

《Translation of excerpted sections》

Consolidated Financial Statements for the First Quarter of the Fiscal Year Ending March 31, 2014

[JGAAP]



August 7, 2013
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 14, 2013

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, 2014 (April 1, 2013 to June 30, 2013)

(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 FY2013	62,166	1.1	10,910	(10.0)	13,232	(15.2)	8,171	(23.9)
1 st Quarter FY2012	61,501	(4.6)	12,124	7.5	15,600	21.4	10,731	8.7

(Note) Comprehensive income: 1st Quarter FY2013 12,801 million yen [26.6%]
1st Quarter FY2012 10,111 million yen [6.9%]

	Net income per share	Net income per share (diluted)
	(Yen)	(Yen)
1 st Quarter FY2013	44.50	44.26
1 st Quarter FY2012	58.44	58.33

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	(Millions of yen)	(Millions of yen)	(%)
1 st Quarter FY2013	2,162,062	402,149	18.4
FY2012	2,141,802	394,868	18.3

(Reference) Equity: 1st Quarter FY2013 398,586 million yen FY2012 391,426 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)
FY2012	–	0.00	–	30.00	30.00
FY2013	–				
FY2013 (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	124,000	1.3	20,500	(8.6)	22,000	(21.3)	13,000	(26.5)	70.79
FY2013	251,000	2.7	43,500	2.8	51,300	(3.6)	32,000	(2.3)	174.26

(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 FY2013:	185,444,772 shares	FY2012:	185,444,772 shares
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 - b. Number of treasury shares at the end of the period:

1 st Quarter FY2013:	1,813,289 shares	FY2012:	1,812,612 shares
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 - c. Average number of outstanding shares during the period (cumulative):

1 st Quarter FY2013:	183,631,756 shares	1 st Quarter FY2012:	183,633,196 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)

	FY2012 (As of March 31, 2013)	First quarter of FY2013 (As of June 30, 2013)
(ASSETS)		
Current assets		
Cash and deposits	57,524	59,294
Accounts receivable-installment	1,291,731	1,289,833
Lease investment assets	219,571	221,345
Operational investment securities	13,846	16,548
Real estate for sale	79,902	78,234
Purchased receivables	9,303	9,086
Other inventories	1,339	1,416
Other	36,044	44,992
Allowance for doubtful accounts	(64,910)	(63,060)
Total current assets	1,644,355	1,657,691
Noncurrent assets		
Property, plant and equipment	64,837	64,151
Intangible assets	114,296	118,496
Investments and other assets		
Liquidation business assets	137,956	135,034
Other	197,897	204,047
Allowance for doubtful accounts	(18,042)	(17,927)
Total investments and other assets	317,811	321,153
Total noncurrent assets	496,945	503,801
Deferred assets	500	568
Total assets	2,141,802	2,162,062

(Millions of yen)

	FY2012 (As of March 31, 2013)	First quarter of FY2013 (As of June 30, 2013)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable-trade	256,283	255,954
Short-term loans payable	212,960	208,410
Current portion of long-term loans payable	118,937	120,749
Current portion of bonds	30,225	225
Commercial papers	15,000	75,000
Current portion of long-term loans payable under credit fluidity	35,714	28,321
Lease obligations	1,941	1,503
Income taxes payable	7,744	7,927
Provision for bonuses	2,083	1,660
Provision for directors' bonuses	146	32
Provision for loss on interest repayment	9,290	8,129
Allowance for losses on collecting gift tickets	175	172
Deferred installment income	6,278	6,479
Other	39,112	43,039
Total current liabilities	735,893	757,603
Noncurrent liabilities		
Bonds payable	230,437	250,437
Long-term loans payable	673,874	648,509
Long-term loans payable under credit fluidity	8,548	5,497
Lease obligations	2,217	2,110
Provision for directors' retirement benefits	74	67
Provision for loss on guarantees	4,209	4,337
Allowance for losses on warranty of defects	19	19
Provision for point card certificates	71,532	72,854
Provision for loss on interest repayment	9,744	8,656
Asset retirement obligations	853	858
Other	9,528	8,960
Total noncurrent liabilities	1,011,040	1,002,308
Total liabilities	1,746,933	1,759,912

(Millions of yen)

	FY2012 (As of March 31, 2013)	First quarter of FY2013 (As of June 30, 2013)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	84,838	84,838
Retained earnings	217,882	220,542
Treasury stock	(6,118)	(6,120)
Total shareholders' equity	372,531	375,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	20,391	24,192
Deferred gains or losses on hedges	(1,496)	(796)
Total accumulated other comprehensive income	18,894	23,396
Subscription rights to shares	0	0
Minority interests	3,442	3,563
Total net assets	394,868	402,149
Total liabilities and net assets	2,141,802	2,162,062

(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 FY2012 (April 1, 2012 to June 30, 2012)	First quarter of FY2013 (April 1, 2013 to June 30, 2013)
Operating revenue		
Income from the credit service business	47,460	46,382
Income from the Lease business revenue	3,630	3,471
Revenue from the finance business	4,128	4,621
Income from the real estate related business		
Revenue from the real estate related business	9,128	14,969
Cost of the real estate related business	6,390	10,802
Income from the real estate related business	2,737	4,166
Income from the entertainment business I		
Revenue from the entertainment business	19,962	19,144
Cost of the entertainment business	16,494	15,748
Income from the entertainment business	3,467	3,396
Financial revenue	76	128
Total operating revenue	61,501	62,166
Operating expenses		
Selling, general and administrative expenses		
Provision for point card certificates	1,574	3,109
Provision of allowance for doubtful accounts	3,841	3,622
Provision for loss on interest repayment	1,279	61
Provision for loss on guarantees	936	951
Commission fee	12,495	13,604
Other	25,336	26,581
Total selling, general and administrative expenses	45,463	47,930
Financial expenses	3,914	3,326
Total operating expenses	49,377	51,256
Operating income	12,124	10,910
Non-operating income		
Interest income	9	7
Dividends income	550	510
Equity in earnings of affiliates	1,482	1,328
Gain on liquidation business	1,045	-
Other	415	612
Total non-operating income	3,503	2,458
Non-operating expenses		
Interest expenses	10	9
Equity in loss of limited liability partnerships and other similar partnerships	8	8
Loss on liquidation of business	-	107
Other	7	10
Total non-operating expenses	26	136
Ordinary income	15,600	13,232
Extraordinary income		
Gain on sales of investment securities	0	-
Total extraordinary income	0	-

(Millions of yen)

	First quarter of FY2012 (April 1, 2012 to June 30, 2012)	First quarter of FY2013 (April 1, 2013 to June 30, 2013)
Extraordinary loss		
Loss on disposal of noncurrent assets	17	7
Loss on sales of investment securities	13	-
Impairment loss	3	19
Other	3	2
Total extraordinary losses	37	29
Income before income taxes and minority interests	15,563	13,203
Income taxes-current	2,155	7,666
Income taxes-deferred	2,597	(2,762)
Total income taxes	4,753	4,903
Income before minority interests	10,809	8,300
Minority interests in income	78	128
Net income	10,731	8,171

Consolidated Quarterly Statements of Comprehensive Income (Cumulative)

(Millions of yen)

	First quarter of FY2012 (April 1, 2012 to June 30, 2012)	First quarter of FY2013 (April 1, 2013 to June 30, 2013)
Income before minority interests	10,809	8,300
Other comprehensive income		
Valuation difference on available-for-sale securities	(736)	3,082
Deferred gains or losses on hedges	23	700
Share of other comprehensive income of associates accounted for using equity method	13	718
Total other comprehensive income	(698)	4,501
Comprehensive income	10,111	12,801
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	10,033	12,673
Comprehensive income attributable to minority interests	77	128

(3) Segment information, etc

Segment information

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.

For the quarter ended June 30, 2013 (from April 1, 2013 to June 30, 2013)

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	46,511	3,471	4,621	4,166	3,396	62,166	-	62,166
Inter-segment revenue and transfer	282	5	-	19	0	308	(308)	-
Total	46,793	3,477	4,621	4,185	3,396	62,474	(308)	62,166
Segment income	4,663	1,510	2,306	1,909	519	10,909	0	10,910

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

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