24,496,890	$ 178,070	$ 8,376	$ 269,808

Year ended March 31, 2008	Millions of yen								
	Operating revenues			Operating expenses	Operating income	Assets	Depreciation	Loss on impairment	Capital expenditures
	outside customers	inter segment	total						
Credit service	¥ 254,110	¥ 605	¥ 254,715	¥ 224,134	¥ 30,581	¥ 1,467,334	¥ 8,643	¥ —	¥ 11,905
Finance	43,865	505	44,370	33,118	11,252	546,981	54,653	—	75,012
Real estate	31,238	6,720	37,958	15,197	22,761	278,161	468	800	1,160
Entertainment	14,379	17	14,396	17,406	(3,010)	25,833	4,011	496	8,517
Other	1,995	—	1,995	668	1,327	507	2	—	13
Total	345,587	7,847	353,434	290,523	62,911	2,318,816	67,777	1,296	96,607
Eliminations or corporate	—	(7,847)	(7,847)	(2,127)	(5,720)	131,821	240	—	919
Consolidated	¥ 345,587	¥ —	¥ 345,587	¥ 288,396	¥ 57,191	¥ 2,450,637	¥68,017	¥ 1,296	¥ 97,526

Notes 1. Business segments are defined in consideration of the operations of the Companies.
2. Significant operations of each segment are as summarized below.
(a) Credit service: credit card and collection of receivables
(b) Finance: guarantees, loans and equipment leasing
(c) Real estate related: liquidation of real estate, servicing business, strategic investment business and real estate loan guarantees
(d) Entertainment: Amusement
(e) Other: Insurance agency business
3. Significant components of 'Eliminations or corporate' are as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Non-allocatable operating expenses	¥ 5,075	¥ 5,466	$ 51,646
Corporate assets	157,503	189,584	1,602,921

Non-allocatable operating expenses include administrative expenses incurred by the management control department of the Company.
Corporate assets include surplus funds , long-term investments (investment securities) and assets used by the management control department of the Company.
4. In March 2007, the ASBJ issued ASBJ Statement No.13, "Accounting Standard for Lease Transactions", which revised the previous accounting standard for lease transactions issued in June 1993. The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007. The Companies applied the revised accounting standard effective April 1, 2008.
In the finance business, the effect of this change was to increase operating revenue and operating income by ¥943 million (US$9,601thousand). For the year ended March 31, 2008, the amount of lease transactions included depreciation by ¥54,227 million and capital expenditures by ¥74,575 million.
5. The consolidated subsidiaries withdrew from the real estate loan guarantees and the strategic investment business at March 25, 2009.

(b) Geographic information

The Companies are not required to prepare information for geographic segment since no consolidated subsidiaries or branches are located outside Japan.

(c) Overseas sales

The Companies are not required to prepare information for overseas sales since the aggregated amounts of overseas sales of the Companies are not material (less than 10% of consolidated sales).

24. RELATED PARTY DISCLOSURES

(a) Transactions and balances of the Company with its affiliated company, UC CARD CO., LTD for the years ended March 31, 2009 and 2008 were as follows:

	Millions of yen		Thousands of U.S. dollars
	2009	2008	2009
Transactions:			
Volume of new contracts	¥ 1,211,980	¥ 1,215,558	$ 12,334,423
Balances:			
Accounts payable	69,124	75,932	703,483
Prepaid expenses and other assets (other receivable)	7,769	6,933	79,071

(b) Transactions and balances of the Companies with Mr. Takahashi, a director of the Company's consolidated subsidiaries, for the years ended March 31, 2009 was as follows:

	Millions of yen	Thousands of U.S. dollars
	2009	
Transactions:		
Amount of loan	¥ 1,987	$ 20,222
Amount of interest received	35	360
Balances:		
Long-term loans receivable	1,980	20,154
Prepaid expenses and other assets (other receivable)	28	283

The consolidated subsidiaries recorded provision of allowance for doubtful accounts of ¥1,661 million (US$16,094 thousand) for the long-term loans receivable, and this provision was based on an estimated credit loss calculated as the loan balance outstanding minus the estimated disposal value of the collateral pledged for the loan. The loan has been applied to the payment of personal income tax and inhabitant tax incurred through execution of stock options, and expenses for stock option execution.

Mr. Takahashi resigned from his position as representative director on the day of the 30th general shareholders' meeting of Atrium Co., Ltd., May 28, 2009.

25. BUSINESS COMBINATION (PURCHASE METHOD)

At the Board of Directors' meeting held on February 20, 2008, the Company resolved to spin off its credit card processing operations to Qubitous Co., Ltd. via a physical absorption-type demerger effective from April 1, 2008 (the "demerger"), in accordance with a business integration and realignment agreement with Mizuho Bank, Ltd. and UC CARD CO., LTD concluded on May 17, 2007. In addition, at the Board of Directors' meeting held on March 26, 2008, the Company resolved to acquire 51% of shares in Qubitous Co., Ltd. to bring this company into the consolidation following the completion of the spin-off. Based on these resolutions, the following demerger took effect on April 1, 2008.

(a) Details of the demerger

i. Name and business of the acquired company
Qubitous Co., Ltd.
Credit card processing business

ii. Major purpose of the demerger
In accordance with the business integration and realignment agreement with Mizuho Bank, Ltd. and UC CARD CO., LTD concluded on May 17, 2007, the Company spun off its credit card processing operations to Qubitous Co., Ltd. via a demerger effective from April 1, 2008. After completing the spin-off, the Company acquired 51% of shares in Qubitous Co., Ltd. Qubitous Co., Ltd. will develop its operations as one of the Company's subsidiaries in the credit card processing business, with the aim of becoming a "integrated processing service company" capable of not only credit card-related services but also a wide range of other settlement services.

iii. Date of the demerger
April 1, 2008

iv. Legal form of the demerger
Acquisition of shares

v. Ratio of acquired voting rights
51.00%

(b) Period during which the acquired company's business results were included in the consolidated financial statements
From April 1, 2008 to March 31, 2009

(c) Acquisition costs and breakdown of costs
The cost of the acquisition of Qubitous Co., Ltd. was ¥255 million (US$2,595 thousand), equal to the value of 510 shares of Qubitous Co., Ltd. common stock.

(d) Transfer ratio by share type and its calculation method, and number of shares issued and their appraisal value
Not applicable

(e) Amount of goodwill generated, and its sources, amortization method and period
Details are not disclosed as the amount of goodwill was immaterial.

(f) The pro-forma amount of the effect on the consolidated statement of income for the fiscal year ended March 31, 2009, following the completion of the demerger at the beginning of said fiscal year
Not applicable

26. ADDITIONAL INFORMATION

The Board of Directors meeting held on March 25, 2009, approved the implementation of a proposal for the Company to support the restructuring of Atrium Co., Ltd. ("Atrium") ("Restructuring Support"). The Restructuring Support comprise (i) financial support (the "Financial Support"), through which Atrium's interest-bearing debt will be consolidated through the assumption by the Company of debt owed by Atrium to financial institution and other relevant transactions (the "Debt Assumption"), and Atrium will issue new shares to the Company by means of a third party allocation of new shares through a debt equity swap (the "Capital Increase"), and (ii) a share exchange (the "Share Exchange"), through which Atrium will become a wholly-owned subsidiary of the Company. Pursuant to such resolutions, the Company and Atrium also entered into an agreement in connection with the Debt Assumption and a basic agreement pertaining to the Restructuring Support (the "Basic Agreement").

(a) Purpose and background

Atrium has determined that the biggest cause of the decline of its business results is that it concentrated too much on large-scale development projects. Atrium resolved to withdraw from the real estate loan guarantees and the strategic investment business, and instead concentrate its resources on the liquidation of real estate business and the servicing business.

In accordance with this decision, Atrium recorded non-operating expenses of ¥91,063 million (US$926,760 thousand) in its consolidated financial statements for the fiscal year ended February 28, 2009, and fell into excess liabilities of ¥54,399 million (US$553,619 million). As a result, it was noted in Atrium's consolidated financial statements that there were material doubts as to the company's status as a going concern. Under considering these circumstances, the Company determined that restructuring Atrium's business operations would secure the corporate value of the Credit Saison Group and be in the best interest of the shareholders of both the Company and Atrium.

(b) Name of the counterpart of the agreements regarding business restructuring support

Atrium Co., Ltd.

(c) Date of execution of the agreements

March 25, 2009

(d) Summary of the agreements

i. Debt assumption and consolidated loan

On March 31, 2009, the Company assumed Atrium borrowings other than those from the Company, as well as corporate bonds, subordinated corporate bonds and subordinated loans (¥90,684 million (US$922,893 thousand) in total), and Atrium's interest rate swap agreement (¥54,887 million (US$558,589 thousand)) in the notional principal.

Atrium then assumed liability for reimbursing the Company for the principal, interest, late charges and all other charges incurred in connection with repaying the assumed debts described above, and became liable to repay the consolidated loan to the Company, in respect of the money needed to fulfill such repayment liability.

ii. New share issuance through a third-party allocation

Pursuant to the Basic Agreement, the first new share issuance through a third-party allocation (the "First Capital Increase") was carried out on April 10, 2009. Because the First Capital Increase was conducted through a debt equity swap, in which the partial amount of the loan that Atrium owes to the Company pursuant to the loan agreement dated March 25, 2009 served as payment in kind, Atrium did not receive any proceeds. Instead, Atrium's interest-bearing debt was reduced by approximately ¥11,091 million (US$112,874 thousand).

In connection with the issuance of new shares to the Company by Atrium by means of a third party allocation of new shares of Atrium to the Company (the "Second Capital Increase"), an amendment to Atrium's Articles of Incorporation was approved at Atrium's 30th Ordinary General Meeting of Shareholders held on May 28, 2009. The approved amendment stipulates that the maximum number of shares authorized to be issued shall be increased to 575,248,800 shares, thereby satisfying the condition for the Second Capital Increase. Accordingly, the Company paid the consideration to Atrium in the form of payment in kind (a debt equity swap) on June 1, 2009, and the procedures necessary to conduct the Second Capital Increase have been completed. Because the Second Capital Increase was conducted through a debt equity swap, in which the partial amount of the loan that Atrium owes to the Company pursuant to the loan agreement dated March 25, 2009 served as payment in kind, Atrium did not receive any proceeds. Instead, Atrium's interest-bearing debt was reduced by approximately ¥48,300 million (US$491,551 thousand).

By the First and Second Capital Increases, Atrium's excess liabilities have been eliminated.

iii. Share exchange

The Basic Agreement provides that the Company shall allocate and deliver 0.13 shares of common stock of the Company for one share of common stock of Atrium. It also provides that Atrium shall be a wholly owned subsidiary of the Company as of August 1, 2009, when the said share exchange becomes effective. The Company and Atrium resolved to conduct, and subsequently entered into an agreement concerning, the Share Exchange at their Boards of Directors meeting held on June 17, 2009.

Deloitte.

Deloitte Touche Tohmatsu
MS Shibaura Building
4-13-23, Shibaura
Minato-ku, Tokyo 108-8530
Japan

Tel: +81(3)3457 7321
Fax: +81(3)3457 1694
www.deloitte.com/jp

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Credit Saison Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Credit Saison Co., Ltd. and consolidated subsidiaries (the "Company") as of March 31, 2009 and 2008, and the related consolidated statements of operations, changes in equity, and cash flows for the years then ended, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Credit Saison Co., Ltd. and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

As discussed in Note 3(e), effective April 1, 2008, the consolidated financial statements have been prepared in accordance with the new accounting standard for lease transactions.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 2. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 22, 2009

Member of
Deloitte Touche Tohmatsu

Corporate Information (As of March 31, 2009)

CREDIT SAISON CO., LTD.

Head Office:	52F Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan Telephone: 81-3-3988-2111 www.saisoncard.co.jp
Incorporated:	May 1, 1951
Paid-in Capital:	¥75,929 million
Number of Employees:	Consolidated: 3,789 Non-consolidated: 2,190
Closing of Accounts:	March 31
Stock Listing:	Tokyo Stock Exchange, First Section
Ticker No.:	8253
Independent Auditor:	Deloitte Touche Tohmatsu
Transfer Agent:	The Sumitomo Trust & Banking Co., Ltd. Stock Transfer Agency Department
Common Stock Authorized:	300,000 thousand shares
Common Stock Outstanding:	185,444 thousand shares (as of August 1, 2009)

Corporate History

1951 May The Company is established as a retailer specializing in installment sales.

1968 Jun. The Company is listed on the First Section of the Tokyo Stock Exchange.

1976 Mar. The Seibu Department Stores, Ltd. and the Company establishes a shareholding relationship and develops a consumer credit system for the Saison Group.

1980 Aug. The Company's name is changed from Midoriya Department Stores to Seibu Credit Co., Ltd.

1982 Aug. Credit Saison begins to build a nationwide network of Saison Counters to process Seibu Card issues, and to install automated cash dispensers.

1983 Mar. The name Seibu Card is changed to SAISON CARD.

1988 Jul. Credit Saison reaches agreements with VISA and MasterCard and issues SAISON Visa Card and SAISON MasterCard.

1989 Oct. The Company's name is changed to Credit Saison Co., Ltd.

1991 Jan. The affinity card business is started.

1991 **Total transaction volume surpasses ¥1 trillion.**

1992 Apr. Credit Saison begins to issue Saison Postal Savings Cards, the first cards in Japan to support signature-less transactions (in Seiyu food outlets).

1992 **Total number of cardholders surpasses 10 million.**

1995 Jun. SAISON JCB CARD is issued in cooperation with JCB Co., Ltd.

1997 Oct. SAISON American Express Card is issued through an affiliation with AMERICAN EXPRESS.

1999 Sep. Issues 2 combined credit/cash cards with regional banks, Shonai SAISON cards and Suruga SAISON card.

1999 **Total transaction volume surpasses ¥2 trillion.**

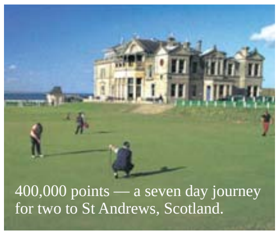
2000 Aug. Net Answer, a web site for cardholders, is started.

2001 Mar. Nominated for inclusion in the Nikkei Stock Average (Nikkei 225).

Nov. A supporting company contract for the Japan national soccer team is concluded.

2002 Feb. Transfers shares of Saison Life Insurance Co., Ltd. to GE Edison Life Insurance Co., Ltd. (currently AIG Edison Life Insurance Company).

New membership point service SAISON Dream is started (currently Eikyu Fumetsu Points, or SAISON Permanent Points in English).



400,000 points — a seven day journey for two to St Andrews, Scotland.

2003 Jan. Begins using SAISON CARD EXPRESS for speedy online card issuance.

Mar. A special benefit plan for shareholders is introduced.

Aug. An agreement is reached on a comprehensive alliance with the card division of Idemitsu Kosan Co., Ltd. (Idemitsu Card mydoplus is issued in April 2004.)

Sep. Super Value Plus, an insurance product exclusively for cardholders, is issued through a business alliance between Credit Saison, Saison Automobile and Fire Insurance Co., Ltd. and Sompo Japan Insurance Inc.

2004 Feb. A decision is made to form a strategic equity and business tie-up with Resona Holdings, Inc. (Resona Card+S (Resona Card SAISON) is issued in October 2004.)

Apr. A basic agreement is reached with Takashimaya Company, Limited on a strategic alliance in the credit card business. (TAKASHIMAYA SAISON Card is issued in September 2004.)

Aug. A basic agreement on forming a strategic alliance in the credit card business is concluded with the Mizuho Financial Group, Inc., Mizuho Bank, Ltd. and UC CARD Co., Ltd.

'51 '55 '60 '65 '70 '75 '80 '85 '90 '95 '00 '01 '02 '03 '04

2005 Apr. The new credit center Ubiquitous starts operation.

Mizuho Mileage Club Card SAISON is issued.

Oct. Chojo-SAISON Credit Card for Japanese expatriates in Shanghai is issued.

SAISON Platinum American Express Card is issued.

Dec. Credit Saison acquires an additional 12.4% of the shares of Resona Card Co., Ltd., making this company an equity-method affiliate.

2006 Jan. Credit Saison merges with UC CARD Co., Ltd. (card issuance business).

Total number of cardholders surpasses 20 million.

Mar. A new loan product, SAISON Card Loan, is issued.

Jun. A comprehensive alliance is formed with Yamada Denki Co., Ltd. in the credit card business.

Jul. Agrees to form a business alliance with The Shizuoka Bank, Ltd. (Shizugin Saison Card Co., Ltd. is established in October 2006 and the ALL-S Card is issued in July 2007.)

Oct. The Eikyu Fumetsu.com online shopping mall is opened.

JPN COLLECTION SERVICE Co., Ltd. is listed on the Hercules Section of the Osaka Stock Exchange.

Nov. A shareholder agreement is signed with Daiwa House Industry Co., Ltd. and a joint venture is established. (Heart One Card is issued in May 2007.)

2006 **Total transaction volume surpasses ¥5 trillion (non-consolidated)**

2007 Mar. Saison Asset Management Co., Ltd. launches its own investment trusts. (Saison Vanguard Global Balance Fund received NIKKEI service awards in January 2008.)

An agreement is reached on a comprehensive alliance with the Yamaguchi Financial Group. (YM SAISON Card is issued in October 2007.)

Jun./Jul. The maximum interest rate for cash advances is reduced to 18%.

Mizuho Mileage Club Card SAISON reaches 2 million cards issued.

Oct. Establishment of Qubitous Co., Ltd., the industry's first comprehensive processing service specialist.

Qubitous is made a consolidated subsidiary in April 2008.

Integration of SAISON and UC point services (application of SAISON Permanent Points to the UC Card point system).

Issuance of the SAISON NEXT Card, successor to the Postal Savings Card.

Nov. Issuance of the SAISON American Express Gold Card and the first American Express cards with no annual fee to be issued in Japan; both cards issued in alliance with American Express.

2008 Apr. Agreement to form a business alliance with Shinhan Card Co., Ltd. (South Korea).

Jun. Launch of the rental business (commencement of home appliance rental in an alliance with Yamada Denki Co., Ltd.).

Total number of cardholders of Yamada LABI Card surpasses 1 million.

Sep. Absorption by merger of LAWSON CS Card, Inc.

Oct. Launch of the new credit operation center "Kansai Ubiquitous."

2009 Apr. Begins to accept applications for Mitsui Shopping Park Card Saison.

Aug. Atrium Co., Ltd. becomes a 100% subsidiary via a share exchange.

'05 '06 '07 '08 '09

SAISON CARD INTERNATIONAL
Credit Saison Co., Ltd.

CREDIT SAISON CO., LTD.
52F Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073, Japan
Telephone: +81-3-3988-2111 www.saisoncard.co.jp www.uccard.co.jp