



CREDIT SAISON



Business Report
The 52nd Semiannual Term

To the Shareholders:

It is a pleasure to report to the shareholders Credit Saison's settlement of accounts for the 52nd semiannual term (April 1 to September 30, 2001).

The Japanese economy has continued to suffer stagnant business conditions. While the Koizumi Cabinet is working hard on structural reforms, there has been a fear of deflation spirals, and affected by the simultaneous multiple acts of terrorism in the U.S., the world has been in a state of unprecedented confusion. In the credit card industry, a number of mergers and other similar moves have taken place in conjunction with the increasing reorganization of city banks, and the competition of recent years is going to result in major changes in the industry's power relationships.

In these circumstances, Credit Saison, as one of the leading service businesses, has striven to add unrivaled new services to the Company's credit cards that no other company can offer, and to develop new products. In the semiannual term under review, cooperation with Sogo Co., Ltd., Marui Co., Ltd., Monex Inc. and some other companies was started, and 1,340,000 card members were obtained, an all-time high record for a semiannual term. The number of card users also broke the 7,100,000 mark in the past year. The Company will attain the industrial leadership position before long.

Helped by this favorable outcome to the credit card business, the Company's ordinary profit was expected to be higher than the initial plan. However, as was reported at the shareholders' meeting in June 2001, it was decided that ¥11.7 billion be provided for the special liquidation of Seiyō Kankyo Kaihatsu Co., Ltd., which had been an important issue facing the stable growth of the Saison Group. Moreover, the Company suffered an appraisal loss on the securities held as a result of the downward trends of the stock market. For these reasons, the Company suffered an extraordinary loss and a decrease in the net profit for the semiannual term.

For Credit Saison's affiliated companies, the managers were changed in an attempt to reinforce their management prowess and they are steadily solving the problems they have been confronted with. Thus, the foundations for the Company's remarkable growth far into the future are being laid smoothly.

Before closing, I would like to thank the users of Credit Saison's cards and the shareholders and to ask for your continued support in the Company's future growth.



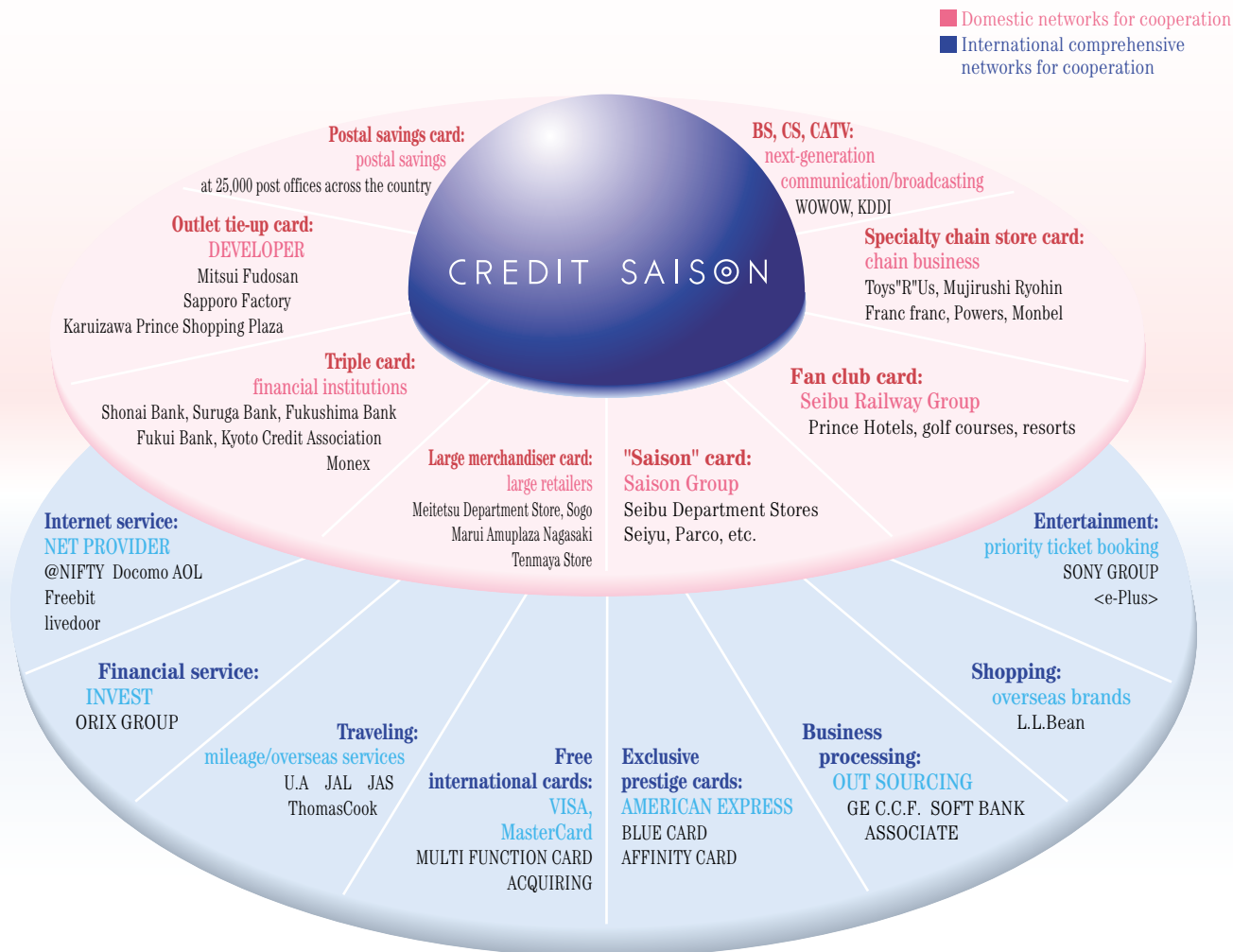
Hiroshi Rinno,
President

December 2001
President

A handwritten signature in dark ink, appearing to read "HRinno", written in a cursive style.

Credit Saison's networks for cooperation

The networks for cooperation that the Company has established and is expanding represent powerful weapons for strengthening the position of the "Saison" cards and key factors for the Company's business strategies. The Company will continue its endeavor to create strategic collaborative networks and to develop and offer new customer-friendly products so as to expand the market share.



Topics in the 52nd semiannual term

Sogo Millennium Card <Saison> launched; about 600,000 cards issued during the term

In May 2001, the Company launched the "Sogo Millennium Card <Saison>," a new all-in-one affiliated card that added credit card functions to the functions of the "Sogo" membership card issued in cooperation with the Sogo Co., Ltd. This new product did very well: by the end of June, about one month after its introduction, as many as 440,000 orders were received for this new card and a far better performance than had been initially expected was attained.



Taking advantage of a retailing-type card company with know-how in the use of credit cards as a means to revitalize retail business, Credit Saison will continue to positively promote tie-ups with large retailers.

Sogo Millennium Card <Saison>



"Red Card <Saison>" an affiliated card with Marui, introduced

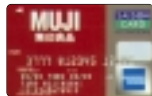
In May 2001, the Company put "Red Card <Saison>," a tie-up card with Marui Co., Ltd., on sale for the customers of Marui's mail-order sales. This is a multiple cooperation composed of the "issue of an affiliated card" and "agency business," and has provided much momentum in establishing tie-ups with other distributors for the future.



Red Card <Saison>

Highly rated as the most important partner to American Express

Of more than 60 card issuers affiliated with American Express, the Company is one of the leaders in card issue results, and has been rated highly as the most important partner. As part of the activities for increasing card users by product diversification, the "MUJI Card American Express Card," an affiliated card with Ryohin Keikaku Co., Ltd., was launched in September 2001.

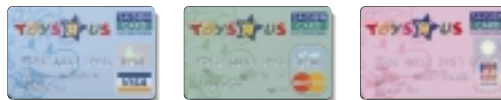


MUJI Card American Express Card

Agreement signed with Toys'R'Us Co. JP on issue of an affiliated card

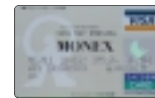
In October, 2001, the Company started to sell and issue "Toys'R'Us Card <Saison>" in cooperation with the Toys'R'Us Co. JP, the Japanese affiliate of Toys'R'Us, the largest toy retailer in the world with over 1,000 stores in more than 20 countries. The Company will make the most of this new product by obtaining new members from the family sector composed mainly of so-called "Dankai juniors" born in the second half of the 1970s, who are playing a key role in consumption trends.

Toys'R'Us Card <Saison>



Cooperation with Monex Inc., a nationwide Internet securities company

In June 2001, the Company, in cooperation with Monex Inc., an online securities company specializing in individual trading, introduced an all-in-one card with the function of a cash card for Monex accounts and that of a credit card. As part of the financing strategies, business tie-ups will be promoted and new types of service will be reinforced.



Monex <Saison> Card

Overseas service started for <Saison> Card members

As the first company in Japan to work with Thomas Cook, a major travel and financial services company in the U.K. with a 159-year history, the Company prepared for the provision of services to Japanese travelers overseas. In June 2001, the "<Saison> Tour Desk," a support service for traveling abroad, was initiated for <Saison> Card members. Making the most of Thomas Cook's 130,000 or more footholds in 180 countries, the Desk will offer a broad range of differentiated and attractive services, which will include assistance in emergencies during overseas trips, the guidance and arrangement of tours and restaurant and accommodation reservations.



Non-consolidated balance sheet for the semiannual term
(as of September 30, 2001)

(Unit: Million yen)

Assets	
Account title	Amount
Current assets	835,343
Cash at bank and in hand	42,126
Trade accounts receivable	427
Installment accounts receivable	763,992
Inventory	2,594
Deferred tax assets	3,886
Short-term loans	39,998
Other current assets	4,840
Bad debt reserve	Δ 22,522
Fixed assets	215,271
Tangible fixed assets	93,515
Leased assets	66,461
Buildings	15,360
Equipment and furniture	5,450
Land	6,235
Other tangible fixed assets	6
Intangible fixed assets	6,317
Software	5,087
Other intangible fixed assets	1,230
Investment and other assets	115,438
Investment in securities	70,990
Investment in capital	1,002
Long-term loans	28,960
Security money transferred	7,711
Deferred tax assets	4,978
Other investment and other assets	3,963
Bad debt reserve	Δ 2,167
Deferred assets	260
Bond issue expense	260
Total assets	1,050,876

Liabilities	
Account title	Amount
Current liabilities	492,547
Notes payable	2,604
Trade accounts payable	97,515
Short-term debts	190,987
Long-term debts payable within a year	5,669
Bonds redeemable within a year	5,000
Commercial papers	146,000
Assignment of receivables redeemable within a year	13,328
Accrued corporation tax, etc.	271
Reserve for bonuses	1,331
Installment profit deferred	3,909
Other current assets	25,930
Fixed liabilities	327,004
Bonds	130,000
Convertible bonds	15,456
Long-term debts	146,987
Assignment of receivables payable	21,969
Reserve for retirement allowances	8,309
Reserve for retirement allowances for officers	395
Reserve for obligations of guarantee	395
Other fixed liabilities	3,492
Total liabilities	819,552
Shareholders' equity	
Account title	Amount
Capital stock	61,302
Capital reserve	64,716
Earned reserve	3,020
Other surpluses	103,264
General reserve	91,756
Reserve for fixed assets entered in reduced value	301
Other reserve	91,455
Unappropriated profit for the semiannual term (of which net profit for the semiannual term)	11,508 (1,858)
Other appraisal losses of securities	Δ 979
Treasury stocks	Δ 0
Total shareholders' equity	231,324
Total liabilities and shareholders' equity	1,050,876

Note: Sums less than one million yen are omitted.

Non-consolidated income statement

(April 1 to September 30, 2001)

(Unit: Million yen)

Account title		Amount		
Ordinary profit and loss	Operating profit and loss	Operating income		
		Income from comprehensive card service	26,946	
		Income from individual card service	735	
		Income from credit guarantee	628	
		Income from money lending	37,840	
		Income from agency business	3,232	
		Lease sales profit		
		Lease sales	12,705	
		Cost of lease sales	11,097	1,608
		Profit from product sales		
		Product sales	4,999	
		Cost of product sales	4,491	507
		Profit from other sales		
		Other sales	3,650	
		Cost of other sales	1,133	2,517
		Financial income		283
		Total		74,299
		Operating expenses		
		Selling and general administrative expense		50,631
	Financial expenses			
Interest expense	3,589			
Other financial expenses	225	3,815		
Total		54,446		
Operating profit			19,853	
Non-operating profit and loss	Non-operating income		357	
	Non-operating expenses		236	
Ordinary profit			19,973	
Extraordinary profit and loss	Extraordinary loss		16,706	
Pre-tax net profit for the semiannual term			3,267	
Corporation tax, inhabitants' tax and enterprise tax			40	
Adjustments to corporation tax etc.		1,369	1,409	
Net profit for the semiannual term			1,858	
Profit brought forward from the previous term			9,650	
Unappropriated profit for the semiannual term			11,508	

Note: 1. Sums less than one million yen are omitted.

Notes			
Installment accounts receivable (Unit: Million yen)			
	51st semiannual term	52nd semiannual term (term under review)	Percent change vs. previous term (%)
Installment accounts receivable relating to credit sales business			
Comprehensive card service	315,431	363,308	115.2
Individual card service	17,030	14,744	86.6
Credit guarantee	79	128	162.0
Money lending	319,874	367,075	114.8
Agency business	15,914	15,999	100.5
Lease	1,936	2,375	122.7
Total	670,267	763,632	113.9
Installment accounts receivable relating to product sales			
Product sales	387	360	93.0
Total	670,655	763,992	113.9

Sales by sector (Unit: Million yen)			
Sector	51st semiannual term (April 1 - September 30, 2000)	52nd semiannual term (April 1 - September 30, 2001)	Percent change vs. previous term (%)
Comprehensive card service	675,449 (675,448)	765,778 (765,776)	113.4
Individual card service	9,716 (9,350)	8,536 (8,151)	87.9
Credit guarantee	8,394 (8,394)	25,586 (25,586)	304.8
Money lending	245,699 (245,699)	268,307 (268,307)	109.2
Agency business	202,909 (202,909)	205,259 (205,259)	101.2
Lease	16,006	24,772	154.8
Product sales	6,028 (6,028)	4,999 (4,999)	82.9
Others	4,388	4,714	107.4
Total	1,168,593	1,307,955	111.9

Notes: 1. Sums less than one million yen are omitted.

2. Figures in parentheses are the sums of principal-based sales.

Consolidated balance sheet for the semiannual term
(as of September 30, 2001)

(Unit: Million yen)

Assets	
Account title	Amount
Current assets	1,190,812
Cash at bank and in hand	60,423
Installment accounts receivable	985,539
Other operating credits	21,670
Securities	60,523
Products	25,363
Deferred tax assets	5,879
Short-term loans	40,346
Other current assets	16,756
Bad debt reserve	△ 25,689
Fixed assets	532,944
Tangible fixed assets	115,475
Leased assets	65,204
Buildings	22,148
Land	15,561
Construction work in progress	47
Other tangible fixed assets	12,513
Intangible fixed assets	8,813
Tenant's right	1,243
Software	5,553
Consolidated adjustment accounts	1,673
Other intangible fixed assets	342
Investment and other assets	408,655
Investment in securities	383,744
Security money transferred	9,220
Deferred tax assets	7,567
Other investment and other assets	15,357
Bad debt reserve	△ 7,234
Deferred assets	260
Bond issue expense	260
Total assets	1,724,018

Liabilities	
Account title	Amount
Current liabilities	682,362
Notes payable and trade accounts payable	101,757
Short-term debts	353,557
Long-term debts payable within a year	12,201
Bonds redeemable within a year	5,000
Commercial papers	146,000
Assignment of receivables redeemable within a year	13,328
Accrued corporation tax, etc.	1,832
Reserve for bonuses	2,139
Installment profit deferred	3,909
Other current assets	42,637
Fixed liabilities	806,117
Bonds	130,000
Convertible bonds	15,456
Long-term debts	157,989
Assignment of receivables payable	21,969
Deferred tax liabilities	1,851
Reserve for retirement allowances	11,357
Reserve for retirement allowances for officers	658
Reserve for obligations of guarantee	395
Reserve for insurance contracts	460,955
Other fixed liabilities	5,484
Total liabilities	1,488,480
Minority interest	
Account title	Amount
Shareholders' equity	7,823
Shareholders' equity	
Account title	Amount
Capital stock	61,302
Capital reserve	64,716
Consolidated surpluses	100,301
Other appraisal profits from securities	3,538
Treasury stocks	△ 0
Parent company's shares owned by subsidiaries	△ 2,144
Total shareholders' equity	227,714
Total liabilities, minority interest and shareholders' equity	1,724,018

Note: Sums less than one million yen are omitted.

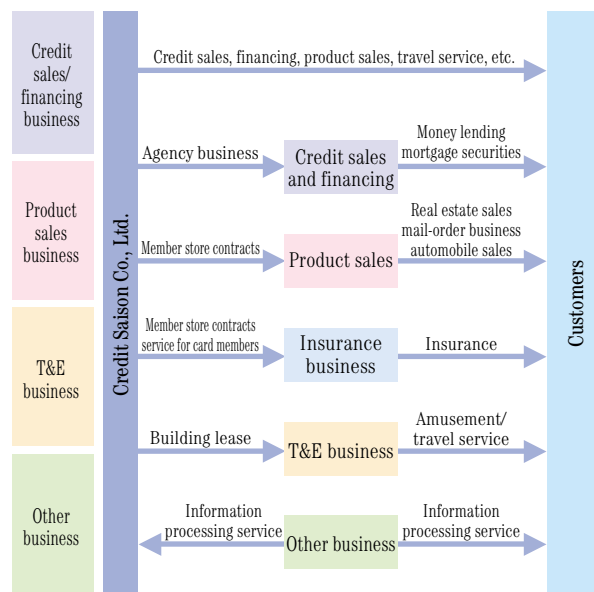
Consolidated income statement for the semiannual term (April 1 to September 30, 2001)

(Unit: Million yen)

Account title		Amount		
Ordinary profit and loss	Operating profit and loss	Operating income		
		Income from credit sale business	73,012	
		Income from product sales		
		Product sales	34,033	
		Cost of product sales	26,494	7,538
		Profit from insurance business		
		Income from insurance business	45,353	
		Expense of insurance business	38,733	6,620
		Profit from T&E sales		
		T&E sales	39,754	
		Cost of T&E sales	31,788	7,965
		Profit from other sales		
		Other sales	15,153	
		Cost of other sales	11,986	3,166
		Financial income		1,289
	Total		99,592	
Operating profit and loss	Operation expenses	Selling and general administrative expenses	69,288	
		Financial expenses	6,409	
Total		75,698		
Operating profit and loss	Operating profit		23,893	
	Non-operating profit and loss			
Non-operating profit and loss	Non-operating income		619	
	Non-operating expenses		501	
Ordinary profit and loss	Ordinary profit		24,011	
	Extraordinary profit and loss			
Extraordinary profit and loss	Extraordinary loss		19,543	
	Net profit before adjustments to taxes etc.		4,468	
Net profit before adjustments to taxes etc.	Corporation tax, inhabitants tax and enterprise tax		1,547	
	Adjustments to corporation tax etc.		939	2,486
Net profit before adjustments to taxes etc.	Minority interest's profit and loss		Δ 390	
	Net profit		1,591	

Note: 1. Sums less than one million yen are omitted.

Outline of the Credit Saison Group (as of September 30, 2001)



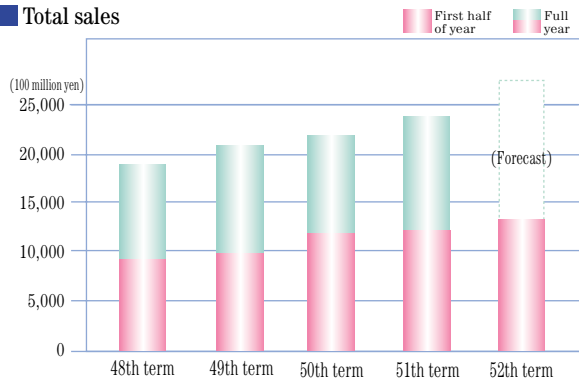
Group member company	Business
Saison Fundex Corp.	Money-lending/mortgage securities business
Atrium Co., Ltd.	Real estate distributor
Saison Direct Marketing Co., Ltd.	Mail-order house
New Seibu Motor Co., Ltd.	Automobile sales
House Planning Co., Ltd.	Real estate distributor
Saison Life Insurance Co., Ltd.	Life insurer
Saison Automobile & Fire Insurance Co., Ltd.*	Non-life insurer
Vivre Co., Ltd.	Amusement business
United Vacations Japan Inc.	Travel agency
Noa Kikaku K.K.	Consultants
Saison Information Systems Co., Ltd.*	Information processing business

Companies without marks are consolidated subsidiaries.

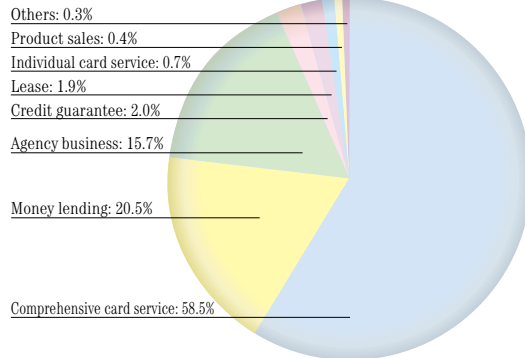
Companies with * are those to which the equity method is applied.

Business performance of Credit Saison

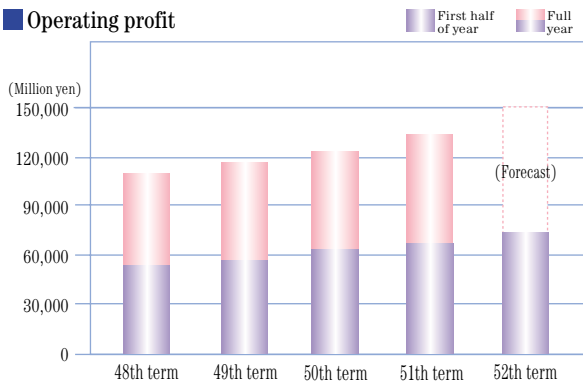
Total sales



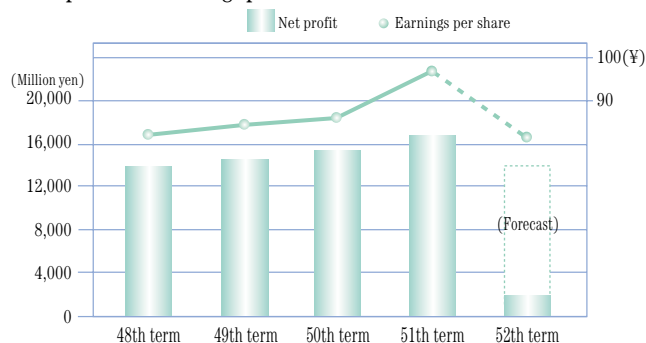
Sales by sector



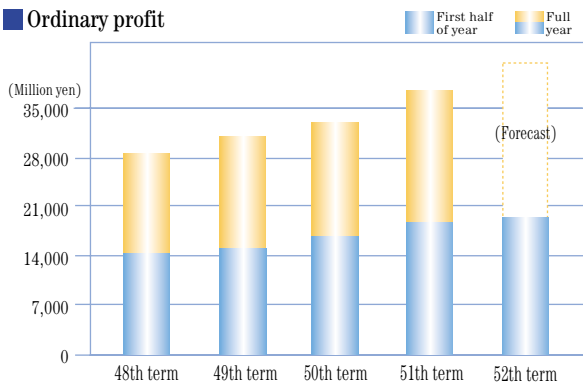
Operating profit



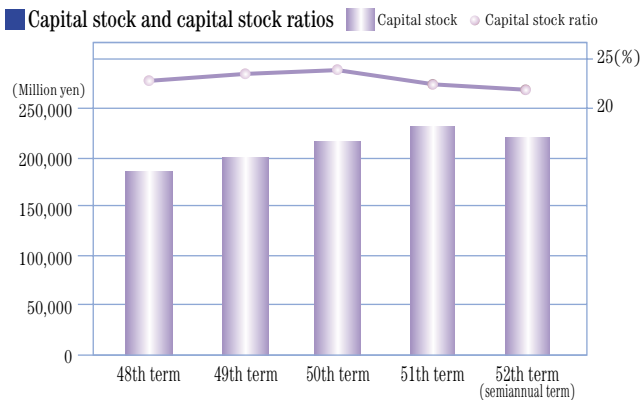
Net profit and earnings per share for the semiannual term



Ordinary profit



Capital stock and capital stock ratios



Corporate profile

(as of September 30, 2001)

- Trade name: Kabushiki-kaisha Kuredi Sezon
- Trade name in English: Credit Saison Co., Ltd.
- Date of inauguration: September 12, 1946
- Date of incorporation: May 1, 1951
- Capital: 61,302,880,400 yen
- Employees: 1,753
- Purposes of business:
- 1 Installment purchase service (credit sales by means of credit cards etc.), money lending, lease, credit guarantee, insurance business
 - 2 General consulting business relating to moneymaking and investment
 - 3 Real estate lease and sales
 - 4 Cash and credit sales of clothing, household appliances, general merchandise, food, etc.
- Head office: 52nd Fl., Sunshine Bldg., 1-1, Higashi-ikebukuro 3-chome, Toshima-ku, Tokyo 170-6073
Tel: 03-3988-2111
Internet homepage: www.saisoncard.co.jp

- Officers:
- Osamu Yanase, Representative Director and Chairman of the Board
Hiroshi Rinno, Representative Director and President
Shiro Yanagihara, Representative Director and Vice-president
Teruyuki Maekawa, Managing Director
Atsunari Takahashi, Executive Director
Hiromichi Sato, Executive Director
Toshiharu Yamamoto, Executive Director
Kazuo Toriumi, Director and Counselor
Hideki Miyauchi, Director
Shigeru Yamada, Director
Terutaka Hasuda, Director
Shinji Hojo, Director
Kazufusa Inada, Director
Toshiyasu Suganuma, Director
Hidetoshi Suzuki, Director
Kenzo Tada, Director
Mitsuo Yokoyama, Director
Shigeru Suzuki, Full-time Auditor
Akira Uno, Full-time Auditor
Toshio Sakai, Full-time Auditor
Kiyomitsu Yoshimi, Auditor

● Important information for shareholders

- 1 Date of settlement: March 31
- 2 Regular shareholders' meetings: June each year
- 3 Record date: regular shareholders' meeting: March 31;
payment data of dividends: March 31
- 4 Transfer agents: Stock Transfer Agency Dept.,
Sumitomo Trust & Banking Co., Ltd.
5-33, Kitahama 4-chome, Chuo-ku, Osaka
- Transfer agency office: Stock Transfer Agency Dept.,
Sumitomo Trust & Banking Co., Ltd.
4-4, Marunouchi 1-chome, Chiyoda-ku, Tokyo
- Mailing address and telephone numbers: Stock Transfer Agency Dept.,
Sumitomo Trust & Banking Co., Ltd.
1-10, Nikko-cho, Fuchu, Tokyo 183-8701
(Requests for address change forms and other forms) ☎ 0120-175-417
(Other inquiries) ☎ 0120-176-417
- Internet home page: www.sumitomotsust.co.jp/STA/retail/service/daiko/index.html
- Branch offices for stock transfer: head and nationwide branch offices of Sumitomo Trust & Banking Co., Ltd.
- 5 Means of giving public notice: The Nihon Keizai Shimbun published in Tokyo

SAISON
CARD
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クレディセゾン