

CREDIT SAISON

SAISON
CARD
INTERNATIONAL

クレディセゾン



Saison Card Green Points promote understanding and enjoyment of the natural environment.

Interim Business Report

(For the period from April 1 to September 30, 2000)

To Our Shareholders

The financial industry in Japan is undergoing consolidation, restructuring and shakeouts of unprecedented speed and scale. This, coupled with the increasing participation of companies from different industries and foreign capital, is ushering in an era of cutthroat competition.

Against this backdrop, Credit Saison implemented reforms of its own organization and management system during the interim period ended September 30, 2000. We also expanded our alliance strategy, restructured our domestic network, renewed our merchandise and service systems, and took steps to accommodate IT innovations. Through these and other measures, we have further strengthened our responsiveness to the market. With a view of the twenty-first century, we also renewed our mid-term management policies, which overhauled our former style of management and ways of working, and are restructuring our existing business with strategic concepts. Although the results of these actions were not directly reflected in our financial performance for the interim period, we are confident they will begin to bear fruit in the second half.

The markets of the 21st century are likely to judge companies even more strictly in terms of their growth and strategic potential. In the interim period under review, we achieved our eighteenth straight period of growth in both revenues and profits. However, that does not mean we can sit back and be satisfied. By repeatedly implementing bold innovations, we intend to be one of the winners in the 21st century and push on toward becoming number one in our industry, both in name and reality.

Our targets for fiscal 2005 in our mid-term management policy are consolidated ordinary income of ¥60 billion, and non-consolidated ordinary income of ¥50 billion. In addition, while maintaining our equity ratio at the present level, we aim to improve return on equity to at least 10 percent.

I would like to thank our shareholders for their support and invite their continued participation in the growth of Credit Saison in the future.



Hiroshi Rinno
President and CEO

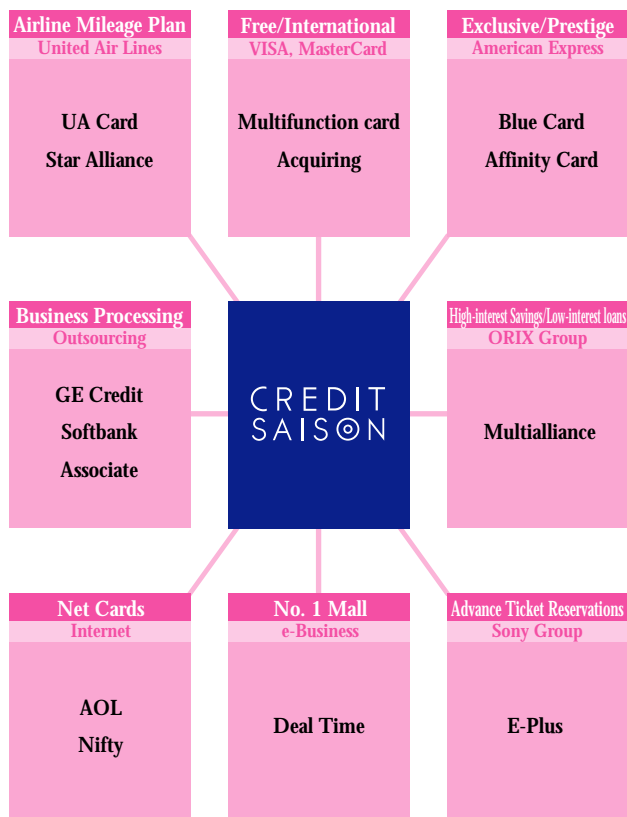
A handwritten signature in black ink, appearing to read "H. Rinno".

Hiroshi Rinno
President and CEO
December 2000

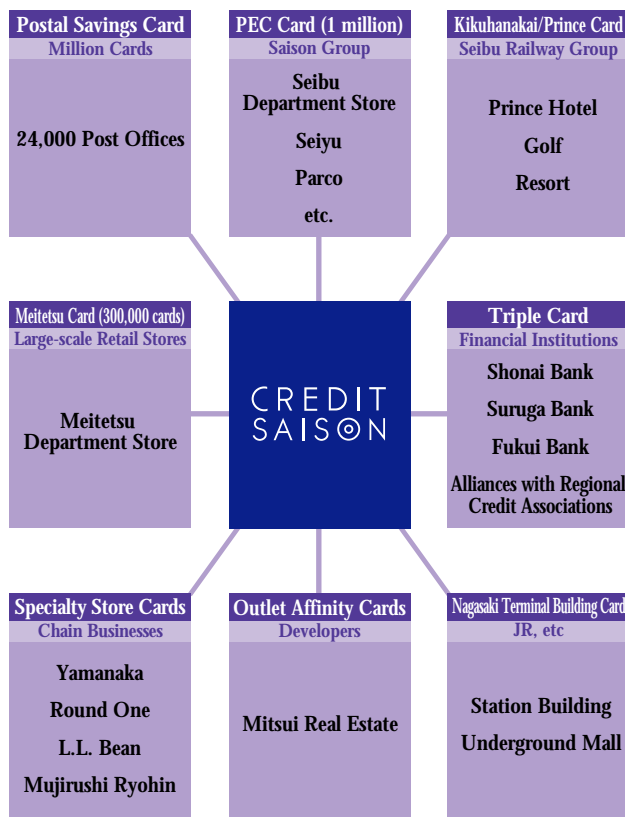
Credit Saison's Network of Alliances

The network of alliances that Credit Saison has been promoting with businesses in Japan and around the world is a powerful tool for raising the positioning of the Saison Card and a core point in its merchandising strategy. Credit Saison will continue to work to build its network of strategic alliances and develop products and provide services matched to customer needs, thus further expanding its market share.

General International Alliances



Domestic Alliance Network



Topics

New "Ordinary Savings Account That is Out of the Ordinary" Offers Preferred Interest Rates

In July 2000, through an alliance with ORIX Trust & Banking Corporation, Credit Saison began offering a full-fledged members' banking service, including automatic overdraft coverage and preferred interest rates for Saison cardholders. This special banking service allows users to take out loans at interest rates that vary according to the amount of card use for shopping.

This service, which responds flexibly to changing market trends, has been well received as a convenient service that allows cardholders to save while using their card. It has attracted a steady stream of new customers.



*This financial service is provided by ORIX Trust & Banking Corporation.

Kamome Card Saison Off to a Great Start

The Kamome Card Saison, introduced at the end of 2000, got off to an excellent start, drawing more than 30,000 applications in the first 10 days.

This card was issued for customers of Amu Plaza Nagasaki in the JR Nagasaki Terminal Building, which is gaining attention as a major hub in the western Kyushu region. It is the first affinity card issued with an affiliate of the JR Kyushu group. Credit Saison and JR Kyushu expect to further develop their relationship in the future.



Opening day for applications



PEC American Express Card Meets Wide Range of Needs

In May 2000, American Express was added to the PEC Card. This enhanced, multifunctional version of the card enables it to satisfy an even wider range of needs and age groups.



MUJI Card Issued Through Alliance with Mujirushi Ryohin

Credit Saison began accepting applications in September 2000 for the MUJI Card, which features an original point service for use at Mujirushi Ryohin stores. The MUJI Card is an affinity card with Ryohin Keikaku Co., Ltd., a company that is gaining increasing attention for its Internet sales and expansion into new areas of business. The card is targeted at Mujirushi Ryohin devotees, who constitute a wide range of age groups.



Mitsui Outlet Network Card Popular from Debut

In April 2000, through a tie-up with Mitsui Fudosan Co., Ltd., the Mitsui Outlet Network Card was introduced. This card provides special benefits when used at any of five different outlet malls. Catering to today's consumers, the card gained more than 74,000 members in just five months after its debut, and the number of cardholders continues to increase steadily.



Style Index Saison Card Builds Share in New Market

In June 2000, through a tie-up with Style Index Co., Ltd., a subsidiary of Softbank E-Commerce Co., Ltd., Credit Saison began issuing the Style Index Saison Card, which incorporates both settlement functions and proof of membership for free PC services. This alliance with the Softbank group, which has a strong presence in software distribution and Internet business, is aimed at speedily building Credit Saison's share of the rapidly expanding market in Japan for personal computers for individuals.



Interim Balance Sheet (as of September 30, 2000)

(Millions of yen)

ASSETS	
Current assets	779,921
Cash and time deposits	116,665
Trade notes receivable	29
Trade accounts receivable	449
Installment accounts receivable	670,655
Installment accounts receivable (guarantees)	1
Marketable securities	0
Inventories	4,046
Deferred tax assets	3,498
Other current assets	4,694
Allowance for loss on receivables	(20,119)
Fixed assets	155,756
Property and equipment	77,562
Equipment for lease	49,433
Buildings	16,060
Fixtures and equipment	5,831
Land	6,235
Construction in progress	0
Intangible assets	5,477
Software	4,247
Other intangible fixed assets	1,229
Investments and other assets	72,716
Investment securities	59,059
Other investments	48
Lease deposits	8,296
Deferred tax assets	2,462
Other long-term investments	5,104
Allowance for loss on receivables	(2,253)
Deferred assets	151
Bond issue expenses	151
Total assets	935,830

LIABILITIES AND SHAREHOLDERS' EQUITY	
Current liabilities	496,851
Trade notes payable	1,489
Trade accounts payable	80,047
Trade accounts payable (guarantees)	1
Short-term loans	176,268
Current portion of long-term loans	37,734
Current portion of bonds	20,000
Commercial paper	150,000
Current portion of obligation on assignment of receivables	10,220
Accrued income taxes	4,904
Deferred installments	3,732
Other current liabilities	12,453
Long-term liabilities	212,773
Bonds	75,000
Convertible bonds	15,456
Long-term loans	92,156
Obligation on assignment of receivables	17,418
Accrued pension allowance for employees	7,692
Accrued retirement allowances for directors and statutory auditors	372
Lease deposits	315
Other long-term liabilities	4,363
Total liabilities	709,625
SHAREHOLDERS' EQUITY	
Capital stock	61,302
Legal reserve	67,416
Additional paid-in capital	64,716
Legal reserve	2,700
Retained earnings	96,355
Voluntary reserve	78,756
Reserve for reduction of fixed assets value	301
General reserve	78,455
Unappropriated retained earnings at end of period	17,599
[Net income for the year]	[7,970]
Unrealized loss on marketable securities	1,130
Total shareholders' equity	226,205
Total liabilities and shareholders' equity	935,830

Interim Statement of Income (From April 1 to September 30, 2000)

(Millions of yen)

Operating revenues		
Credit cards	23,767	
Shopping loans	875	
Guarantees	510	
Loans	31,499	
Agency services	3,317	
Leases		
Leasing income	10,466	
Leasing cost	9,179	1,287
Income on merchandise sales		
Merchandise sales	6,028	
Cost of merchandise sold	5,343	684
Other sales income		
Other sales	2,941	
Cost of other sales	1,123	1,818
Financial revenues		210
Total operating revenues	63,970	
Operating expenses		
Selling, general and administrative expenses	41,444	
Financial cost		
Interest expense	3,915	
Other expenses	203	4,119
Total operating expenses	45,564	
Operating income	18,405	
Non-operating revenue	455	
Non-operating expenses	126	
Ordinary income	18,734	
Extraordinary gain	30	
Extraordinary loss	5,160	
Net income before taxes	13,603	
Corporate, inhabitant and enterprise taxes	4,698	
Adjustments for corporate income tax, etc.	935	5,633
Net income	7,970	
Balance carried forward from preceding year	9,628	
Unappropriated retained earnings	17,599	

Notes to Interim Balance Sheet

(Millions of yen)

- Installment Accounts Receivable
 - Installment Accounts Receivable Relating to Credit Sales

Type of Contract	Interim Balance
Credit cards	315,431
Shopping loans	17,030
Guarantees	79
Loans	319,874
Agency services	15,914
Leases	1,936
Other sales	-
Total	670,267
 - Installment Accounts Receivable Relating to Merchandise Sales

Merchandise sales	Total
387	670,655
- Deferred Installments

Type of Contract	Interim Balance	(Shop Fees)
Credit cards	2,558	(2,557)
Shopping loans	1,170	(325)
Guarantees	4	(—)
Loans	0	(—)
Total	3,732	2,883
- Accumulated depreciations on property and equipment 65,741
- Accrued retirement allowance for directors and statutory auditors is based upon Clause 2 of Article 287 for Commercial Law.
- Current portion of obligation on assignment of receivables and obligation on assignment of receivables are based upon the Law concerning Regulations on Business relating to Specified Credit
- Assets offered as collateral Current assets 2,846
- Secured debt 78,758
- Treasury stock included in marketable securities (9 shares) 0
- Net income per share (yen) 47.03
- Figures are rounded down to the nearest million.

Notes to Interim Statement of Income

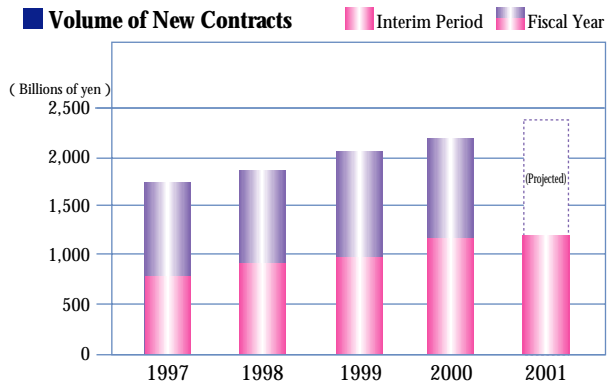
(Millions of yen)

- Amounts Classified by Type of Contract

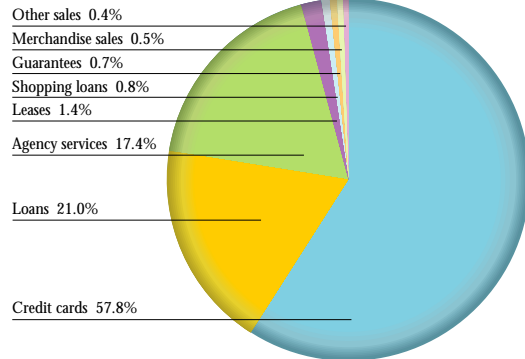
Type of Contract	Amount	(Traded Principal)
Credit cards	675,449	(675,448)
Shopping loans	9,716	(9,350)
Guarantees	8,394	(8,394)
Loans	245,699	(245,699)
Agency services	202,909	(202,909)
Leases	16,006	
Merchandise sales	6,028	(6,028)
Other sales	4,388	
Total	1,168,593	
- Figures amounts are rounded down to the nearest million.

Overview of Results

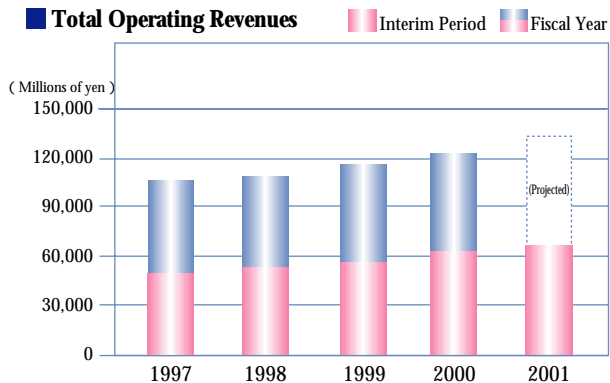
Volume of New Contracts



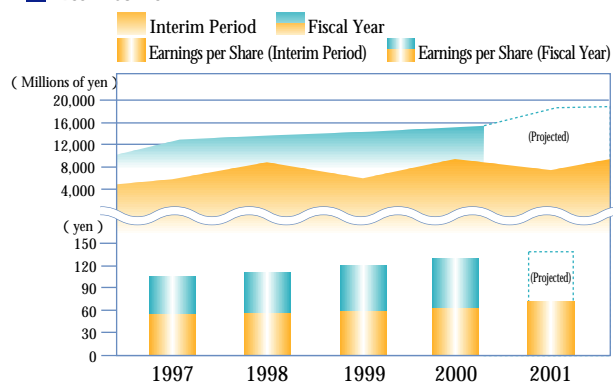
New Contracts by Type



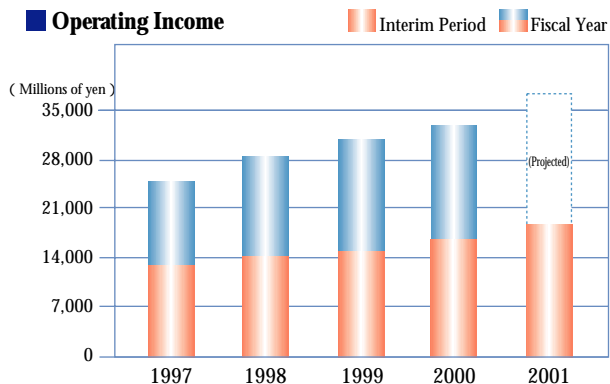
Total Operating Revenues



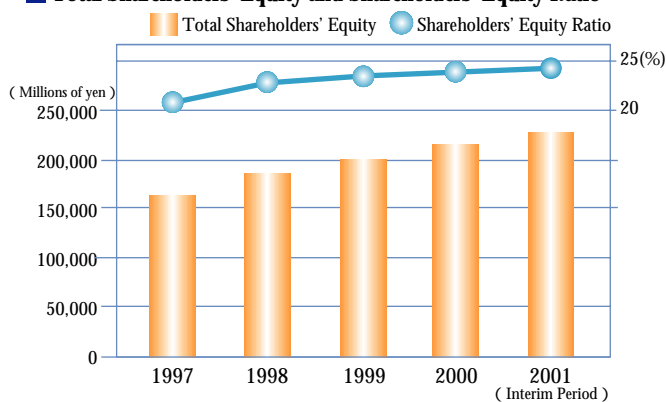
Net Income



Operating Income

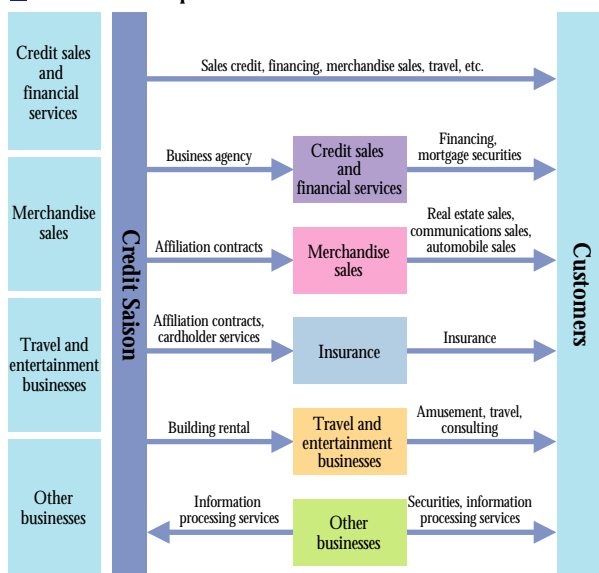


Total Shareholders' Equity and Shareholders' Equity Ratio



Corporate Data (As of September 30, 2000)

Credit Saison Group



Consolidated subsidiaries/Affiliates	Business
Saison Fundex Corporation	Loans and mortgage securities
Atrium Co., Ltd.	Real estate mobilization
Saison Direct Marketing Co., Ltd.	Mail-order sales
New Seibu Motor Sales Co., Ltd.	Automobile sales
House Planning Co., Ltd.	Real estate mobilization
Saison Life Insurance Co., Ltd.	Life insurance
Saison Automobile & Fire Insurance Co., Ltd.*	Non-life insurance
Vivre Co., Ltd.	Management of amusement centers
United Vacations Japan Inc.	Travel business
NOA Planning Co., Ltd.	Consultancy for amusement center development
Saison Securities Co., Ltd.	Securities
Saison Information Systems Co., Ltd.*	Information processing services

No mark = Consolidated subsidiary
* Affiliate accounted for by the equity method

Firm Name:
Credit Saison Co., Ltd.

Founded:
September 12, 1946

Incorporated:
May 1, 1951

Business Purposes:

1. Installment purchase (credit sales with credit cards, etc.), loans, leases, guarantees, and insurance businesses
2. General consulting business including savings and investment
3. Real estate rental and sales
4. Cash and credit sales of clothing, home products, miscellaneous goods, foods, etc.

Head Office:

Sunshine 60 Bldg., 1-1, Higashi-Ikebukuro 3-chome, Toshima-ku,
Tokyo 170-6073, Japan

Telephone:
+81-3-3988-2111

Board of Directors:

Chairman
Osamu Yanase

President and CEO
Hiroshi Rinno

Vice President
Shiro Yanagihara

Managing Directors
Atsushige Takahashi
Tadao Joyama
Teruyuki Maekawa
Hiromichi Sato

Executive Advisor and Director
Kazuo Toriumi

Number of Employees:
1,726

Paid-in Capital:
¥61,302,880,400

Internet Homepage:
<http://www.saisoncard.co.jp>

Directors
Takeshi Yano
Toshiharu Yamamoto
Hiroshi Ohkawa
Hideki Miyauchi
Shigeru Yamada
Terutaka Hasuda
Shinji Hojo

Standing Statutory Auditors
Shigeru Suzuki
Akira Uno
Toshio Sakai

Statutory Auditor
Yoshimi Seikou

Investor Information

[1] **Fiscal Year-End:** March 31

[2] **Ordinary General Meeting of Shareholders:** June

[3] Base Dates

Voting Rights at Ordinary General Meeting of Shareholders: March 31
Settlement Date for Distribution of Dividends: March 31

[4] Transfer Agent

The Sumitomo Trust & Banking Co., Ltd.
5-33, Kitahama 4-chome, Chuo-ku, Osaka

Tokyo Office

The Sumitomo Trust & Banking Co., Ltd.
4-4, Marunouchi 1-chome, Chiyoda-ku, Tokyo

Mail and Telephone Inquiries

The Sumitomo Trust & Banking Co., Ltd.
1-10, Nikkocho, Fuchu, Tokyo 183-8701, Japan
Tokyo: +81-42-351-2211 Osaka: +81-6-6833-4700

[5] **Newspaper Advertisement Placement:** *Nihon Keizai Shimbun*, Tokyo edition