

Consolidated Financial Statements for the Six Months of the Fiscal Year Ending March 31, 2012

[JGAAP]



November 9, 2011
Stock exchange listing: Tokyo
(URL <http://www.saisoncard.co.jp>)

Listed company name: Credit Saison Co., Ltd.

Code number: 8253

Representative: Hiroshi Rinno / President and CEO

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Scheduled date to submit Quarterly Securities Report: November 14, 2011

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: Yes (for institutional investors and analysts)

Note: All amounts are rounded down to the nearest million yen.

1. Consolidated Results for the Six Months of the Fiscal Year Ending March 31, 2012 (April 1, 2011 to September 30, 2011)

(1) Consolidated Operating Results (cumulative) (% represents year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
Six months of FY2011	127,555	(12.2)	21,833	59.6	24,970	41.7	17,513	75.7
Six months of FY2010	145,266	(7.3)	13,684	(23.9)	17,626	(8.0)	9,966	15.1

(Note) Comprehensive income: Six months of FY2011 16,993 million yen [154.5%]
Six months of FY2010 6,676 million yen [–%]

	Net income per share	Net income per share (diluted)
	(Yen)	(Yen)
Six months of FY2011	95.37	95.17
Six months of FY2010	54.27	53.93

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
As of September 30, 2011	2,159,569	359,353	16.5
As of March 31, 2011	2,231,246	347,915	15.5

(Reference) Equity: As of September 30, 2011 356,533 million yen As of March 31, 2011 345,229 million yen

2. Dividends

	Dividends per share				
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY2010	–	0.00	–	30.00	30.00
FY2011	–	0.00			
FY2011 (Projected)			–	30.00	30.00

(Note) Revision of projected dividends most recently announced: None

3. Consolidated Earning Forecasts for Fiscal 2011 (April 1, 2011 to March 31, 2012)

(% represents year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
FY2011	257,000	(10.0)	36,500	33.3	42,500	25.9	25,000	94.9	136.14

(Note) Revision of consolidated earning forecasts most recently announced: Yes

Please refer to the qualitative information concerning consolidated earnings forecasts as shown on page 3 of this material.

4. Others

- (1) Changes in significant subsidiaries during the six months under review: None
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies in accordance with revisions of accounting standards and other regulations: None
 - b. Changes in accounting policies other than a. above: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None
- (4) Number of shares issued (common stock):
 - a. Number of shares issued at the end of the period (including treasury stock):
 - As of September 30, 2011: 185,444,772 shares
 - As of March 31, 2011: 185,444,772 shares
 - b. Number of treasury shares at the end of the period:
 - As of September 30, 2011: 1,810,922 shares
 - As of March 31, 2011: 1,809,960 shares
 - c. Average number of outstanding shares during the period (cumulative):
 - Six months ended September 30, 2011: 183,634,406 shares
 - Six months ended September 30, 2010: 183,637,654 shares

- Indication regarding execution of quarterly review procedures

The quarterly review procedures pursuant to the Financial Instruments and Exchange Act do not apply to this quarterly financial results report. At the time of disclosure of this quarterly financial results report, the quarterly review procedures for quarterly financial statements pursuant to the Financial Instruments and Exchange Act are incomplete.

- Proper use of projected results, and other special matters

(Caution regarding forward-looking statements, etc.)

The forecasts indicated above are based on our future outlook as of the announcement date of these materials, assumptions that form the basis of plans, and predictions. Actual performance may differ from the forecasts due to various factors.

(Means of obtaining supplementary material on quarterly financial results)

The Company provides English translations of supplementary materials on its businesses and performance and its quarterly financial statements (excerpted sections only) on its website.

[Qualitative Information and Financial Statements]

1. Qualitative information concerning consolidated earnings forecasts

Considering financial results of our group companies and current business environment of the six months of this term, we revised the forecasts for fiscal 2011 as follows.

Consolidated Earnings Forecasts for Fiscal 2011 (April 1, 2011 to March 31, 2012)

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Last forecast (A) Announced on May13, 2011	261,000	24,500	30,000	17,000	92.58
Revised forecast (B)	257,000	36,500	42,500	25,000	136.14
Increase/decrease (B - A)	(4,000)	12,000	12,500	8,000	—
Rate of increase/decrease (%)	(1.5)	49.0	41.7	47.1	—

(Reference)

Non-consolidated Earnings Forecasts for Fiscal 2011 (April 1, 2010 to March 31, 2011)

	Operating revenues (Millions of yen)	Operating income (Millions of yen)	Ordinary income (Millions of yen)	Net income (Millions of yen)	Net income per share (Yen)
Last forecast (A) Announced on May13, 2011	216,000	20,500	23,000	13,000	70.76
Revised forecast (B)	213,000	32,500	35,000	20,500	111.59
Increase/decrease (B - A)	(3,000)	12,000	12,000	7,500	—
Rate of increase/decrease (%)	(1.4)	58.5	52.2	57.7	—

The forecasts indicated above are based on our future outlook as of the announcement date of these materials, assumptions that form the basis of plans, and predictions. Actual performance may differ from the forecasts due to various factors.

Consolidated Quarterly Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	FY2010 (As of March 31, 2011)	Second quarter of FY2011 (As of September 30, 2011)
(ASSETS)		
Current assets		
Cash and deposits	64,111	68,183
Accounts receivable-installment	1,490,518	1,382,890
Lease investment assets	219,894	218,997
Operational investment securities	7,219	13,333
Short-term investment securities	5,982	993
Real estate for sale	229,996	237,782
Purchased receivables	12,737	13,968
Other inventories	1,113	1,128
Other	60,092	53,966
Allowance for doubtful accounts	(118,625)	(106,466)
Total current assets	1,973,041	1,884,777
Noncurrent assets		
Property, plant and equipment	59,569	57,473
Intangible assets	76,632	86,557
Investments and other assets		
Investments and other assets	126,540	135,334
Allowance for doubtful accounts	(4,969)	(4,935)
Total investments and other assets	121,571	130,399
Total noncurrent assets	257,774	274,430
Deferred assets	431	361
Total assets	2,231,246	2,159,569

	FY2010 (As of March 31, 2011)	Second quarter of FY2011 (As of September 30, 2011)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	171,065	177,218
Short-term loans payable	248,029	232,729
Current portion of long-term loans payable	138,960	161,208
Current portion of bonds	45,225	25,225
Commercial papers	110,000	103,000
Current portion of long-term loans payable under credit fluidity	15,850	26,080
Lease obligations	1,598	1,555
Income taxes payable	1,535	12,503
Provision for bonuses	2,017	1,974
Provision for directors' bonuses	88	39
Provision for loss on interest repayment	19,612	18,910
Allowance for losses on collecting gift tickets	191	182
Deferred installment income	6,148	5,488
Other	37,342	35,447
Total current liabilities	797,666	801,562
Noncurrent liabilities		
Bonds payable	210,887	200,675
Long-term loans payable	691,635	637,809
Long-term loans payable under credit fluidity	78,317	60,752
Lease obligations	3,928	3,274
Provision for retirement benefits	2,179	2,145
Provision for directors' retirement benefits	73	85
Provision for loss on guarantees	5,464	5,473
Allowance for losses on warranty of defects	19	20
Provision for point card certificates	65,880	68,217
Provision for loss on interest repayment	15,569	8,590
Asset retirement obligations	834	818
Negative goodwill	705	518
Other	10,169	10,272
Total noncurrent liabilities	1,085,664	998,652
Total liabilities	1,883,330	1,800,215

	FY2010 (As of March 31, 2011)	Second quarter of FY2011 (As of September 30, 2011)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	84,838	84,838
Retained earnings	185,628	197,594
Treasury stock	(6,114)	(6,115)
Total shareholders' equity	340,282	352,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,569	5,932
Deferred gains or losses on hedges	(1,622)	(1,646)
Total accumulated other comprehensive income	4,947	4,286
Subscription rights to shares	0	0
Minority interests	2,686	2,820
Total net assets	347,915	359,353
Total liabilities and net assets	2,231,246	2,159,569

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income**Consolidated Quarterly Statements of Income (Cumulative)**

(Millions of yen)

	Six months of FY2010 (April 1, 2010 to September 30, 2010)	Six months of FY2011 (April 1, 2011 to September 30, 2011)
Operating revenue		
Income from the credit service business	117,371	99,291
Income from the lease business revenue	7,209	7,351
Revenue from the finance business	7,649	7,481
Income from the real estate related business		
Revenue from the real estate related business	17,870	23,030
Cost of the real estate related business	12,197	16,268
Income from the real estate related business	5,672	6,762
Income from the entertainment business		
Revenue from the entertainment business	40,661	37,423
Cost of the entertainment business	33,558	30,970
Income from the entertainment business	7,103	6,453
Financial revenue	260	215
Total operating revenue	145,266	127,555
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	7,262	6,006
Provision of allowance for doubtful accounts	22,812	12,357
Provision for loss on interest repayment	10,111	1,900
Provision for loss on guarantees	2,092	1,558
Commission fee	23,542	24,060
Other	54,309	49,690
Total selling, general and administrative expenses	120,130	95,573
Financial expenses	11,451	10,148
Total operating expenses	131,582	105,722
Operating income	13,684	21,833

(Millions of yen)

	Six months of FY2010 (April 1, 2010 to September 30, 2010)	Six months of FY2011 (April 1, 2011 to September 30, 2011)
Non-operating income		
Interest income	25	18
Dividends income	1,798	583
Amortization of negative goodwill	188	187
Equity in earnings of affiliates	1,011	1,586
Gain on bad debts recovered	893	598
Other	329	260
Total non-operating income	4,246	3,233
Non-operating expenses		
Interest expenses	33	26
Provision of allowance for doubtful accounts	131	–
Equity in loss of limited liability partnerships and other similar partnerships	62	21
Loss on disposal of supplies	28	24
Other	49	24
Total non-operating expenses	303	96
Ordinary income	17,626	24,970
Extraordinary income		
Gain on sales of investment securities	–	23
Gain on sales of subsidiaries and affiliates' stocks	–	7,140
Total extraordinary income	–	7,163
Extraordinary loss		
Loss on valuation of investment securities	453	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	1,224	–
Loss on disaster	–	169
Other	214	47
Total extraordinary losses	1,892	217
Income before income taxes and minority interests	15,734	31,916
Income taxes-current	3,835	12,086
Income taxes-deferred	1,702	2,174
Total income taxes	5,538	14,261
Income before minority interests	10,195	17,654
Minority interests in income	229	141
Net income	9,966	17,513

Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	Six months of FY2010 (April 1, 2010 to September 30, 2010)	Six months of FY2011 (April 1, 2011 to September 30, 2011)
Income before minority interests	10,195	17,654
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,084)	(839)
Deferred gains or losses on hedges	(528)	(37)
Share of other comprehensive income of associates accounted for using equity method	93	215
Total other comprehensive income	(3,519)	(661)
Comprehensive income	6,676	16,993
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	6,448	16,852
Comprehensive income attributable to minority interests	227	140