

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



February 4, 2011
Stock exchange listings: 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 for filing the quarterly report to Financial Services Agency: February 14, 2011

Scheduled date of payment of Dividends: —

Reference Material: Yes

Investor Meeting: No

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

1. Consolidated Business Results for the Third Quarter Accounting Period (April 1, 2010 to December 31, 2010)

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

| | Operating revenues | | Operating income | | Ordinary income | | Net income | |
|--------------------------------|--------------------|-------|-------------------|--------|-------------------|--------|-------------------|--------|
| | (Millions of yen) | yoy% | (Millions of yen) | yoy% | (Millions of yen) | yoy% | (Millions of yen) | yoy% |
| 3 rd Quarter FY2010 | 219,288 | (6.7) | 25,699 | (17.0) | 30,996 | (6.0) | 18,970 | 10.8 |
| 3 rd Quarter FY2009 | 234,966 | (8.2) | 30,978 | (29.1) | 32,962 | (20.1) | 17,115 | (22.8) |

| | Earnings per share (yen) | Earnings per share (diluted) (yen) |
|--------------------------------|-----------------------------|---------------------------------------|
| 3 rd Quarter FY2010 | 103.30 | 102.53 |
| 3 rd Quarter FY2009 | 94.11 | 93.73 |

(2) Consolidated Financial Position

| | Total assets (Millions of yen) | Equity (Millions of yen) | Equity ratio (%) | Equity per share (yen) |
|--------------------------------|-----------------------------------|-----------------------------|---------------------|---------------------------|
| 3 rd Quarter FY2010 | 2,389,274 | 353,584 | 14.7 | 1,909.79 |
| FY2009 | 2,374,129 | 341,405 | 14.3 | 1,845.82 |

(Reference) Shareholder's equity : FY2010 3rd quarter ¥350,704 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) | 26,000 | (28.1) | 30,500 | (22.0) | 16,500 | (11.7) | 89.85 |

(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):
3rd Quarter FY2010: 185,444,772 shares FY2009: 185,444,772 shares
 - b. Treasury stocks at the end of fiscal year:
3rd Quarter FY 2010: 1,809,812 shares FY2009: 1,802,090 shares
 - c. Average number of shares during the term:
3rd Quarter FY 2010: 183,636,964 shares 3rd Quarter FY2009: 181,859,117 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 third 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 | 285,000 | 20,500 | 24,500 | 12,000 | 65.35 |
| This projected results (B) | 285,000 | 26,000 | 30,500 | 16,500 | 89.85 |
| Increase/decrease (A-B) | — | 5,500 | 6,000 | 4,500 | — |
| Rate of increase/decrease (%) | — | 26.8 | 24.5 | 37.5 | — |
| (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 | 241,000 | 18,000 | 21,000 | 8,500 | 46.27 |
| This projected results (B) | 241,000 | 23,000 | 26,000 | 12,500 | 68.04 |
| Increase/decrease (A-B) | — | 5,000 | 5,000 | 4,000 | — |
| Rate of increase/decrease (%) | — | 27.8 | 23.8 | 47.1 | — |
| (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 third quarter fiscal 2010 (As of Dec. 31, 2010) | End of fiscal 2009 (Summary) (As of Mar. 31, 2010) |
|-----------------------------------|--|--|
| (ASSETS) | | |
| Current assets | | |
| Cash and deposits | 61,794 | 64,232 |
| Accounts receivable-installment | 1,653,131 | 1,688,176 |
| Lease investment assets | 219,850 | 214,242 |
| Operational investment securities | 5,154 | 227 |
| Short-term investment securities | 5,000 | 297 |
| Real estate for sale | 227,442 | 204,799 |
| Purchased receivables | 13,939 | 15,409 |
| Other inventories | 1,317 | 1,397 |
| Other | 61,448 | 64,927 |
| Allowance for doubtful accounts | (113,218) | (121,458) |
| Current assets | 2,135,861 | 2,132,241 |
| Noncurrent assets | | |
| Property, plant and equipment | 61,302 | 60,597 |
| Intangible assets | 71,489 | 57,694 |
| Investments and other assets | | |
| Investments and other assets | 125,141 | 128,306 |
| Allowance for doubtful accounts | (4,982) | (5,038) |
| Investments and other assets | 120,158 | 123,268 |
| Noncurrent assets | 252,949 | 241,560 |
| Deferred assets | 463 | 328 |
| Assets | 2,389,274 | 2,374,129 |

(Millions of yen)

| | End of third quarter fiscal 2010 (As of Dec. 31, 2010) | End of fiscal 2009 (Summary) (As of Mar. 31, 2010) |
|---|--|--|
| (LIABILITIES) | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 207,378 | 206,655 |
| Short-term loans payable | 273,948 | 296,923 |
| Current portion of long-term loans payable | 133,820 | 96,195 |
| Current portion of bonds | 30,225 | 25,225 |
| Commercial papers | 208,000 | 133,000 |
| Current portion of long-term loans payable under credit fluidity | 12,632 | 13,220 |
| Lease obligations | 1,477 | 915 |
| Income taxes payable | 850 | 10,974 |
| Provision for bonuses | 967 | 2,234 |
| Provision for directors' bonuses | 53 | 92 |
| Provision for loss on interest repayment | 18,245 | 16,317 |
| Allowance for losses on collecting gift tickets | 176 | 186 |
| Deferred installment income | 6,317 | 6,253 |
| Other | 43,345 | 38,382 |
| Current liabilities | 937,449 | 846,577 |
| Noncurrent liabilities | | |
| Bonds payable | 225,900 | 211,112 |
| Long-term loans payable | 684,862 | 737,436 |
| Long-term loans payable under credit fluidity | 85,137 | 135,910 |
| Lease obligations | 4,043 | 2,889 |
| Provision for retirement benefits | 2,229 | 3,252 |
| Provision for directors' retirement benefits | 66 | 108 |
| Provision for loss on guarantees | 4,265 | 4,486 |
| Allowance for losses on warranty of defects | 21 | 59 |
| Provision for point card certificates | 65,490 | 61,238 |
| Provision for loss on interest repayment | 15,267 | 19,278 |
| Asset retirement obligations | 853 | — |
| Negative goodwill | 808 | 1,048 |
| Other | 9,297 | 9,327 |
| Noncurrent liabilities | 1,098,241 | 1,186,147 |
| Liabilities | 2,035,690 | 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 | 192,543 | 179,237 |
| Treasury stock | (6,114) | (6,105) |
| Shareholders' equity | 347,196 | 333,921 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 5,520 | 6,812 |
| Deferred gains or losses on hedges | (2,013) | (1,762) |
| Valuation and translation adjustments | 3,507 | 5,049 |
| Subscription rights to shares | 0 | 0 |
| Minority interests | 2,880 | 2,434 |
| Net assets | 353,584 | 341,405 |
| Liabilities and net assets | 2,389,274 | 2,374,129 |

(2) Consolidated Statements of Income

(Millions of yen)

| | Third quarter ended Dec. 31, 2009 (April 1, 2009 to Dec. 31, 2009) | Third quarter ended Dec. 31, 2010 (April 1, 2010 to Dec. 31, 2010) |
|---|---|---|
| Operating revenue | | |
| Income from the credit service business | 184,752 | 175,676 |
| Income from the finance business | 23,792 | 22,492 |
| Income from the real estate related business | | |
| Revenue from the real estate related business | 53,622 | 34,604 |
| Cost of the real estate related business | 40,883 | 24,374 |
| Income from the real estate related business | 12,738 | 10,230 |
| Income from the entertainment business | | |
| Revenue from the entertainment business | 63,705 | 60,083 |
| Cost of the entertainment business | 52,651 | 49,556 |
| Income from the entertainment business | 11,053 | 10,527 |
| Income from the other business | | |
| Revenue from the other business | 1,523 | — |
| Cost of the other business | — | — |
| Income from the other business | 1,523 | — |
| Financial revenue | 1,106 | 362 |
| Operating revenue | 234,966 | 219,288 |
| Operating expenses | | |
| Selling, general and administrative expenses | | |
| Provision for point card certificates | 10,766 | 10,982 |
| Provision of allowance for doubtful accounts | 41,875 | 33,627 |
| Provision for loss on interest repayment | 4,928 | 12,434 |
| Provision for loss on guarantees | 3,762 | 3,040 |
| Commission fee | 37,077 | 35,631 |
| Other | 87,380 | 80,959 |
| Selling, general and administrative expenses | 185,790 | 176,675 |
| Financial expenses | 18,198 | 16,913 |
| Operating expenses | 203,988 | 193,589 |
| Operating income | 30,978 | 25,699 |

(Millions of yen)

| | Third quarter ended Dec. 31, 2009 (April 1, 2009 to Dec. 31, 2009) | Third quarter ended Dec. 31, 2010 (April 1, 2010 to Dec. 31, 2010) |
|--|---|---|
| Non-operating income | | |
| Interest income | 86 | 37 |
| Dividends income | 947 | 2,148 |
| Amortization of negative goodwill | 315 | 282 |
| Equity in earnings of affiliates | 390 | 1,582 |
| Gain on bad debts recovered | 505 | 1,144 |
| Other | 779 | 432 |
| Non-operating income | 3,024 | 5,628 |
| Non-operating expenses | | |
| Interest expenses | 657 | 48 |
| Provision of allowance for doubtful accounts | — | 121 |
| | — | 75 |
| Other | 382 | 85 |
| Non-operating expenses | 1,039 | 331 |
| Ordinary income | 32,962 | 30,996 |
| Extraordinary income | | |
| Gain on sales of investment securities | 58 | — |
| Gain on change in equity | 297 | — |
| Other | 52 | — |
| Extraordinary income | 408 | — |
| Extraordinary loss | | |
| Loss on valuation of investment securities | 955 | 453 |
| Loss on sales of investment securities | 18 | 55 |
| Loss on business liquidation of subsidiaries and affiliates | 362 | — |
| Loss on adjustment for changes of accounting standard for asset retirement obligations | — | 1,224 |
| Other | 207 | 186 |
| Extraordinary loss | 1,543 | 1,919 |
| Income before income taxes and minority interests | 31,827 | 29,076 |
| Income taxes-current | 8,540 | 4,897 |
| Income taxes-deferred | 5,843 | 4,739 |
| Income taxes | 14,383 | 9,637 |
| Income before minority interests | — | 19,438 |
| Minority interests in income | 328 | 468 |
| Net income | 17,115 | 18,970 |

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