

《Translation of excerpted sections》

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2013

[JGAAP]



August 3, 2012
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: August 10, 2012

Scheduled date to commence dividend payments: –

Preparation of supplementary material on quarterly financial results: Yes

Holding of quarterly financial results presentation meeting: None

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

1. Consolidated Results for the First Quarter of the Fiscal Year Ending March 31, 2013 (April 1, 2012 to June 30, 2012)

(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)	(%)
1 st Quarter FY2012	61,501	(4.6)	12,124	7.5	15,600	21.4	10,731	8.7
1 st Quarter FY2011	64,480	(11.9)	11,282	(0.7)	12,845	2.1	9,875	46.3

(Note) Comprehensive income: 1st Quarter FY2012 10,111 million yen [6.9%]

1st Quarter FY2011 9,456 million yen [109.3%]

	Net income per share	Net income per share
	(Yen)	(diluted) (Yen)
1 st Quarter FY2012	58.44	58.33
1 st Quarter FY2011	53.78	53.75

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
1 st Quarter FY2012	2,153,680	361,397	16.6
FY2011	2,155,906	355,727	16.4

(Reference) Equity: 1st Quarter FY2012 358,300 million yen FY2011 352,695 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)
FY2011	–	0.00	–	30.00	30.00
FY2012	–				
FY2012 (Projected)		0.00	–	30.00	30.00

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

3. Consolidated Earning Forecasts for Fiscal 2012 (April 1, 2012 to March 31, 2013)

(% represents year-on-year change)

	Operating revenue		Operating income		Ordinary income		Net income		Net income per share (Yen)
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	
First six months	123,500	(3.2)	20,000	(8.4)	23,500	(5.9)	13,000	(25.8)	70.79
FY2012	250,000	2.5	43,000	34.9	50,000	29.6	29,000	206.8	157.92

(Note) Revision of consolidated earning forecasts most recently announced: None

Notes

- (1) Changes in significant subsidiaries during the first quarter: None
(Changes in specified subsidiaries resulting in changes in the scope of consolidation)
- (2) Application of specific accounting for preparing consolidated quarterly 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):

1 st Quarter FY2012:	185,444,772 shares	FY2011:	185,444,772 shares
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 - b. Number of treasury shares at the end of the period:

1 st Quarter FY2012:	1,811,610 shares	FY2011:	1,811,527 shares
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 - c. Average number of outstanding shares during the period (cumulative):

1 st Quarter FY2012:	183,633,196 shares	1 st Quarter FY2011:	183,634,633 shares
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- 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 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 projected results 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.

Consolidated Quarterly Financial Statements
(1) Consolidated Quarterly Balance Sheets

(Millions of yen)

	FY2011 (As of March 31, 2012)	First quarter of FY2012 (As of June 30, 2012)
(ASSETS)		
Current assets		
Cash and deposits	60,085	59,602
Accounts receivable-installment	1,379,146	1,324,094
Lease investment assets	218,389	219,063
Operational investment securities	16,616	16,045
Real estate for sale	183,784	85,668
Purchased receivables	10,315	9,859
Other inventories	1,251	1,250
Other	40,499	40,570
Allowance for doubtful accounts	(95,172)	(74,728)
Total current assets	1,814,916	1,681,426
Noncurrent assets		
Property, plant and equipment	63,136	56,363
Intangible assets	98,938	99,694
Investments and other assets		
Liquidation business assets	-	152,141
Other	180,821	182,157
Allowance for doubtful accounts	(2,257)	(18,476)
Total investments and other assets	178,563	315,822
Total noncurrent assets	340,638	471,880
Deferred assets	350	373
Total assets	2,155,906	2,153,680

(Millions of yen)

	FY2011 (As of March 31, 2012)	First quarter of FY2012 (As of June 30, 2012)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	240,949	239,499
Short-term loans payable	234,190	213,610
Current portion of long-term loans payable	192,124	211,076
Current portion of bonds	10,225	30,225
Commercial papers	32,000	65,000
Current portion of long-term loans payable under credit fluidity	41,079	43,530
Lease obligations	1,973	1,761
Income taxes payable	9,465	2,276
Provision for bonuses	1,984	1,601
Provision for directors' bonuses	153	29
Provision for loss on interest repayment	13,246	11,794
Allowance for losses on collecting gift tickets	182	178
Deferred installment income	5,840	5,952
Other	41,298	39,773
Total current liabilities	824,713	866,307
Noncurrent liabilities		
Bonds payable	210,662	190,662
Long-term loans payable	619,722	600,369
Long-term loans payable under credit fluidity	44,872	34,574
Lease obligations	2,953	2,613
Provision for directors' retirement benefits	92	59
Provision for loss on guarantees	4,067	4,273
Allowance for losses on warranty of defects	16	16
Provision for point card certificates	70,661	70,726
Provision for loss on interest repayment	11,573	11,331
Asset retirement obligations	830	839
Negative goodwill	329	246
Other	9,683	10,260
Total noncurrent liabilities	975,465	925,974
Total liabilities	1,800,178	1,792,282

(Millions of yen)

	FY2011 (As of March 31, 2012)	First quarter of FY2012 (As of June 30, 2012)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	84,838	84,838
Retained earnings	189,535	195,838
Treasury stock	(6,116)	(6,116)
Total shareholders' equity	344,186	350,489
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,044	9,323
Deferred gains or losses on hedges	(1,535)	(1,512)
Total accumulated other comprehensive income	8,508	7,810
Subscription rights to shares	0	0
Minority interests	3,032	3,097
Total net assets	355,727	361,397
Total liabilities and net assets	2,155,906	2,153,680

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

(Millions of yen)

	First quarter of FY2011 (April 1, 2011 to June 30, 2011)	First quarter of FY2012 (April 1, 2012 to June 30, 2012)
Operating revenue		
Income from the credit service business	50,000	47,460
Income from the lease business revenue	3,618	3,630
Revenue from the finance business	3,784	4,128
Income from the real estate related business		
Revenue from the real estate related business	12,533	9,128
Cost of the real estate related business	8,667	6,390
Income from the real estate related business	3,865	2,737
Income from the entertainment business		
Revenue from the entertainment business	17,384	19,962
Cost of the entertainment business	14,329	16,494
Income from the entertainment business	3,054	3,467
Financial revenue	155	76
Total operating revenue	64,480	61,501
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	2,987	1,574
Provision of allowance for doubtful accounts	6,825	3,841
Provision for loss on interest repayment	999	1,279
Provision for loss on guarantees	806	936
Commission fee	11,639	12,495
Other	24,855	25,336
Total selling, general and administrative expenses	48,112	45,463
Financial expenses	5,084	3,914
Total operating expenses	53,197	49,377
Operating income	11,282	12,124
Non-operating income		
Interest income	9	9
Dividends income	555	550
Amortization of negative goodwill	93	82
Equity in earnings of affiliates	601	1,482
Gain on liquidation business	-	1,045
Other	349	333
Total non-operating income	1,609	3,503
Non-operating expenses		
Interest expenses	14	10
Equity in loss of limited liability partnerships and other similar partnerships	9	8
Other	22	7
Total non-operating expenses	46	26
Ordinary income	12,845	15,600
Extraordinary income		
Gain on sales of investment securities	9	0
Gain on sales of subsidiaries and affiliates' stocks	7,140	-
Total extraordinary income	7,149	0

(Millions of yen)

	First quarter of FY2011 (April 1, 2011 to June 30, 2011)	First quarter of FY2012 (April 1, 2012 to June 30, 2012)
Extraordinary loss		
Loss on disposal of noncurrent assets	-	17
Loss on sales of investment securities	-	13
Loss on disaster	105	-
Other	1	6
Total extraordinary losses	107	37
Income before income taxes and minority interests	19,887	15,563
Income taxes-current	5,887	2,155
Income taxes-deferred	4,092	2,597
Total income taxes	9,979	4,753
Income before minority interests	9,907	10,809
Minority interests in income	31	78
Net income	9,875	10,731

Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	First quarter of FY2011 (April 1, 2011 to June 30, 2011)	First quarter of FY2012 (April 1, 2012 to June 30, 2012)
Income before minority interests	9,907	10,809
Other comprehensive income		
Valuation difference on available-for-sale securities	(699)	(736)
Deferred gains or losses on hedges	(22)	23
Share of other comprehensive income of associates accounted for using equity method	269	13
Total other comprehensive income	(451)	(698)
Comprehensive income	9,456	10,111
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	9,425	10,033
Comprehensive income attributable to minority interests	30	77

(5) Segment information, etc

Segment information

For the quarter ended June 30, 2011 (from April 1, 2011 to June 30, 2011)

Information regarding sales, income and other items by reportable segments

(Unit: Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	50,149	3,618	3,791	3,865	3,054	64,480	-	64,480
Inter-segment revenue and transfer	230	6	61	21	0	319	(319)	-
Total	50,379	3,625	3,852	3,887	3,054	64,799	(319)	64,480
Segment income	6,837	1,207	1,807	1,034	480	11,368	(85)	11,282

(Notes)1. Adjustments include inter-segment eliminations.

2. Segment income is adjusted to total operating income in the consolidated quarterly statements of income.

For the quarter ended June 30, 2012 (from April 1, 2012 to June 30, 2012)

Information regarding sales, income and other items by reportable segments

(Unit: Millions of yen)

	Reportable segments						Adjustments	Consolidated quarterly statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	47,536	3,630	4,128	2,737	3,467	61,501	-	61,501
Inter-segment revenue and transfer	246	6	61	22	0	336	(336)	-
Total	47,782	3,637	4,189	2,760	3,468	61,838	(336)	61,501
Segment income	7,243	1,899	2,224	177	625	12,170	(46)	12,124

(Notes)1. Adjustments include inter-segment eliminations.

2. Segment income is adjusted to total operating income in the consolidated quarterly statements of income.