

Brief Statement of Second Quarter Financial Results for the Fiscal Year Ending March 2011 [JGAAP] (Consolidated)



November 5, 2010
Stock exchange listings: Tokyo
(URL <http://www.saisoncard.co.jp>)

Listed company name **Credit Saison Co., Ltd.**

Code number: 8253

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Scheduled date for filing the quarterly report to Financial Services Agency: August 14, 2009

Scheduled date of payment of Dividends: —

Reference Material: Yes

Investor Meeting: Yes (To investors and analysts)

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

1. Consolidated Business Results for the First Quarter Accounting Period (April 1, 2010 to September 30, 2010)

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

	Operating revenues		Operating income		Ordinary income		Net income(First Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
2 nd Quarter FY2010	145,266	(7.3)	13,684	(23.9)	17,626	(8.0)	9,966	15.1
2 st Quarter FY2009	156,706	(8.5)	17,979	(40.9)	19,149	(33.3)	8,657	(44.6)

	Earnings per share (yen)	Earnings per share (diluted) (yen)
2 nd Quarter FY2010	54.27	53.93
2 nd Quarter FY2009	47.80	47.57

(2) Consolidated Financial Position

	Total assets (Millions of yen)	Equity (Millions of yen)	Equity ratio (%)	Equity per share (yen)
2 nd Quarter FY2010	2,321,988	342,365	14.6	1,850.00
FY2009	2,374,129	341,405	14.3	1,845.82

(Reference) Shareholder's equity : FY2010 2nd quarter ¥339,725 million FY2009 ¥338,970 million

2. Dividends

Effective date	Dividends per share (¥)				
	First Quarter	Second Quarter	Third Quarter	End of fiscal year	Full year
FY 2009	—	0.00	—	30.00	30.00
FY 2010	—	0.00	—	—	—
FY 2010(Projected)	—	—	—	30.00	30.00

(Note) Revision of projected dividend in this term: None

3. Projected Results for Fiscal 2010 (April 1, 2010 to March 31, 2011)

(% represents year-on-year change)

	Operating revenues		Operating income		Ordinary income		Net income		Earnings per share (¥)
	(¥million)	(yoy%)	(¥million)	(yoy%)	(¥million)	(yoy%)	(¥million)	(yoy%)	
Full year FY 2010	285,000	(7.1)	20,500	(43.3)	24,500	(37.4)	12,000	(35.8)	62.35

(Note) Revision of Consolidated projected results in this term: Yes

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

4. Others

- (1) Changes of significant subsidiaries during fiscal year (Changes in Scope of Consolidation): None
- (2) Adoption of simplified accounting methods and specific accounting methods of quarterly consolidated financial statements: None
- (3) Accounting change for consolidated financial statements (Significant Accounting Policies for Consolidated Financial Statements)
 - a. Changes in accordance with revision of accounting standard : Yes
 - b. Other than a. : Yes
- (4) Number of shares issued (common stock):
 - a. Number of shares issued at the end of fiscal year (including treasury stock):
2nd Quarter FY2010: 185,444,772 shares FY2009: 185,444,772 shares
 - b. Treasury stocks at the end of fiscal year:
2nd Quarter FY 2010: 1,809,156 shares FY2009: 1,802,090 shares
 - c. Average number of shares during the term:
2nd Quarter FY 2010: 183,637,654 shares 2nd Quarter FY2009: 181,109,378 shares

Note:

- Implementation of process of quarterly review

This quarterly summary is out of scope of quarterly review stipulated by Financial Instruments and Exchange Act.

This quarterly review on the quarterly financial statements is in process at the timing of the disclosure of this quarterly summary.

- Notes and remarks of the proper use of earnings projection

Projection shown on page 1 is estimated based on information available as of the issuing date of this report, and therefore the actual results for the future terms may differ from these projected figures due to various unknown factors.

[Qualitative Information and Financial Statements]

1. Qualitative information concerning consolidated projected results.

Considering financial results of our group companies and current business environment of the second quarter of this term, we revised projected results of fiscal 2010.

Consolidated Projected Results for Fiscal 2010 (April 1, 2010 to March 31, 2011)

	Operating revenues (¥million)	Operating income (¥million)	Ordinary income (¥million)	Net income (¥million)	Earnings per share (yen)
Last projected results (A) Revised on May.14,2010	288,000	17,500	21,000	9,000	49.01
This projected results (B)	285,000	20,500	24,500	12,000	65.35
Increase/decrease (A-B)	(3,000)	3,000	3,500	3,000	—
Rate of increase/decrease (%)	(1.0)	17.1	16.7	33.3	—
(Reference) Results of the previous year (FY2009)	306,855	36,173	39,106	18,680	102.48

(Reference)

Non-consolidated Projected Results for Fiscal 2010 (April 1, 2009 to March 31, 2010)

	Operating revenues (¥million)	Operating income (¥million)	Ordinary income (¥million)	Net income (¥million)	Net income (¥million)
Last projected results (A) Revised on May.14,2010	244,000	15,500	18,000	6,500	35.34
This projected results (B)	241,000	18,000	21,000	8,500	46.27
Increase/decrease (A-B)	(3000)	2,500	3,000	2,000	—
Rate of increase/decrease (%)	(1.2)	16.1	16.7	30.8	—
(Reference) Results of the previous year (FY2009)	257,924	30,661	33,787	16,137	88.40

Projection shown above is estimated based on information available as of the issuing date of this report, and therefore the actual results for the future terms may differ from these projected figures due to various unknown factors.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	End of second quarter fiscal 2010 (As of Sept.. 30, 2010)	End of fiscal 2009 (Summary) (As of Mar. 31, 2010)
(ASSETS)		
Current assets		
Cash and deposits	59,434	64,232
Accounts receivable-installment	1,599,366	1,688,176
Lease investment assets	219,216	214,242
Operational investment securities	2,406	227
Short-term investment securities	5,000	297
Real estate for sale	226,859	204,799
Purchased receivables	13,423	15,409
Other inventories	1,257	1,397
Other	63,049	64,927
Allowance for doubtful accounts	(115,142)	(121,458)
Current assets	2,074,870	2,132,241
Noncurrent assets		
Property, plant and equipment	61,247	60,597
Intangible assets	67,524	57,694
Investments and other assets		
Investments and other assets	123,092	128,306
Allowance for doubtful accounts	(5,115)	(5,038)
Investments and other assets	117,977	123,268
Noncurrent assets	246,748	241,560
Deferred assets	369	328
Assets	2,321,988	2,374,129

(Millions of yen)

	End of second quarter fiscal 2010 (As of Sept.. 30, 2010)	End of fiscal 2009 (Summary) (As of Mar. 31, 2010)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	183,104	206,655
Short-term loans payable	295,123	296,923
Current portion of long-term loans payable	128,168	96,195
Current portion of bonds	45,225	25,225
Commercial papers	170,000	133,000
Current portion of long-term loans payable under credit fluidity	12,136	13,220
Lease obligations	1,251	915
Income taxes payable	4,059	10,974
Provision for bonuses	2,018	2,234
Provision for directors' bonuses	35	92
Provision for loss on interest repayment	19,645	16,317
Allowance for losses on collecting gift tickets	179	186
Deferred installment income	6,160	6,253
Other	39,075	38,382
Current liabilities	906,182	846,577
Noncurrent liabilities		
Bonds payable	200,900	211,112
Long-term loans payable	679,946	737,436
Long-term loans payable under credit fluidity	89,410	135,910
Lease obligations	3,818	2,889
Provision for retirement benefits	2,299	3,252
Provision for directors' retirement benefits	59	108
Provision for loss on guarantees	4,354	4,486
Allowance for losses on warranty of defects	18	59
Provision for point card certificates	64,418	61,238
Provision for loss on interest repayment	16,548	19,278
Asset retirement obligations	848	—
Negative goodwill	902	1,048
Other	9,916	9,327
Noncurrent liabilities	1,073,440	1,186,147
Liabilities	1,979,622	2,032,724

(Millions of yen)

	End of second quarter fiscal 2010 (As of Sept.. 30, 2010)	End of fiscal 2009 (Summary) (As of Mar. 31, 2010)
(Net assets)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	84,838	84,860
Retained earnings	183,539	179,237
Treasury stock	(6,113)	(6,105)
Shareholders' equity	338,194	333,921
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,806	6,812
Deferred gains or losses on hedges	(2,274)	(1,762)
Valuation and translation adjustments	1,531	5,049
Subscription rights to shares	0	0
Minority interests	2,640	2,434
Net assets	342,365	341,405
Liabilities and net assets	2,321,988	2,374,129

(2) Consolidated Statements of Income

(Millions of yen)

	Second quarter ended Sept. 30, 2009 (April 1, 2009 to Sept. 30, 2009)	Second quarter ended Sept. 30, 2010 (April 1, 2010 to Sept.30, 2010)
Operating revenue		
Income from the credit service business	122,978	117,371
Income from the finance business	16,049	14,859
Income from the real estate related business		
Revenue from the real estate related business	39,198	17,870
Cost of the real estate related business	31,043	12,197
Income from the real estate related business	8,154	5,672
Income from the entertainment business		
Revenue from the entertainment business	43,989	40,661
Cost of the entertainment business	36,465	33,558
Income from the entertainment business	7,523	7,103
Income from the other business		
Revenue from the other business	1,007	—
Cost of the other business	—	—
Income from the other business	1,007	—
Financial revenue	992	260
Operating revenue	156,706	145,266
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	7,193	7,262
Provision of allowance for doubtful accounts	28,711	22,812
Provision for loss on interest repayment	4,217	10,111
Provision for loss on guarantees	2,509	2,092
Commission fee	25,118	23,542
Other	58,890	54,309
Selling, general and administrative expenses	126,640	120,130
Financial expenses	12,085	11,451
Operating expenses	138,726	131,582
Operating income	17,979	13,684

(Millions of yen)

	Second quarter ended Sept. 30, 2009 (April 1, 2009 to Sept. 30, 2009)	Second quarter ended Sept. 30, 2010 (April 1, 2010 to Sept.30, 2010)
Non-operating income		
Interest income	71	25
Dividends income	596	1,798
Amortization of negative goodwill	223	188
Equity in earnings of affiliates	208	1,011
Gain on bad debts recovered	327	893
Other	647	329
Non-operating income	2,074	4,246
Non-operating expenses		
Interest expenses	617	33
Provision of allowance for doubtful accounts	—	131
Other	287	139
Non-operating expenses	904	303
Ordinary income	19,149	17,626
Extraordinary income		
Gain on sales of investment securities	58	—
Gain on change in equity	297	—
Other	6	—
Extraordinary income	362	—
Extraordinary loss		
Loss on valuation of investment securities	866	453
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,224
Other	443	214
Extraordinary loss	1,310	1,892
Income before income taxes and minority interests	18,201	15,734
Income taxes-current	5,479	3,835
Income taxes-deferred	3,858	1,702
Income taxes	9,337	5,538
Income before minority interests	—	10,195
Minority interests in income	206	229
Net income	8,657	9,966

(3) Notes on premise of going concern: Not applicable**(4) Notes on significant changes in shareholder's equity: Not applicable**